

Stock Code: 3990.HK

美的置业

2019

Environmental, Social and Governance Report

2019 ESG

Environmental, Social and Governance

美的置业控股有限公司
MIDEA REAL ESTATE HOLDING LIMITED
(Incorporated in the Cayman Islands with limited liability)

SMART LIFE
BEAUTIFUL LIFE

About This Report

Basis of Compilation

This report is compiled in accordance with Appendix 27 of "Environmental, Social and Governance Reporting Guide" in the Main Board Listing Rules by The Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange").

Scope of Report

This report is the second Environmental, Social and Governance (ESG) report produced by Midea Real Estate Holding Limited (the "Company"). The time frame of this report is from 1 January 2019 to 31 December 2019. This report is focused on disclosing the performance of ESG and related information from Midea Real Estate Holding Limited and its subsidiaries. To enhance the readability and broaden the perspective of this report, certain contents have been extended to future years. Unless otherwise specified, the information in relation to the novel coronavirus pandemic ("COVID-19") contained herein shall refer to the information as of 31 March 2020. Unless otherwise specified, the scope of this report is consistent with that of the 2019 annual report of Midea Real Estate Holding Limited.

Source of Data

This report follows the principles of materiality, quantitative, balance and consistency required by the Environmental, Social and Governance Reporting Guide. All case studies and data cited in this report come from the Midea Real Estate's internal statistical statements, administrative documents, and public information. The Group states that this report is free from any false records or misleading statements, and may be held responsible for the truthfulness, accuracy and integrity of the contents.

Appellation Statement

For the convenience of expression and reading, the terms "Midea Real Estate," "the Group," and "we/us" in this report refer to Midea Real Estate Holding Limited and its subsidiaries.

Approval of Report

In accordance with the principle of materiality set forth in the Environmental, Social, and Governance Reporting Guide, this report was deliberated and approved by the board of directors of the Company to be released on 29 May 2020.

Acquisition of Report

The report includes both Chinese and English versions. An electronic version of this report is available on HKEX News (<https://www.hkexnews.hk>) and the Group's official website (<https://www.mideadc.com>).

Feedback

If you have any question about this report or wish to provide feedback on it, please contact us by the following means or scan our QR code to provide your question or feedback.

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Statement on Responsibility

The year of 2019 was a crucial year for Midea Real Estate as it had successfully moved up the higher echelons of the real estate industry and achieved its growth in scale. While focusing on the principal business of real estate development, Midea Real Estate had continued to refine and implement the strategy of having "one principal and two secondary business lines" (一主两翼), maintained steady growth in profits and continued to lower leverage. Its achievements had materialised in the development of quality in its operations, products, finances and organisational aspects, resulting in the strengthening of its comprehensive capabilities. Selected as one of top 26 listed real estate companies in China, Midea Real Estate has been included in the constituent of the Hang Seng Composite LargeCap & MidCap Index and the Hang Seng Stock Connect Greater Bay Area Composite Index, and has been awarded with the Award of Excellence, among other honors.

While achieving high-quality and steady growth, Midea Real Estate has been pursuing a corporate development pattern driven by the principles of sustainable development. Focusing on the improvement of intelligence capabilities, safety management, product quality, and the acceleration of building industrialisation, Midea Real Estate has empowered the better life and supported the city advancement.

Maintaining a Solid and Safe Production Line of Defence and Strengthening the Core Competitiveness of Products to Lead the Smart Life Industry

In 2019, the Group resolutely promoted its safe production management system, improved its four-level safety monitoring and control framework covering the headquarters, regions, cities, and projects, and also established a veto system for safety incidents. The Smart Construction Site Project was also unfolded on a trial basis to consolidate safety management through digital methods and maintaining a solid and safe production line of defence. Efforts were made to comprehensively promote new technologies, materials and processes, relising the goals of shortening the construction period, eliminating hidden issues of quality, saving energy and protecting the environment. Area of New Process Applications reached 7.17million m². The Group has developed intelligent industrialisation. Focusing on the development orientation as a "Smart Property Manufacturer", the Group has continuously build the product value system of "5M Smart Health Community", and has empowered business development by adopting digital capabilities. Within the year, the Group developed the functions of the first phase of the artificial intelligence ("AI") community and home hub and launched a smart switch panel with most complete category in the industry, striving to meet users' needs and demands in a smart and healthy manner.

Focusing on the Development of Eco-friendly Prefabricated Buildings for Building Industrialisation to Construct a Resource-Saving and Eco-Friendly Society

In 2019, the Group advanced the implementation of the building industrialisation strategy. The Green Prefabricated Building Park in Xuzhou and Handan were officially put into production respectively, and the first batch of PC products for building industrialisation was delivered and the initial hoisting completed; Guangdong Ruizhu Youka Technology Co., Ltd. (廣東睿住優卡科技有限公司, "Ruizhu Youka"), in which the Group holds interests, launched the first production line for assembled prefabricated sanitary ware in China; and the Group imposed stringent controls on the full-lifecycle environmental management of its buildings, from design to operation. 95 new eco-friendly construction projects were initiated throughout the year, generating a new eco-friendly construction area of 16.76 million square meters. We also founded the "Low-Carbon Healthy Habitat Environment Research Centre" with our partners to invigorate industrial development and eco-friendly living through innovation.

Enhancing Organisational Quality and Activating Internal Human Capital to Encourage Employees to Grow Together by Advocating Strong Peer Culture

In 2019, the Group further optimized its organisational quality. Our headquarters was further streamlined and specialised, where the model of detailed management was replaced with dynamic monitoring and results-based evaluation, thereby achieving aspects of professional, mechanism and process delegation to the regional companies. The Group's internal competitive selection mechanism was comprehensively implemented by organising open competitive selection of candidates for vacancies across the entire Group, thereby improving the selection and appointment of outstanding employees. By continuously improving decision-making and assessment mechanisms, employees were encouraged to give play to their strengths, and a diversified and differentiated training system was established, and the Group continued to build a "high-potential and enterprising" talent team to facilitate long-term corporate development through growth of talent.

Exploring the Path of Rural Revitalisation and Launching Innovative Public Benefit Programs to Build a Harmonious and Beautiful Life for More People

In active response to the state's call for poverty alleviation, the Group worked with the Shaoguan Philanthropic Foundation in 2019 to explore rural revitalisation and development pathways for Shaoguan. In response to local rural living conditions, 11 houses were rebuilt and 25 houses were repaired. Rural hydraulic engineering construction was performed, ensuring the safety of the villagers' drinking water, 23,621 villagers were benefited. And the public spaces of villages were re-organized based on the villagers' needs to improve their quality of life. The Midea Real Estate Volunteer Team was further built to continuously conduct volunteer activities in the fields of education, health, care for disadvantaged groups and environmental protection, contributing to the creation of a more beautiful life through our resources and technical advantages.

Within the report preparation period, the COVID-19 broke out and quickly spread across the country. In response to this, the Group immediately initiated its emergency plan, rapidly acting to implement epidemic prevention and control measures. The Group mobilized its regional companies and industrial subsidiaries to invest over RMB18.50 million to support the fight against the epidemic and alleviate the business pressure of its tenants, ensuring the supply of about 3,000 assembled sanitary wares for hospitals at the frontline, facilitating the fight against the disease and safeguarding public health. An effective defence line of virus isolation was established for homeowners with specialised services to keep the communities safe.

As we continue to forge ahead while shouldering our responsibilities, we will remain tenaciously loyal to our original goals and lean manufacturing DNA. While pursuing strategic consolidation, the Group is dedicated to growing into a top-tier socially responsible enterprise, supporting high-quality lifestyles, using smart technologies to create greater convenience and more benefits for the public and society.

About Us

Group Profile

Midea Real Estate Holding Limited listed on the Hong Kong Stock Exchange on 11 October, 2018 (Stock Code: 3990.HK), is one of Top 26 listed real estate companies in China, one of Top 100 private enterprises in Guangdong Province, and a leading smart property manufacturer. Founded in 2004, the Group has been focusing on property development and service complemented by intelligent industrialisation and building industrialisation, guided by its development goal of smart property manufacturer, and aims to create better lifestyle by building "5M Smart Health Community". As of 31 December 2019, we have established 278 premium projects in 59 cities in 5 core economic regions, including the Pearl River Delta Economic Region ("Pearl River Delta"), the Yangtze River Delta Economic Region ("Yangtze River Delta"), the Midstream Yangtze River Economic Region ("Midstream Yangtze River"), the North China Region, and the Southwest Economic Region. The annual recorded contract sales exceeded RMB100 billion, elevating its development into a new level.

Responsibilities in 2019

Business Performance

	Performance in 2019	Improvement from 2018
Financial Performance	Total Assets	¥249,713.8million ▲ Up by 40.8%
	Total Equity	¥31,138.3million ▲ Up by 32.0%
	Revenue	¥41,138.6million ▲ Up by 36.6%
	Operating Profit	¥7,903.3million ▲ Up by 18.0%
	Net Profit/Profit Attributable to Owners of the Company	¥4,326.6million ▲ Up by 31.6%
Product Service	Number of Cities Covered by Business Operations	59cities ▲ Up by 22.9%
	Land Reserves	52.63million m ² ▲ Up by 16.8%
	Area of New Process Applications	7.17million m ² ▲ Up by 61.9%
	Product R&D Investment	¥68.79million ▲ Up by 370.5%
	Number of Smart Community Projects Completed	Over 200Projects /
	Smart Home Projects Delivered	Over 30,000Projects /
Customer Satisfaction Rate	78% ▲ Up by 1%	
Capital Market	Included in the constituent of the Hang Seng Composite LargeCap & MidCap Index and the Hang Seng Stock Connect Greater Bay Area Composite Index	

Social Performance

	Performance in 2019	Improvement from 2018
Compliance Employment	Total Number of Employees	14,413Employees ▲ Up by 17.4%
	Female Employee Ratio	38.8% ▲ Up by 0.55%
	Labor Contract Signing Rate	100% Remained steady
	Social Insurance Coverage Rate	100% Remained steady
Safety and Health	Employee Physical Examination Coverage Rate	100% Remained steady
	Number of Work Safety Training Sessions	885sessions ▲ Up by 249.8%
Training and Development	Employees Trained Coverage Rate	100% Remained steady
	Total Training Investment	¥15.98million ▲ Up by 34.3%
Employee Care	Donations to Financially-Stricken Employees	¥254,000 ▲ Up by 69.3%
Democratic Management	Employee Satisfaction Rate	99.9% Remained steady
Charity*	Total Charitable Donations	¥5,878.9thousand ▲ Up by 41.6%
	Total Donations to Fight Against Coronavirus Epidemic	¥18.5million /

Environmental Performance

	Performance in 2019	Improvement from 2018
Energy Conservation and Emission Reduction*	Cumulative Certified Eco-friendly Building Area	16,757,146.4m ² ▲ Up by 431.5%
	Intensity of Total Carbon Dioxide Emissions	0.15Tons/million of revenue ▲ Up by 15.4%
	Intensity of Energy Consumption	0.21MWh/million of revenue ▼ Down by 19.2%
	Intensity of Water Consumption	2.81m ³ /million of revenue ▼ Down by 47.9%

*The total public welfare investment in 2018 is converted according to the Central Parity Rate of Hong Kong Dollar against RMB on 31 December, 2018 (1 Hong Kong dollar against RMB 0.87620).

*For the statistical scope of energy saving and emission reduction data, please refer to the notes in the Appendix ESG KPIs.

Key Honors

	Honors	Honored by
	Top 26 Chinese Listed Real Estate Companies in 2019	Guandian Index Academy
	2019 Best 10 of Development of Real Estate Developers	China Real Estate Association
	Top 20 Competitive Chinese Real Estate Companies in the Guangdong-Hong Kong-Macau Greater Bay Area in 2019	EH Consulting
	Listed Companies with outstanding Growth Value in 2019	Southern Finance Omnimedia Corp. 21st Century Business Herald
Investment Value	Chinese Real Estate Developers with Most Brand Value in 2019 - Top 10 Companies of Investment Value in Guangdong-Hong Kong-Macau Greater Bay Area	EH Consulting
Product Quality	2019 Comprehensive Competitiveness in Smart Real Estate	21st Century Media
	Golden Award for Smart Property Brand at 2019 Golden Cicada Cannes International Festival of Creativity	house.ifeng.com
	"Future Town Series" Included in 2019 Top 10 Quality Residence Product Series and 2019 Top 10 Ingeniously Crafted Residence Product Series of Chinese Real Estate Developers	E-House CRIC Research Centre & Shanghai Wishbuild Information Technology Co., Ltd.
	"Cloud Mansion Series" Included Top 10 in "2019 Best 100 Brand Value Product Series of Chinese Real Estate Developers" and "2019 Top 10 Luxury and Large-sized Residence Product Series of Chinese Real Estate Developers"	Leju News Institute
Social Honors	Award of Excellence	The Community Chest of Hong Kong
	Guangdong Real Estate Developer Making Outstanding Contributions to Targeted Poverty Alleviation	Guangdong Real Estate Association

Building a Better Life through Intelligence

Midea Real Estate upholds its vision of being "A Pioneer in Smart Living" and views quality assurance as its due responsibility. The Group has integrated its lean management mindset from manufacturing into its total process management for projects, thereby laying a solid foundation of work safety, creating ideal quality residences, exploring superior and human-centric services, and building smart, warm, and harmonious lives for our customers.

Key Actions in 2019

- Rolled out the first AI community with community brain function
- Launched the "Skynet Campaign" to eliminate nonconforming materials and components with a "zero-tolerance" attitude
- Comprehensively promoted the Jiangxin (匠芯) construction system to comprehensively fulfill the goals of reducing construction periods, eliminating quality hazards, conserving energy, and protecting the environment
- Held the Group's first "Happiness Festival" to build happy communities
- Unfolded the Intelligent Construction Site Project on a trial basis to consolidate safety management through digitalisation
- Renewed and upgraded four residence brands including the "City Mansion, Royal Orchid, Cloud Mansion, and Future Town"
- Established the industry-first Smart Life Research Institute to support smart lifestyle upgrades

Key Results in 2019

- Area of new process applications reached **7.17** million m²
- The Group's first "Happiness Festival" provided diversified services for about **600,000** homeowners and customers
- The Intelligent Construction Site system was piloted in **6** projects, and **70%** of hardware construction was completed
- The Smart Life Research Institute applied for **31** patents and was awarded **1** software copyright

Key Issues



Quality of Products and Services



Customer Complaint Response



User's Security Protection



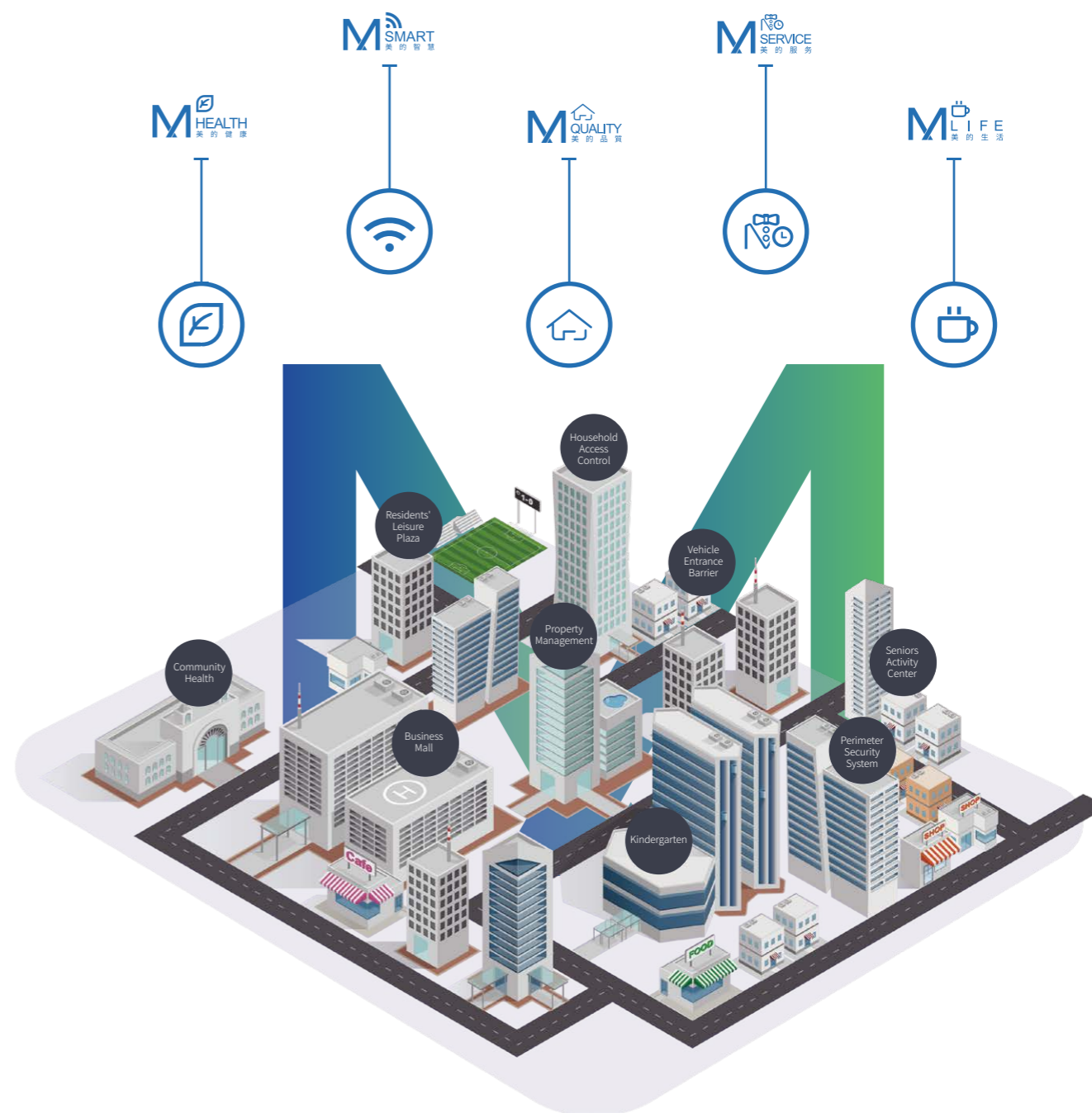
Consumer Privacy Protection

01 | Focus on 2019 · Building Smart Houses and Decoding Smart Living

5M System for Smart Development

Practicing its goal of becoming "a smart property manufacturer", Midea Real Estate has put in place a "5M Smart Health Community" product system centred on safety, health, energy conservation, and user-friendliness in order to build comprehensive aspirational lifestyles from housing construction to smart living support.

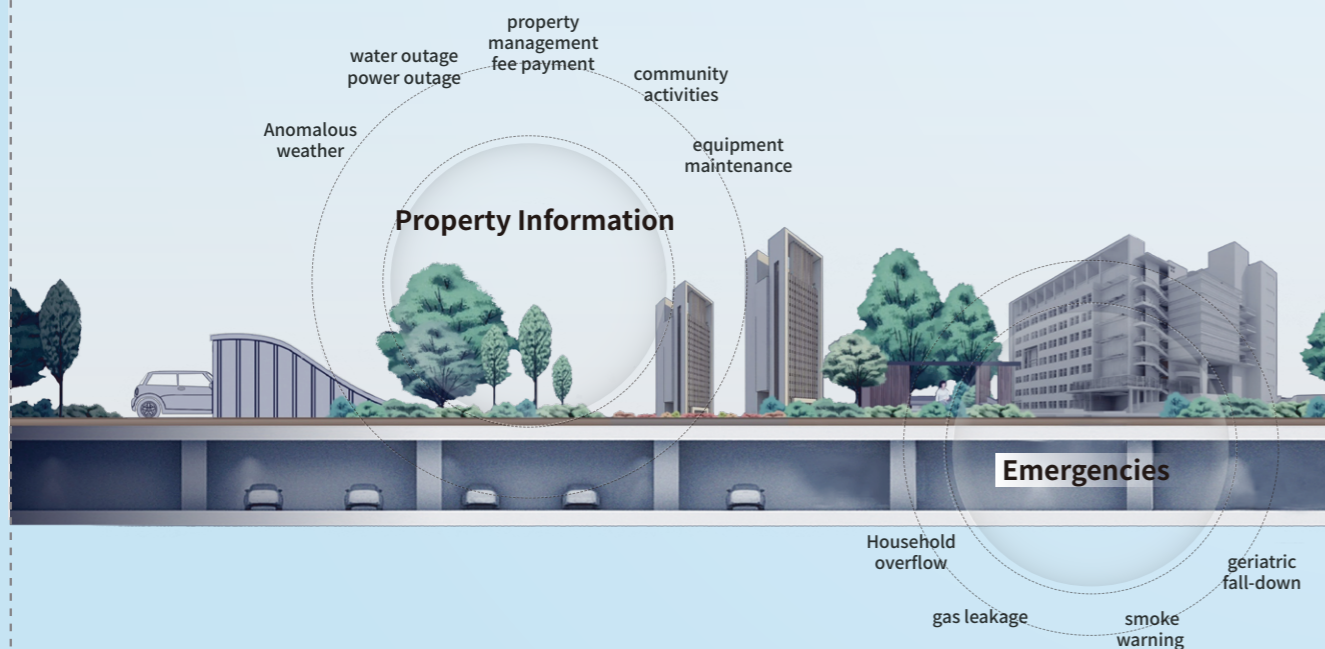
M-Smart	Advanced technologies such as the latest mobile internet systems, AI, big data, cloud platforms, and the Internet of Things ("IoT") have been integrated to deliver pioneering one-stop smart living solutions and realize Smart Home, Smart Community, Smart Service and Smart City environments.
M-Health	On the basis of healthy lifestyles, an easily accessible healthy life experience centring on "Cloud-based Health Management, Healthy Bodies, Healthy Minds, Healthy Homes, and Healthy Gardens" has been provided to users with offline spaces and functions through accurate online data services.
M-Quality	Taking advantage of our strengths in the manufacturing industry, the Group builds houses in a lean manner, delivers process quality and housing quality through processes "Quality Design, Material Selection, Construction, Monitoring and Delivery", and creates quality lives for homeowners.
M-Service	Through the specialised model of "Thoughtful Customer Service & Satisfying Property Services", advanced technologies and the internet have been utilized to build a full-lifecycle service system composed of "Accessible Services, Worry-Free Services, Transparent Services, Beautiful Home Services, and Community Services" to guarantee Midea-style happiness for our customers.
M-Life	Comprehensive services and operations centred on community lifestyles and community culture have been provided to ensure "Enjoyable, Hopeful, Inspirational, Fun, and Tasteful Lifestyles".



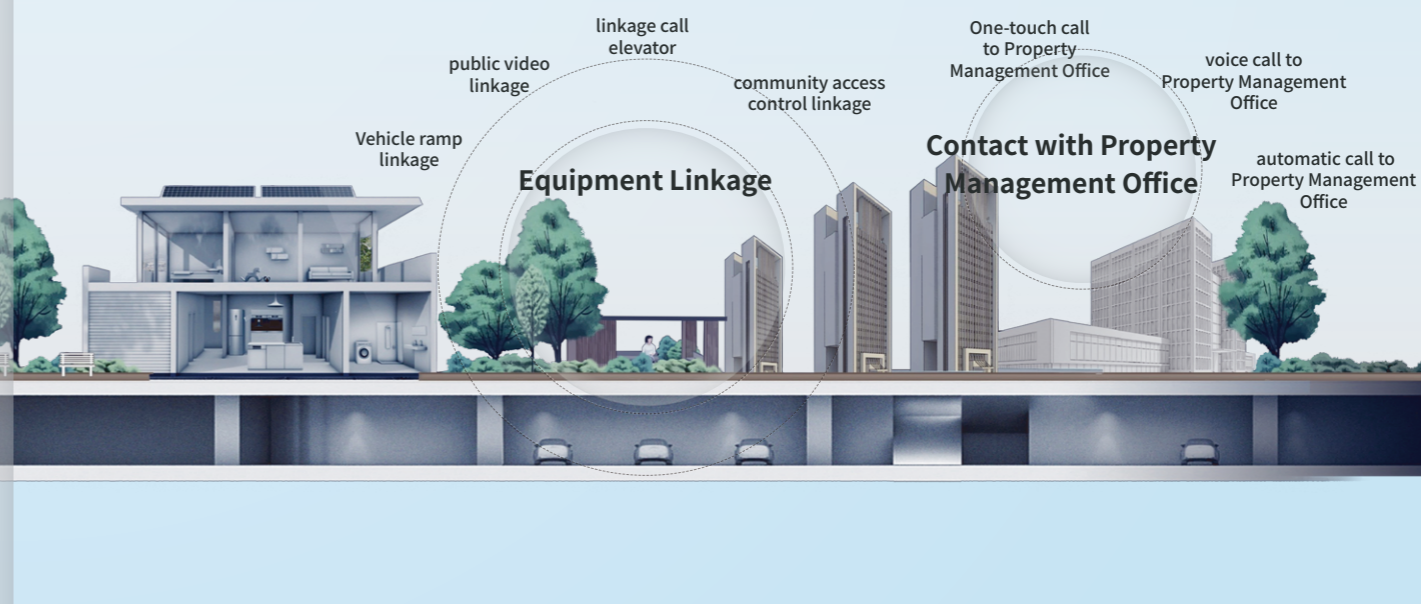
X Brain Lets Intelligence Guide Our Lives

Midea Real Estate is committed to building one-stop smart living connecting the community and family, and to that end has introduced the "X Brain" concept of integrated intelligence Intellectual Property (IP), and realized the integration of home and community spaces via big data algorithms, implanted micro-chips, and smart hardware.

X Brain Integrated Intelligence Scenario



The X Brain is able to automatically memorize the behaviors and habits of family members, make decisions based on environmental conditions, and analyze the status of family members. It can provide automatic push notifications about the home, contact the property management office in case of emergencies, and connect with elevators, video cameras, vehicle lane barrier gates, and community access control devices. Furthermore, homeowners can call the property management office through a variety of ways. The X Brain has truly realized the interconnection and interaction of Smart Homes and Smart Communities.



AI Community for Smart Control

With the continuous advancement of the "Smart Property" strategy and the in-depth development and application of the X Brain, Midea Real Estate has achieved significant staged results through smart eco-system development. Joining with Alibaba Cloud Computing Co., Ltd., we have rolled out the first AI community with community brain functions—the Foshan Midea Elite Residence. Taking advantage of IoT, cloud computing, AI, and big data technologies, the Group has independently developed AI features such as regional intrusion monitoring, key area occupation monitoring, public health management, personnel track management, non-inductive traffic identification, and mask identification during the epidemic control period. This has created a truly interconnected community intelligence using home intelligence, playing an important role in the control of the COVID-19.



02 | Casting Lean Quality

Source Control

We have imposed stringent controls on the starting point of the quality closed loop, and have put in place rigorous and standardized controls on our building materials and architectural designs to ensure engineering quality from the source and improve the Group's quality reputation.

Design Quality Control

To enhance quality and prevent risks, all project design results are internally reviewed according to the Management System of Quality Control on Design, with a focus on the review, quality spot checks, and post-assessment of key results. Active efforts were made to promote the application of advanced technologies like Building Information Modeling (BIM) in our projects to strengthen quality control and standard management.

Skynet Campaign

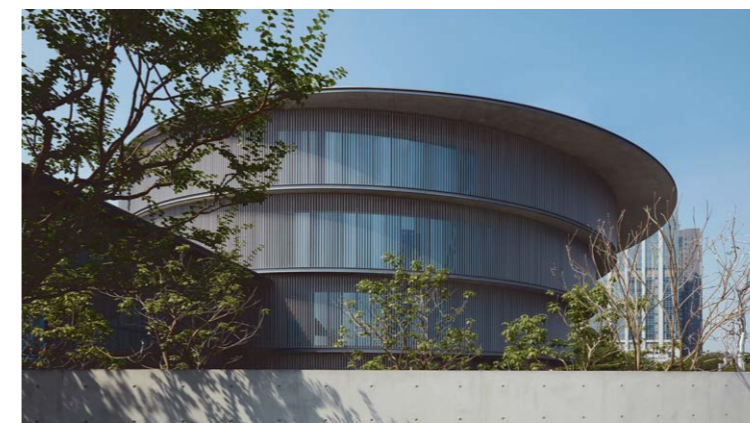
Material purchasing was rigorously standardised and the "Skynet Campaign" conducted on a periodic basis. Professional third-party agencies were designated to conduct unannounced material inspections. On the basis of general inspections, specialised tests like formaldehyde, other toxic gas tests, and material wear resistance quality parameter tests were further conducted to ensure quality compliance, healthy and hazard-free materials, and rejection of nonconforming materials and components with a zero-tolerance attitude.

He Art Museum

CASE

Media Real Estate has actively promoted the application of BIM technology, and has made full use of BIM technology in the partnering project of Tadao Ando's "He Art Museum", effectively optimizing the quality and efficiency of its project design.

- Through professional collision tests, pipeline optimisation, and net height analysis, general design problems as errors, omissions, collisions, and deficiencies, were reduced, and plotting quality and efficiency were improved;
- Engineering budgeting and engineering cost reports were quickly exported through material statistics and work quantity statistics, reducing time spent handling manual statistics and the occurrence rate of manual operation errors;
- The parameter-based wall pattern library was formed by project sample settings, visual sample settings, and line style expression settings to quickly and accurately generate wall detail plots, enhancing plotting efficiency.



▷ Design Sketch of He Art Museum Photo by Huang Zaohui ©He Art Museum

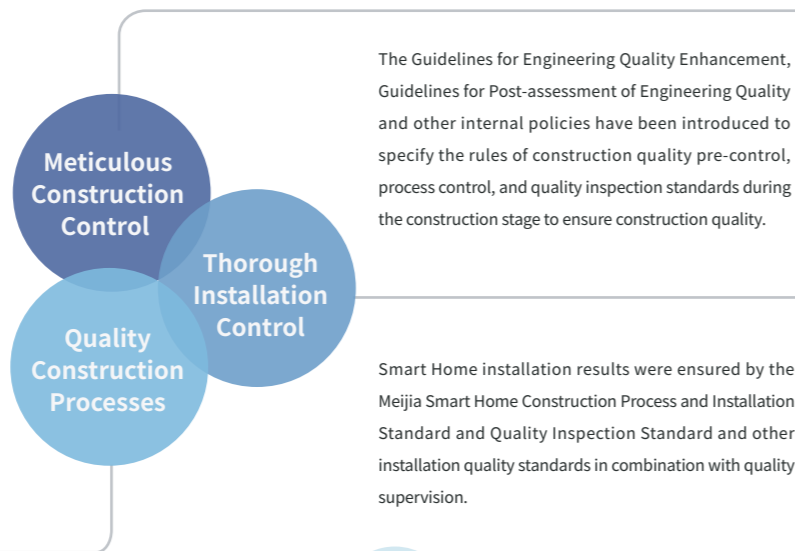
Exquisite Construction

Midea Real Estate is dedicated to delivering high-quality construction with a spirit of craftsmanship. Through standardised process control, the promotion of innovative construction processes and quality supervision, the Group has established a quality assurance system covering project construction, installation, and operational maintenance.

Area of New Process Applications: 2019 **7.17** million m²



Vigorous efforts were made to promote the "5+N" and "Jiangxin" construction systems to establish a quality assurance mechanism directed by new technologies and processes. The construction precision was accurate to millimeter-level from centimeter-level, comprehensively fulfilling the goals of reducing construction periods, eliminating quality hazards, conserving energy, and protecting the environment.



The Guidelines for Engineering Quality Enhancement, Guidelines for Post-assessment of Engineering Quality and other internal policies have been introduced to specify the rules of construction quality pre-control, process control, and quality inspection standards during the construction stage to ensure construction quality.

Smart Home installation results were ensured by the Meijia Smart Home Construction Process and Installation Standard and Quality Inspection Standard and other installation quality standards in combination with quality supervision.

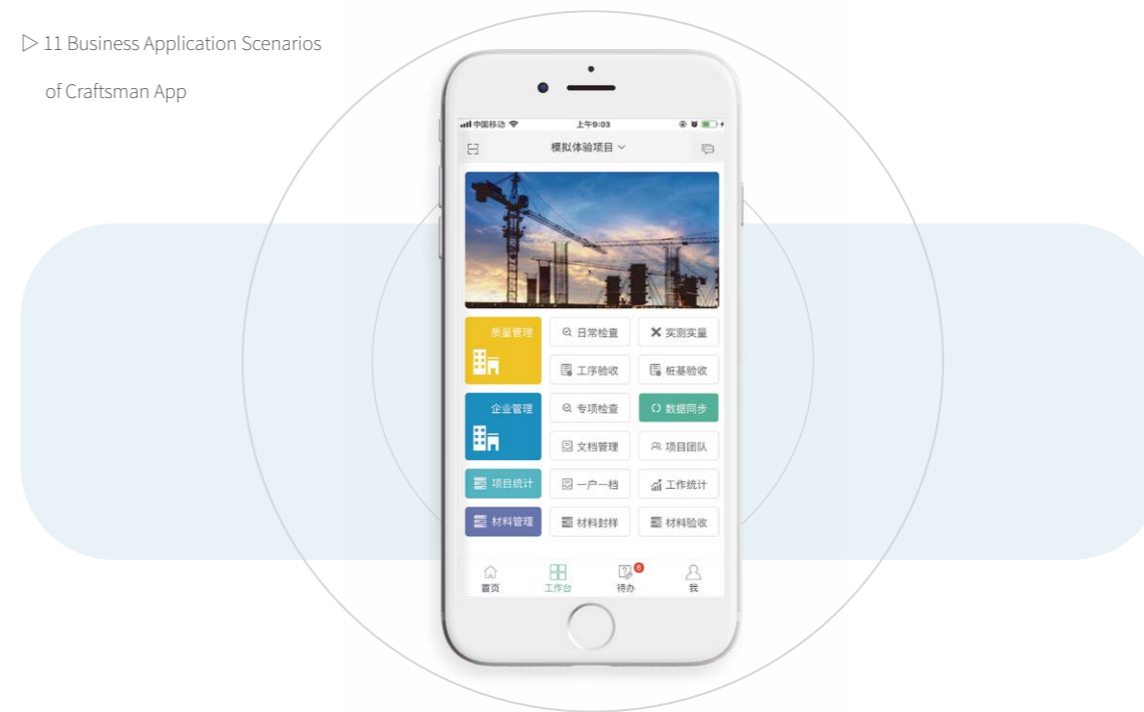


Craftsman App

CASE

Midea Real Estate has continuously promoted its online construction management platform—the Craftsman App. The app enables the online closed-loop management of offline construction management in relation to material acceptance inspection, process acceptance inspection, safety inspection, actual measurement and on-site problems during inspection, and has effectively strengthened the implementation of construction management responsibilities.

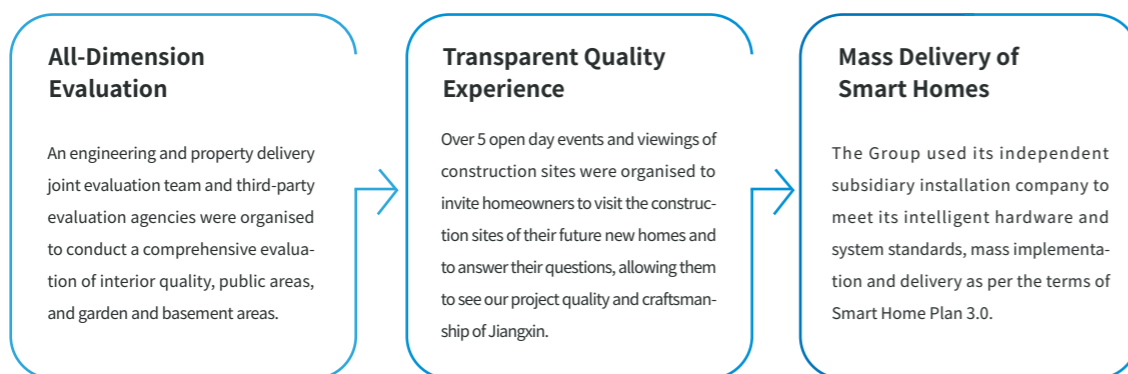
▷ 11 Business Application Scenarios of Craftsman App



- Material inspection**
Synchronize the delivery information in the material supply chain system and control the inspection of inbound materials
- Process inspection**
Standardise the process inspection procedure
- On-site inspection**
Establish a closed problem management procedure for routine quality and safety inspection
- Special inspection**
Grade group and area inspections and generate inspection reports
- Actual measurements**
Record the output statistics of actual measured data in the projects
- Customer service coordination**
Establish a closed management procedure for registration, assignment, rectification and cancellation of problems identified during a room inspection by the customer service staff
- Overall progress**
Strengthen the timeliness of overall progress information feedback and the intuitiveness of how progress is displayed
- Work statistics**
View and control all project personnel's actual workloads
- Report Center**
View group/area report statistics
- Document management**
Update standard enterprise documents and project documents in real time
- Notice management**
View any group, region or project notice in real time

Honest Delivery

In strict accordance with the agreed delivery standards, we have delivered products to our customers which are compliant with their expectations and quality inspections, honored our commitments, and achieved responsible delivery.



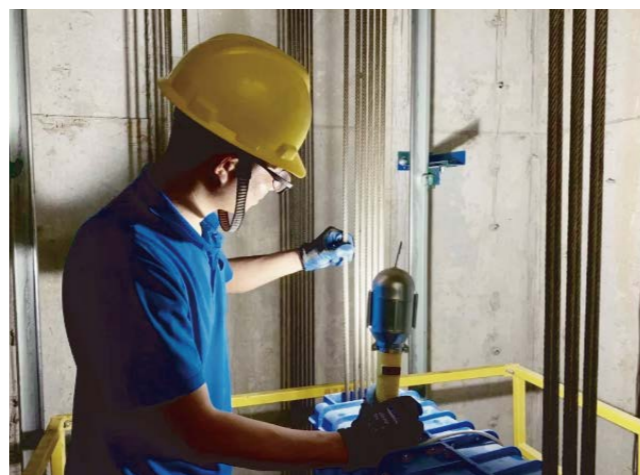
Smart Home 3.0 Released, Delivery Standards Upgraded

CASE

In 2019, Midea Real Estate released its first independently-developed Smart Home control system—Smart Home 3.0. Featuring an "sensor-less and integrated product design of all ages", Smart Home 3.0 is equipped with the industry-first smart scenario panel with voice functions, the industry-first embedded security product, and industry's most full-function intelligent switch panel. We aim to develop family-friendly series of intelligent products to further enhance the delivery quality of our Smart Homes.

After-Sales Support

To guarantee the "final link" of product quality control, we have strictly implemented post-delivery evaluation, established convenient feedback channels, formulated the Guidelines for Standardised After-Sales Door-to-Door Services, improved repair management regulations, and carried out service satisfaction return visits to ensure effective feedback and rapid handling of after-sales service requests.



03 | Maintaining Service Quality

Standardised Systems

Midea Real Estate is committed to providing customers with accurate and high-quality service experiences.

Real Estate Development Service	Property Management Services	Commercial Property Development and Operation Services
The Customer Service Standard Operation was formulated, specifying full lifecycle service standards from "Pre-Sales and Sales to Pre-Delivery and Post-Delivery".	The Guidelines for Service Operations have been formulated, which specifies special value-added services related to property projects, customer service complaint responses, and customer care services.	The Operations Management Manual has been formulated to provide work criteria in the fields of tenant repair report management and customer complaint management of commercial projects across six categories, including organisational management, site management, tenant management, and service management.



Responsible Marketing

As required by laws and regulations like the Advertisement Law of the People's Republic of China, Measures for Pre-Sales Management of Urban Commodity Houses, and the Measures for Real Estate Sales Management, Midea Real Estate has introduced the Measures for the Management of Sales Risk Inspection and Quality Evaluation in the Exhibition Areas, undertaking to follow information transparency agreements for high-sensitivity contents to customers during the sales process. Important information like delivery standards has been announced, and customers are notified of possible risks in the sales process to ensure that the Company makes no exaggerations or false commitments, guarantees the customers' right to know, and fulfills the Group's marketing responsibilities.

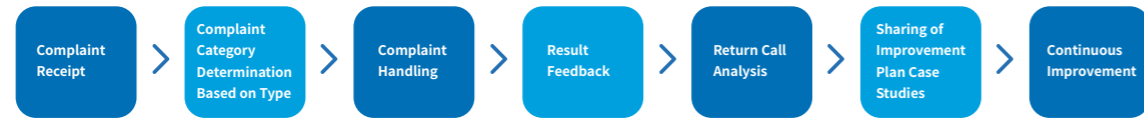
Privacy Protection

Midea Real Estate retains the strict confidentiality of customer information collected during house sales, property management, and commercial operations, and prevents violation of customer privacy space in public areas to the greatest possible extent. Primary measures taken for customer privacy protection include:

- Formulation of the Overall Policy for Information Safety Management to conduct regular objective evaluations and safety audits on the information safety management system;
- Densensitisation, encryption, and watermarking protection of customer data, and stringent control of intranet access and process approval involving customer data processing;
- ISO 27001 International Safety System Certification, Class A information safety certification, and hardware-level encryption for safety control of community AI data.

Response to Complaints

We always put our customers first, and earnestly listen to the voices of our customers. In accordance with the Measures for Management of First-Inquiry Responsibility System of Customer Services, we follow the primary principle of resolving customer problems first, and always give answers to the first inquiries to any issue. In 2019, Midea Real Estate handled 90.3% of its customer complaints.



▷ Customer Complaint Handling Procedure

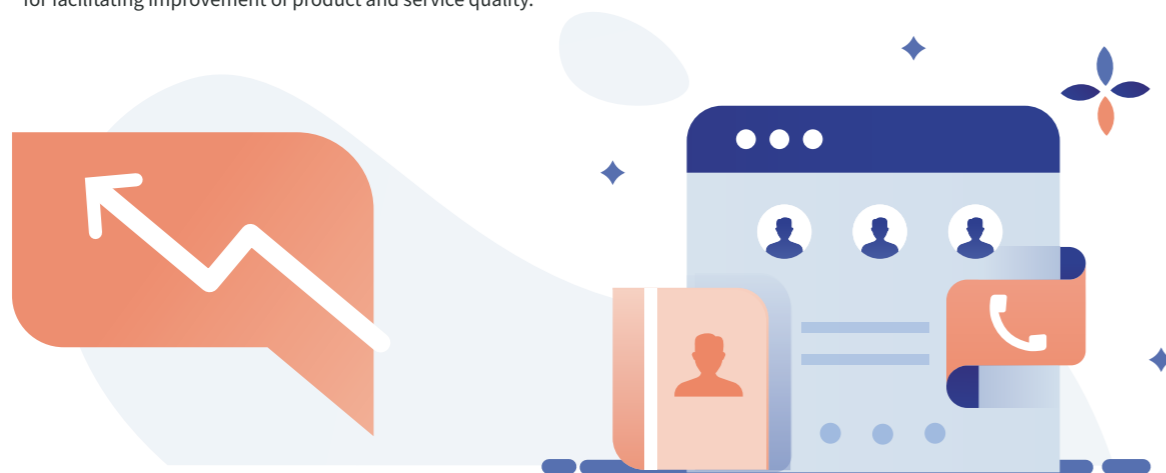
Multi-Channel Feedback	Expanded and upgraded the 400 service hotline and the Meidihui complaint and suggestion segment to allow customers' voices to be heard quickly and conveniently.
Whole-Process Tracking	We classify and define all complaints, rapidly assign responsible persons to manage initial inquiries, analyse and promptly handle all complaints, and utilise our uniform work order system to realise whole-process tracking of customer complaints.
Timely Response	We respond to customer complaints within 30 minutes of receipt, provide resolution suggestions to our customers within 24 hours, and handle complaints within 2 working days.
More Comprehensive Improvement	We review complaints and share complaint cases on a regular basis, prepare improvement plans, and optimise service procedures and standards to form closed-loop management systems.

Satisfaction Improvement

We view customer satisfaction as a crucial evaluation index of service quality, and have actively launched phased customer satisfaction surveys and conducted monthly internal surveys and annual third-party surveys to reflect our service quality. In 2019, we hosted a third-party customer satisfaction survey focused on refined business reviews and interviewed over 1,756 homeowners by phone. In addition to overall customer satisfaction, we established customer satisfaction in all business aspects, providing an accurate basis for facilitating improvement of product and service quality.

Overall customer satisfaction

78%



04 | Building Comfortable Communities

Community Activities

Midea Property Management (refers to Guangdong Midea Property Management Co., Ltd. and its subsidiaries, 廣東美的物業管理股份有限公司及其附屬子公司), the subsidiary of Midea Real Estate, meticulously planned and hosted a wide range of community culture activities and safety activities to enhance the sense of belonging, happiness, and safety of our homeowners, bring community neighborhoods closer together, and enhance group cohesion. In 2019, Midea Property Management launched a variety of festival-themed community activities, including the "Beautiful Home Campaign", Spring Festival Folklore, Chongyang Festival and Mother's Day, which eliminated hidden safety risks, spread safety culture, and provided homeowners with door-to-door maintenance services. We also provided holiday-themed activities during Spring Festival, Double Ninth Festival, and Mother's Day, and our first "Happiness Festival". Furthermore, Midea Property Management organised the summer event "Smart Summer Fun" for the children of our homeowners, along with a wide range of outdoor and exploratory activities for kids and parents to help expand their horizons and strengthen their family bonds.



▷ Door-to-Door Maintenance during Beautiful Home Campaign



▷ "Most Beautiful Mother" Mother's Day Photography Event

Our First Happiness Festival

CASE

From May to June of 2019, we hosted "Happiness Festival" in over 100 communities in a total of roughly 40 cities across 12 provinces of China. About 720 activities were conducted, providing diversified services for about 600,000 homeowners and customers.



Exclusive Convenient Market Services

Property service personnel provided homeowners with makeovers, volunteering consultation, cleaning, and repair services.



▷ Free Hair Cut



▷ Free Consultation

Exclusive Civilised Community Activities

We advocated civilised dog raising, horticulture, and interior decoration in communities national wide, rejected littering from upstairs areas, blockage of fire escapes, and other uncivilised behaviors, and encouraged homeowners as well as their relatives and friends to join our publicity team and "speak out for" civilisation.



▷ Free Pet Consultation



▷ Leash Give-away

Exclusive Beautiful Home Campaign

Property service personnel and homeowners formed a "cleaning brigade" to clean up the weeds and garbage on the lawns, potted plants and obstacles in walkways, and created more beautiful community environments.



▷ Cleaning of Fishpond



▷ Cleaning of Walkways

Exclusive Safety Action

All communities invited the public security authority, homeowners and the public to participate in the safety education, hidden hazard elimination and skill improvement activities, so as to enhance the safety awareness and self-protection skill.



▷ Emergency Exit Clearing



▷ Safety Knowledge Education



▷ Comprehensive Skill Improvement

Tenant Services

In 2019, Midea Commercial Management launched various tenant services to jointly enhance the business competitiveness of our merchant tenants. These activities include monthly business operation analysis meetings, tenant decoration contests, and volunteering services like free repair and Safety Guard services to provide water and electrical testing for stores and regularly clean store signs and the areas in front of the storefronts.

Outstanding Store Manager Exchange Salons for Tenants

CASE

In 2019, Foshan Midea Xinduhui Mall hosted the Outstanding Store Manager Exchange Salons for Tenants. Managers of stores with excellent sales performance were selected and invited to share business ideas with stores with unsatisfactory sales performance, to provide training and practice of retail sales skills, and offer service training for food stores, supporting community growth and mutually beneficial win-win results. As of the end of the reporting period, 6 outstanding internal lecturers had been trained.



▷ Outstanding Store Manager Exchange Salons

05 | Consolidating Safety Management

Safety System

Midea Real Estate earnestly implements our work safety guideline policy of "Safety First and People Foremost", and has put in place an engineering work safety management system, specified a four-level safety control structure (Headquarters—Regions—Cities—Projects) and outlined safety management obligations at all levels, and established a one-veto system for handling safety incidents. Safety red lines have been set up, specifying safety responsibility regulations and bottom lines for major hazard source management, equipment and facility management. The Decision on Further Specifying the Work Safety Management Responsibilities has been issued to conduct the categorized management of safety incidents, designating internal punishment standards and strictly imposing safety responsibility regulations.



▷ Exhibition Zone of Worker Protection Supplies

▷ Electricity Safety Experience Zone

Safe Construction

We spare no effort in building "safety nets" for our secure construction, providing a focus on building safe and civilised construction sites and standardising the safety management of our construction operations. Active efforts are also made to advance the application of intelligent technologies in safe construction environments to comprehensively prevent and curb major work safety incidents.

Strengthening Safety Experience

To enhance the safety awareness of employees and related stakeholders, we have set up Safety Experience Halls or Safety Experience Exhibition Areas at our project sites. These provide safety helmet impact experiences, fire drill experiences, electricity safety instructions, safety belt instructions, and exhibitions of worker protection supplies to strengthen safety education.

Guaranteeing Safe Construction

We have facilitated lean management through regulations and exacting inspection specifications. The Unified Standard Practices of Safety Civilisation have been formulated to specify the configurations and standards of safe and civilised construction in terms of construction site layout, scaffolding management, fire management, and material placement, thus provide important guidelines for the implementation of safe and civilised construction management. Specialised safety inspections of foundation pits, scaffold specialised inspections and other safety management actions have been successively launched throughout the year. Specialised safety inspections and training have been carried out on an irregular basis to strengthen safety management and ensure construction safety.

Third-party Inspections of Large Equipment and Facilities

CASE

Midea Real Estate seeks to further strengthen construction site safety by conducting spot checks on its mechanical equipment and operators. In 2019, 11 regional subsidiaries of the Group launched inspections on its large equipment and facilities. Through inspections for qualification certificates and certificates of conformity with large equipment like tower cranes and operators, we have ensured the quality and safety of our large equipment and facilities.

Promoting Smart Construction Sites

We have actively promoted Smart Construction Sites, rolling out our "4+2+X" strategy and utilising information-based intelligent means to strengthen the dynamic and precise management of construction personnel and identification and warning of safety risks to ensure construction safety and high-precision management.

In 2019, we piloted 6 Smart Construction Sites, including Guiyang Midea VIP Mansion, which had 70% of its hardware construction completed.

4 Hardware Systems	Intelligent Facial Recognition Access & Attendance System	Enables recording of construction personnel identification, attendance management, and personnel turnover management.
	Special Equipment Monitoring System	Provides video monitoring of special equipment to prevent overloading, abnormality, overturning, and other dangerous situations.
	Environmental Monitoring System	Intelligent cooling and dust reduction, issues push notifications for extreme weather conditions to prevent environmental impact on construction safety.
	Real-time Video Monitoring System	Gives warnings for unsafe behaviors of workers and tracks falls from height and collision incidents.
2 Data Platforms	Data Integration Platform	Tracks abnormal data from video monitoring at construction sites and monitors the safety and quality management of the construction sites.
	Specially-Equipped Patrol System	Identifies operations with strong safety risks, tracks patrol data, and effectively identifies and positions on-site personnel.
Multiple Customised Management Systems	Throughput Statistics of Regional Entrances/Exits	Quickly provides timely capture of personnel movement, numbers, and information, and rapidly analyses the degree of impact at the incident.
	Camera Edge Warning	The system reminds the workers of risks from objects placed near edges to prevent the occurrence of safety incidents.
	VR Safety Experience Zone	Simulates objects falling from tower cranes and fall of lifts through VR devices to gain an immersive experience of various safety incidents.



▷ Firefighting Equipment Bulletin Board



▷ Open-Pit Protection

Safety Culture

Midea Real Estate has incorporated the concept of safety throughout its day-to-day construction and production activities. Firstly, danger signs and information bulletins are put in place in the construction sites to establish and strengthen the value of prevention-first safety culture. Safety education lessons are also provided to frontline construction workers to spread safety knowledge and prevent the occurrence of safety incidents.

'Safety Helmet' Morning Meetings

CASE

Safety helmets are one of the most basic personal protection devices used by construction workers. In April of 2019, Midea Real Estate gave a whole new batch of safety helmets to construction workers working on about 200 projects undertaken by our 11 regional companies, and held its Safety Helmet Morning Meeting themed on the topic of how to correctly use safety helmets. A detailed overview of safety knowledge regarding the role of safety helmets and how to wear safety helmets correctly was provided to the construction workers.



06 | Creating Diversified Business Operations

Housing with Happy and Peaceful Life

Guided by the product philosophy of Intelligence, Greenness, Health, and Care for All Age Groups, Midea Real Estate has focused on the development and improvement of product to address high-level requirements for quality, health and personalized lifestyles. We insist on maintaining perfection in our designs and in our construction and quality management, advancing the innovation of our craftsmanship quality construction system, and have successfully developed residence brands including the "City Mansion, Royal Orchid, Cloud Mansion, and Future Town".



▷ Logo of Products



Thriving and Renewing Cities with Commerce

Rolling out the strategy of "Centralized Commerce & Community Commerce", Midea Real Estate has launched three product lines: Urban Complex, Community Neighborhood Commerce and Long-term Rental Apartment and four proprietary brands. As of the end of this report, the Group had 13 commercial management projects, including 4 projects under operations: Zhuzhou Midea Times Square in Hunan, Xuzhou Midea Square in Jiangsu, Foshan Midea Xinduhui Mall in Guangdong and Foshan Midea Wonderful Square, a benchmark project of Wonderful series (悦然系).

Foshan Midea Wonderful Square CASE

20 December saw the grand opening of Foshan Midea Wonderful Square, a benchmark shopping centre of Wonderful series. The square includes Beijiao Town's first sunken plaza and mid-air open landscape. Over 200 brands were introduced to the square, over 60% of which were first-time entrants to northern Shunde District. Many IPs of Midea commercial Management (refers to Commercial Management Corporations under Midea Real Estate) were also first introduced in this project, including Alice's Wonderland Themed Area and the Midea Future Technology Experience Centre, offering more quality consumption options. Foshan Midea Wonderful Square has been presented with the "China Shopping Mall City Advancement Award" and "2019 Rising Star of the year Award".



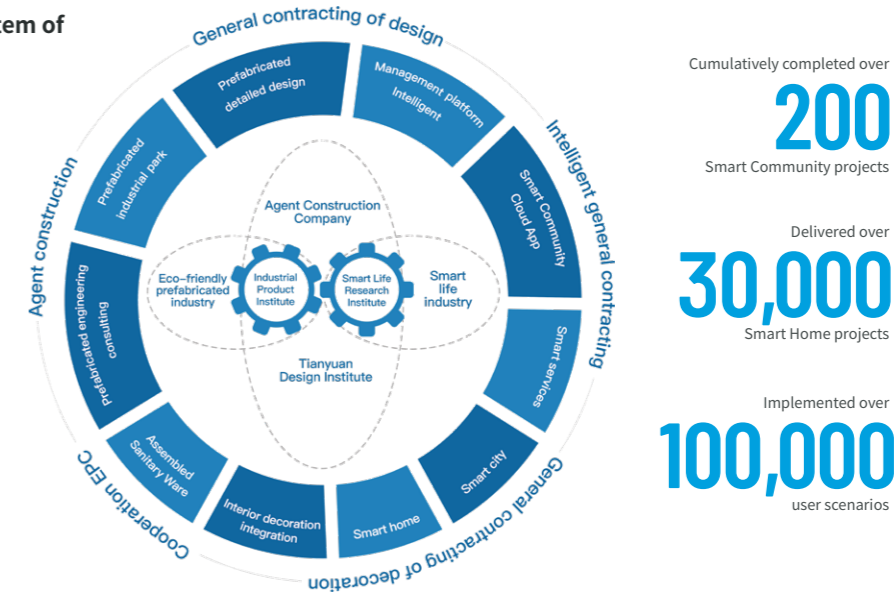
▷ Foshan Midea Wonderful Square

An Industry-Driven Clustering Industrial Ecosystem

Midea Real Estate is building a smart living industry centred on Ruizhu Intelligent Technology (refers to Guangdong Ruizhu Intelligent Technology Co., Ltd, 廣東睿住智能科技有限公司), and an eco-friendly prefabricated industry based on its subsidiary Liancheng Housing Industrialisation (refers to Ningbo Liancheng Housing Industrialisation Technology Co., Ltd, 寧波聯城住工科技有限公司) and Ruizhu Youka in which we hold interests. Depending on the independent R&D capacity of the Smart Life Research Institute and Industrial Product Research Institute, the Group has set up comprehensive business operations in the smart and eco-friendly industry ecosystems. Further integrating the two industrial functions of the Tianyuan Design Institute (refers to Guangdong Tianyuan Architectural Design Co., Ltd, 廣東天元建築設計有限公司), Construction Agency Company, and City-Industry Integration Company, Midea Real Estate has developed comprehensive service capacity covering the whole chain from the phases of R&D, design, production, sales, construction, operational maintenance, and city-industry development and operation.

The year of 2019 was a crucial period for the implementation of Midea Real Estate's "Two Secondary Business Lines" strategy. We steadily advanced both our intelligence industrialisation and building industrialisation. Ground was successfully laid for the Shanghua Intelligent Manufacturing Park and the Xuzhou Eco-friendly Prefabricated Building Park was put into operation, after which it delivered its first batch of products.

Industrial Ecosystem of Midea Real Estate

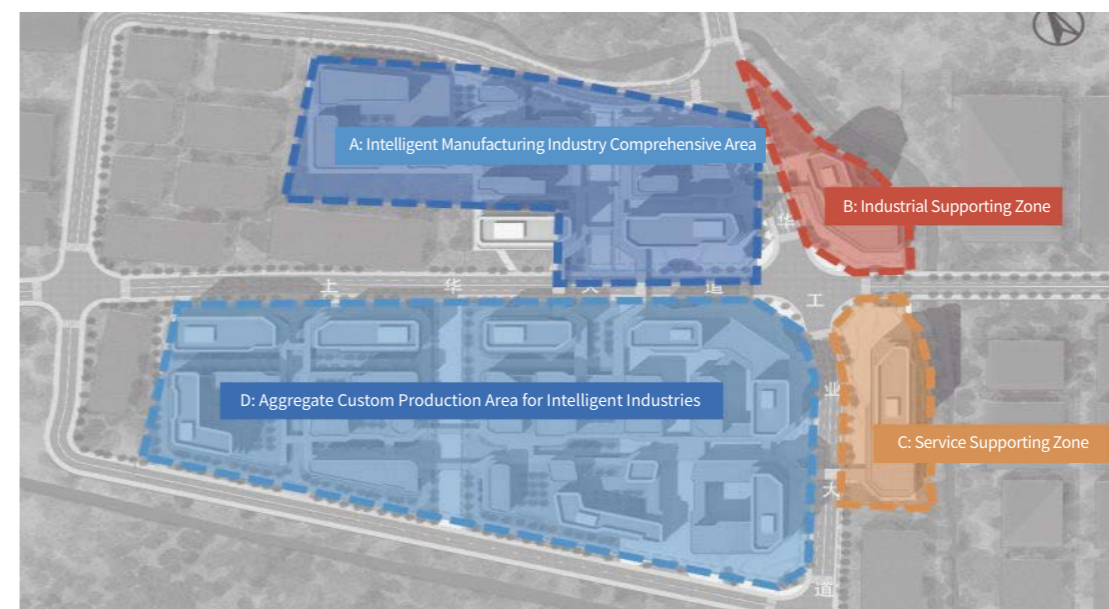


Awards and Qualifications

Midea Real Estate has participated in the formulation of multiple national and industry standards, owns 2 High-tech Enterprises and 1 "China Potential Good Life Unicorn" Enterprise, and applied for over 300 patents and IPs, winning the recognition of the industry.

Shanghua Intelligent Manufacturing Park CASE

In 2019, Midea Real Estate worked with Guangdong Shunkong Chengtou Property Co., Ltd. (廣東順控城投資業有限公司) and Lecong Town State-owned Enterprise Lezhi Investment Management Co., Ltd. (樂從鎮國資企業樂智投資管理有限公司) to jointly facilitate the upgrading and renovation of the Lecong Village-level Industry Park into the Shanghua Intelligent Manufacturing Park. With a gross floor area over 300,000 m², it's designed as a future host for high-end industrial development in the Sanlongwan High-end Innovative Cluster Area, centred on high-end intelligent equipment manufacturing.



▷ Functional Zoning Diagram of Shanghua Intelligent Manufacturing Park

Building a Better Ecosystem

Midea Real Estate has been constantly concerned with the dynamic integration of the natural environment and construction activities, has focused on the research and development of eco-friendly prefabricated construction by exploring building industrialisation, and has built sustainable eco-friendly buildings guided by the design concept of integration with nature. Intelligent and innovative technologies have been applied to optimise environmental management and contribute to the building of an eco-friendly and harmonious society.

Key Actions in 2019

- Focused on the research and development of prefabricated construction, founded Xuzhou and Handan Prefabricated Building Industrial Parks
- Ruizhu Youka in which we hold interests adopted six advanced automated production lines to enhance technologies for manufacturing assembled sanitary ware
- Launched the Smart Construction Site Project on a trial basis and optimised whole-process environmental management at construction sites
- Established the Low-Carbon Healthy Habitat Environment Research Centre to boost industry-university-research cooperation in the field of low-carbon environmental protection

Key Results in 2019

- The first batch of Building Industrialisation PC products was delivered and initial hoisting completed
- Established China's **first** fully automatic ceramic tile production line and the first nano-ceramic chassis automatic spraying line
- **95** projects certified as 1-star national eco-friendly building projects, generating a cumulative eco-friendly building area of **16,757,146.4** m²

Key Issues



01 | Focus on 2019—Practicing Building Industrialisation and Exploring the Path of Eco-friendly Living Spaces

As a composite "Property+ Industrial" developer and operator, Midea Real Estate has actively advanced the reform of construction modes in building industrialisation, developed intelligent manufacturing technologies, and gradually formed an efficient, high-quality building industrialisation manufacturing system.

Prefabricated Building Industrial Parks

In 2019, Midea Real Estate continued its focus on the research and development of prefabricated construction with a priority on new prefabricated construction materials and intelligent building assembly, and formed series of proprietary intellectual property technologies. In September of 2019, Midea Real Estate was certified by the intellectual property management system.

Number of patents and intellectual property rights cumulatively applied for by Liancheng Housing Industrialisation

100
Patents awarded
134

Midea Real Estate Strengths in Prefabricated Construction Industry

Whole Industry Chain Information-Based Management of Prefabricated Construction

Established the RFID, WMS, SRM, and MES systems covering the whole industry chain of information-based management

Quality Leadership Supported by Intelligent Manufacturing

Worked with high-level intelligent plants to develop intelligent manufacturing products

An R&D System Covering the Whole Industry Chain

Set up the Material Technology Institute, Construction Technology Institute, Equipment Technology Institute, and Engineering Technology Institute to build a R&D system covering the whole industry chain

Construction of Prefabricated Building Industry Parks

We executed pilot experiments and duplicated successful models to create and expand our prefabricated building industry parks after initial experiments were successful. As of the end of the reporting period, Xuzhou, Handan, Nan'an, and Zhenjiang Parks were all included into the list of key local municipal government projects. With Phase I completed in May 2019, Xuzhou Park has been officially put into production and operation. Handan Park's factory construction was completed in December 2019, and the facility has entered into the stage of trial production and operation.

The First Batch of Building Industrialisation PC Products Delivered and the Initial Hoisting Completed

CASE

Xuzhou Park is one of the key development strategic projects of Midea Real Estate in the Yangtze River Delta Economic Region, and is planned to produce prefabricated components for high-rise buildings and public buildings. In May 2019, the Phase I factory construction of Xuzhou Park was completed and trial production was initiated. The first batch of Building Industrialisation PC products was delivered and initial hoisting completed. As of the end of this reporting period, Xuzhou Park had entered into a partnership agreement with 12 enterprises, signed 14 projects, and produced 13,000 m² of PC materials.



▷ Design Sketch of Xuzhou Park



▷ Xuzhou Team and Products to be Delivered to Customers



Assembled Sanitary Ware

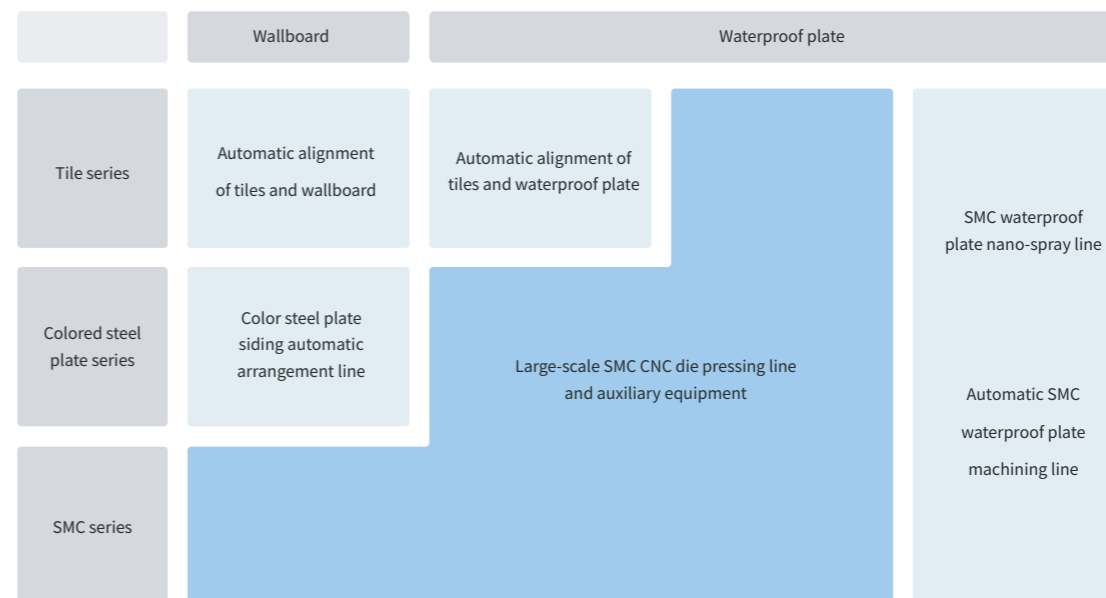
Assembled sanitary ware products are known for their reliable quality, material conservation, eco-friendliness, waterproofness, penetration resistance, material safety, and convenient installation. In 2019, we established the modular industrial chain joint venture Ruizhu Youka, and set up our Japan R&D Office to introduce Japanese assembled sanitary ware technologies and develop prefabricated sanitary ware products using Japanese design and German workmanship.



▷ Structure of Assembled Sanitary Ware

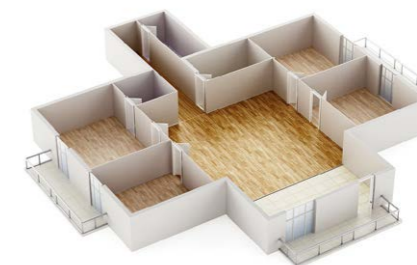
A Strong Partnership to Propel Production

Ruizhu Youka has introduced a fully automatic production line for three of its product series: ceramic tile walls, colored steel plates, and SMC. On the basis of automatic tile laying technology provided by Kuka Robotics, it has created China's first fully automatic ceramic tile production line and the first nano-ceramic chassis automatic spraying line. Realising precise and efficient wall plate and waterproof sink tile laying, at full speed it can produce one wall plate every minute, effectively enhancing work efficiency and material utilisation rate while laying a solid foundation for subsequent standardised design.



Enhancing Interior Decoration and Advocating Environmental Protection

Featuring a prefabricated interior decoration structure, assembled sanitary ware can meet the delivery inspection standards for high-end renovation and offer features such as dry method construction, fast installation, superior quality, mildew-proofing, sound insulation and heat preservation, presenting an eco-friendly interior design structure.



Environmental Strengths of Assembled Sanitary Ware

Noiseless Construction	No noise produced during construction
	No dust produced during construction
Dry Method Construction	Building-block-style installation process; enables easy operation and enhanced construction efficiency
	Customised wall plates and steel plates, reducing construction waste
	No cutting permitted at construction sites, direct installation only, reducing decoration wastes
Material Safety	Fewer construction operations on site, reducing construction safety risks
	Utilises mildew-proof, eco-friendly materials with no formaldehyde, radiation, or odor
	Uses eco-friendly and healthy high-tech materials to extend the life of houses
	Employs beautiful and practical materials to enhance the living environment

02 | Constructing Eco-friendly Buildings

In compliance with the Evaluation Standard for Eco-friendly Construction, the Eco-friendly Building Action Plan, and other eco-friendly building standards, we have integrated eco-friendly building requirements into our project designs and operations to the greatest possible extent.

Based on the principle of adapting our buildings to their local conditions, climates, environments, resources, economies, and cultures, natural conditions and artificial means are combined to construct high-quality buildings. These buildings enable the harmonious co-existence of man and nature on the basis of such indexes as resource conservation, low consumption, high durability, health, comfort, and environmental livability.

In accordance with design specifications such as the Code for Design of Building Water Supplies and Drainage, and the Standards for Water Saving Designs in Civil Construction, water resource utilisation efficiency has been enhanced in our architectural designs.

- For laying pipelines, valves and pipeline devices are meticulously selected to prevent pipeline leakages.
- For interior design, water saving instruments are used, and sanitary requirements are enhanced for water utilisation efficiency.
- For wastewater treatment, a rainwater/sewer drain diversion control system is strictly implemented, kitchen wastewater is isolated, sedimentated, and pre-treated, and is then discharged into the municipal pipeline network along with the sanitary wastewater;
- For eco-friendly space construction, low-elevation greenbelt construction is used to converge the runoff of the surrounding rainwater to replenish the underground water reserves.
- For green space irrigation, water-saving sprinkling irrigation is utilized for the comprehensive irrigation of local greenery and plants.

Resource Conservation

The energy saving control system is applied to effectively reduce the community's energy consumption and to extend the operating life of electrical equipment:

Low Consumption and High Durability

- High-efficiency energy-saving lighting fixtures and photovoltaic solar power generation systems are used for public lighting systems and induction lamp systems are used to conserve energy. Many similar measures are taken to effectively extend the operating life of the lighting system and to prevent excessive power consumption;
- Solar and thermal integration technologies are adopted in certain projects to utilise renewable resources and achieve energy conservation in our buildings.

The Classification and Testing Methods of Lighting Performance in Exterior Building Windows, and the Lighting Design Standard for Buildings are followed to ensure lighting and prevent light pollution:

Health and Comfort

- Overhead insulated rooftop designs are adopted to improve corridor ventilation and natural lighting in the main structures of our buildings;
- Building orientation and spacing requirements are clarified to effectively prevent buildings with glass curtain walls from generating harmful light due to glass reflection and thus harming local residents.

Environmental Livability

According to the climatic and soil conditions of project sites, plants are used in our communities which require low maintenance and little pest control, and which provide strong weather resistance and imposing no harm on the human body. Our communities thereby achieve a green coverage ratio of more than 30%. Green planting not only absorbs heat and reduces ambient temperature in the environment, but also effectively absorbs the noise generated by vehicles on the nearby roads and reduces the impact of noise on the community environment.

In 2019, Midea Real Estate had

95

new eco-friendly buildings

Total certified area of eco-friendly building amounted to

16,757,146.4 m²

03 | Optimising Eco-friendly Construction

In strict accordance with the Law of the People's Republic of China on Environmental Protection and the Law of the People's Republic of China on Energy Conservation, Midea Real Estate has saved extensive resources during our engineering construction work and reduced our impact on the environment through scientific and technological means and stringent site management while guaranteeing both quality and safety.

Intelligent Control

The construction process is a major stage for generating pollution in a building's full lifecycle. In 2019, Midea Real Estate launched several pilot projects for its Smart Construction Sites, and adopted intelligent hardware to perform real-time monitoring and regulation of environmental data.

Integrated Intelligent Electricity and Water Utilisation Systems	Integrated Cooling and Dust Reduction Systems	Intelligent Weather Forecasting
<p>The electricity and water utilisation of our construction sites is monitored during construction in real-time. In cases of data anomalies, all anomalous points are promptly mapped and repair and maintenance are carried out to prevent wastage of resources;</p>	<p>Dust monitoring and automatic spraying devices are installed in the construction site and connected to the Smart Construction Site platform. In case of an excessively high concentration of PM_{2.5} or larger dust particles at the construction site, the automatic spraying system will be automatically triggered to reduce pollutant emissions;</p>	<p>Our intelligent information platform can forecast the weather in a real-time manner to promptly remind the construction workers of any potential weather and climatic risks. In case of excessively high concentrations of PM_{2.5} on the day of construction, the system will automatically issue reminders to wear facemasks; when it's too humid, the system will automatically remind the construction workers to prevent slips and other potential dangers.</p>

Water Discharge Management

To reduce the environmental impact of materials used and pollutants discharged during building construction, Midea Real Estate has stringently required its construction workers to follow the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Law of the People's Republic of China on the Prevention and Control of Water Pollution, the Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution, and other national laws and regulations affecting construction. Construction workers are also required to control dust, waste, wastewater, and other pollutants produced during construction according to local standards. We uphold the principles of greenness, health, energy conservation, and eco-friendliness as the criteria for selecting building materials, and further require construction workers to use energy-efficient pre-mixed mortar and pre-mixed concrete as construction materials, and encourage them to adopt zero-formaldehyde products and other eco-friendly materials to perform energy-efficient, eco-friendly, and safe construction.

Innovatively Development of Eco-friendly Zero-Formaldehyde Materials CASE

In 2019, the Shanghua Intelligent Manufacturing Park, in which Midea Real Estate holds interests, conducted the R&D and testing of zero-formaldehyde products, including diatom ooze, stone plastic composite (SPC) plates, and EBPP flooring, which can reduce hazardous gas emissions in the air. After testing and certification, these eco-friendly materials will be gradually included into Midea Real Estate's building delivery standards.

04 | Implementing Eco-friendly Operations

Midea Real Estate has always incorporated the eco-friendly concepts of resource conservation, environmental protection, and ecological improvement in its residential property management, commercial property management, and day-to-day office operations in order to achieve eco-friendly, low-carbon control of its business operations.

Eco-Friendly Property Management

We urge our subordinate property projects to orderly implement environmental management, boost their efficient energy utilisation, and construct low-energy-consumption and high-quality living communities for their residents.

Greening Management

Green plants adaptable to local conditions are grown in public areas and water-saving sprinkling irrigation systems are used to maintain them in order to purify the air and reduce the noise.

Resource Management

We advocate the use of renewable energy systems for heat and electricity supply in our communities' public buildings, such as solar water heating systems, in order to practice low-carbon operations.




Solid Waste Management

Our communities' functional areas and main roads are furnished with sorted garbage cans, and full-time sanitation workers and managers are arranged to perform sorted garbage collection and road cleaning on a daily basis.



Low-Carbon Commercial Operations

In our commercial management projects, we have stringently taken energy conservation and emission reduction measures in public project areas to reduce the impact of commercial operations on the environment and to establish eco-friendly business models.

 <p>Ingenious Reduction</p>	<ul style="list-style-type: none"> - Energy planning control is implemented based on the actual business conditions of commercial management projects, and rigorous management of opening/closing times is conducted on local equipment and facilities including lighting systems and air conditioners. - Energy-saving lights are systematically installed in public areas and tenants' stores to specifically lower energy consumption during business operations. - Intelligent energy-saving elevators have been installed which automatically turn off their lights and enter into sleep mode under no-load conditions. A centralized control model is adopted to control multiple elevators in parallel to realize intelligent operations.
 <p>Water Conservation</p>	<ul style="list-style-type: none"> - The cisterns in the public areas and flush valves of toilets and pumping tanks are downsized to reduce water utilisation. - Pressure washers are adopted as cleaning instruments in underground garages to reduce water utilisation for floor cleaning. - Inspections and maintenance are conducted on pipeline damage and leakage to avoid wasting water resources.
 <p>Garbage Classification</p>	<ul style="list-style-type: none"> - All garbage in the commercial projects are separated on the basis of wet and dry garbage. Garbage collection routes and times are specified and garbage classification and disposal rooms are set up in certain commercial districts. - Dry and wet garbage rooms are established for the storage of construction waste and domestic waste, and the collection frequency is determined based on the amount of waste; - Qualified third-party environmental protection enterprises are used for the uniform disposal of kitchen waste, and kitchen waste storage points are kept clean to prevent mosquito breeding and secondary pollution.

Eco-friendly Office Operations

In active response to the principle of eco-friendly office operations, we encourage our employees to make rational use of their resources in their daily work and to create an eco-friendly office culture and environment.

Low-carbon office operation measures that we invite office employees to undertake include:

Recycling used paper to conserve paper	Setting the air conditioner temperature at 26 degrees Celsius to conserve energy	Promptly turning off idle electric equipment before leaving the office to conserve power	Holding online video conferences to reduce unnecessary business trips	Advocating eco-friendly commuting and encouraging employees to take public transportation to reduce exhaust gas emissions from private cars	Posting water and electricity conservation signs to constantly remind employees of eco-friendly office operation principles
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05 | Advocating Eco-friendly Concepts

University Cooperation

On 6 January, 2020, Midea Real Estate and Tsinghua University Architectural Design Institute Co., Ltd. jointly founded the "Low-Carbon Healthy Habitat Environment Research Centre", and further signed a Third-Party Strategic Framework Agreement on Strategic Cooperation of Technology Research and Development in Eco-friendly and Low-Carbon Industries with the South China University of Technology State Key Laboratory of Subtropical Construction Science. These efforts will provide in-depth technical support to Midea Real Estate in the construction of eco-friendly prefabricated construction, passive construction, and intelligent health support services.



Multi-Party Involvement

To practice eco-friendly and low-carbon living, we have extensively invited stakeholders to participate in environmental protection activities and enhanced the environmental protection awareness of participants through fun and lively activities.

Launched the "Urban Stress Reduction Initiative"

On 21 September, 2019, Midea Real Estate Zhejiang Regional Company launched an environmental protection-themed public activity themed around "Urban Stress Reduction", hosting it in partnership with Ningbo Broadcasting TV Station. Through video presentation and Q&As, the event introduced the knowledge and importance of garbage classification and deepened the students' understanding of garbage classification. Students were also led to local plazas to distribute garbage classification brochures and explain the significance of separating our garbage. We also launched the "Garbage Classification Starts with Me; Everyone Works for Low-Carbon Living" initiative through our actions.



▷ Midea Real Estate Zhejiang Regional Company launched "the Urban Stress Reduction" theme activity

Developed Fun Garbage-Sorting Puzzle Games

To allow the public to gain a deeper understanding of garbage classification, Midea Real Estate Zhejiang Regional Company released a puzzle game. It is designed with real tasks and real-world prizes, helping each participant to learn more about garbage classification in a fun way and within a relaxing and cozy atmosphere.



▷ Garbage Classification Puzzle Game



Working with Tenants to Embrace Eco-friendly Business Operations

We promote knowledge of energy conservation among our tenants on a regular basis, and invite them to join energy conservation mobilization meetings, and have organised diversified eco-friendly activities to jointly create an eco-friendly commercial environment. In 2019, we worked with fine arts tenants to host an environmental-themed maker competition to spread environmental awareness through painting. We organised early childhood agencies' visits to local environmental sanitation workers to enhance children's awareness of the importance of environmental protection, and we further joined hands with tenants in the education field to organise a trunk market event to perform proper resource allocation through the barter and exchange of goods.



▷ Hosted an environmentalist maker competition with fine arts tenants



▷ Visited local sanitation workers with childcare tenants

Rural Teaching

In 2019, Midea Real Estate and Shaoguan Philanthropic Foundation jointly organised knowledge training activities centred on the protection of the rural natural ecological environment of Shaoguan. Natural educational teams were invited to study the local species in the project villages, and natural guided tours were provided to empower villagers and enhance their awareness of the need to protect ecological diversity. Midea Real Estate also invited agricultural planting experts to offer themed planting lessons to share practical knowledge of effective planting, composting, and crop disease control to enhance villagers' planting methods and reduce water and soil loss.



▷ From July to August 2019, Midea Real Estate and its partner Luming Study Tour provided 3 times on-site night guided tour training sessions for villagers in Xinlong Village of Renhua County, and over 90 individual villagers attended the training.



▷ In August 2019, a planting Q&A meeting was held and organic agricultural experts were invited to project villages within Renhua County to share the importance of soil improvement. Villagers were invited to learn how to make organic fertilizer.



Boosting Mutual Progress with Our Peers

The development of Midea Real Estate is inseparable from the hard work and support of each of our employees and partners, and we are deeply grateful for this. Therefore, we hope to provide employees with scientifically sound training courses and promotion pathways to create a fair and inclusive workplace environment as well as relaxing and comfortable workplaces, and thus become a solid support for their career development. Furthermore, Midea Real Estate is committed to providing a fair and just cooperation platform and long-term stable cooperation mechanisms for mutual growth.

Key Actions in 2019

- Comprehensively upgraded the MHR system and realised one-stop, efficient human resources management
- Comprehensively implemented an internal competitive selection system, and organised open competitive selections of candidates for vacancies across the entire Group to promote talent flow
- Launched the Rock Training Plan, Cornerstone Training Plan, and Jadestone Training Plan to establish a diversified training system for employees at different stages of their career
- Organised an organisational culture survey to comprehensively learn about employees' work experience and suggestions for improvements
- Opened multiple in-system corruption control channels, detailed supplier management rules, and established transparent relationships for our partners

Key Results in 2019

- Number of employees: **14,413**
- Labor contract signing rate: **100%**
- Employee training hours per person: **34.96** hours
- Organisational culture survey satisfaction rate: **99.9%**
- Number of partnering suppliers: **9,068**

Key Issues



Employee Safety and Health



Talent Attraction and Retention



Employee Development and Training



Labor Rules





Responsible Supply Chain



01 | Focus on 2019—Upgrading the MHR System and Building an Intelligent HR Service Platform

The Master of Human Resources (MHR) system is Midea Real Estate's internal self-service platform for supporting employees, management, and human resource managers. In 2019, we comprehensively upgraded the MHR system, prioritising "building a basic data platform and consolidating the foundation of the business". Through the use of mobile terminals, we realised the goal of "improving HR work efficiency and employee experiences, and connecting all interfaces among related systems".

Module	Function
Employee Self-Service Platform	<p>The platform provides employees with autonomous services and guidelines that are closely related to their work and life, including the online viewing of service guidelines, regulations, rules, and salary breakdown, greatly improving working efficiency.</p> 
Manager Self-Service Platform	<p>The platform allows the management to access employee data throughout the employees' career lifecycle, expands the scope of management, and improves service business administration. The system also offers high-speed inquiry of employee portraits and career development roadmaps, accelerating talent team planning and building.</p> 
HR Self-Service Platform	<p>This one-stop business management platform redefines the working mode of HR. The system optimises the personnel process, connecting the segments of recruitment, personnel, recruitment, and welfare. Data can be imported to simplify remuneration and cost-effectiveness calculations, issue warnings and reminders of task expiration, and monitor the work of personnel.</p>

02 | Marching Towards Our Dream with Peers

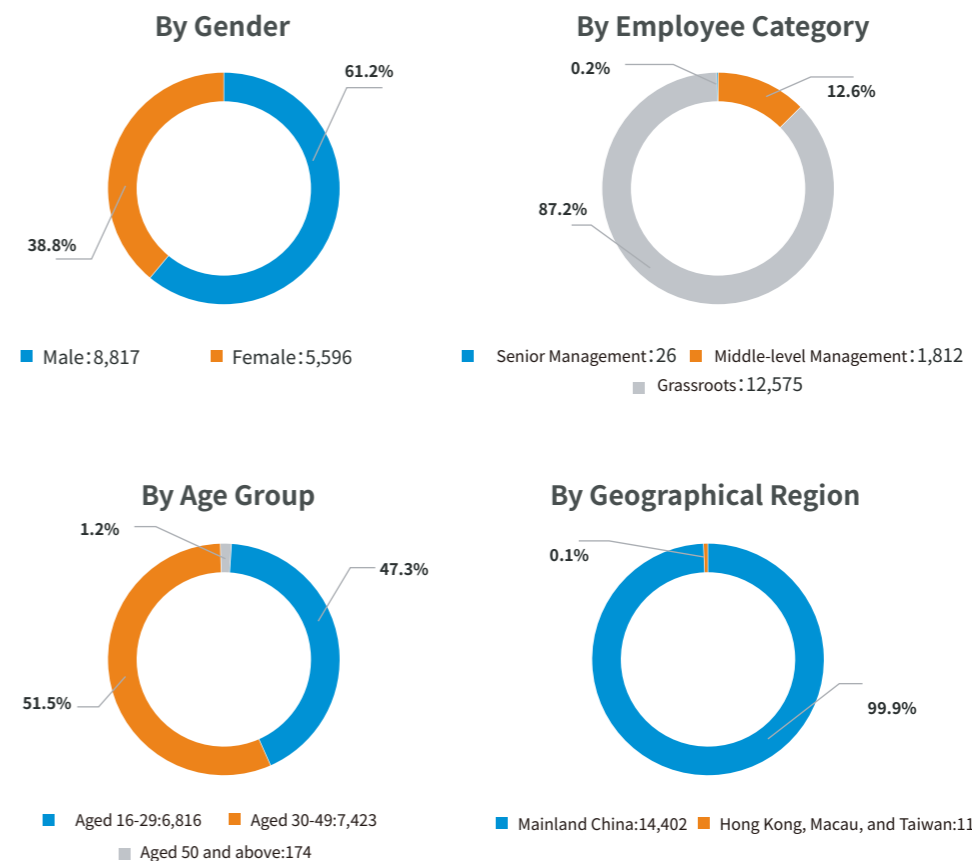
Rights Protection

Legally Compliant Employment

Midea Real Estate strictly follows the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and the Provisions on the Prohibition of Child Labor, and further amended the Measures for Recruitment Management and the Measures for the Management of Internal Competitive Selection in 2019. By optimising recruitment process management and rigorously implementing standards and recruitment systems, we have further eliminated all forms of employment discrimination, prohibited the employment of child laborers, and promoted equal employment and talent accumulation. Advocating talent attraction through multiple channels, the Group continuously absorbs external talent and releases internally competitive promotion methods for selecting management. Internal employees are encouraged to recommend themselves or others for new posts or vacancies, so as to create an open and transparent atmosphere for competitive selection.

Labor Protection

The Group always upholds the principles of legality, fairness, and trustworthiness, and signs labor contracts with employees after performing consultation on the basis of equality. The contracts specify the terms of labor contract rights and interests of both parties, remuneration and dismissal, recruitment and promotion, working hours, and holiday arrangements, banning forced labor on the basis of violence, threats, or illegal restriction of personal freedoms. In 2019, Midea Real Estate had no cases of child labor, labor discrimination, or forced labor. All labor dispatches complied with the state's regulations regarding the terms of dispatching "temporary, supporting, and alternative" personnel and maintaining within percentages of 10%.



Remuneration and Welfare

Midea Real Estate has established a remuneration and benefit system that is externally competitive and internally fair, continuously enhances organisational and employee performance, and provides employees with a diverse range of benefits. Employees are encouraged to work longer for more pay, so as to tap their potential.

Remuneration Incentives

Taking market remuneration levels into full consideration, we have formulated a remuneration system directed by both employee capability and performance. In 2019, Midea Real Estate continuously optimised its remuneration level and incentive forms and implemented a personnel incentive plan reform, further enhanced floating remuneration incentives, and encouraged employees to work longer for more pay, and to create more value.

Employee Benefits

We respect employees' hard work and provide them with a wide range of benefits. In addition to employee pension insurance, medical insurance, unemployment insurance, employment injury insurance, maternity insurance, and housing provident funds, as well as statutory holidays, we also provide employees with commercial insurance, professional job title allowances, physical examinations, and holiday gifts.

Talent Cultivation

The Group actively builds a diverse array of career development pathways, builds advanced fair and open promotion mechanisms, established and improved effective training systems, and provides a broad development platform and supports comprehensive growth and rapid improvement.

Career Development

Upholding the concept of "Achieve Success with Talents, Accomplish Talents with Careers", Midea Real Estate has advanced the establishment of dual career development pathways—professional and management—and continuously improved our talent competition mechanisms. By providing employees with fair and open promotion opportunities, we have improved the selection and appointment of outstanding employees and encouraged them to give full play to their strengths.

In 2019, we invigorated our internal talent by means of talent counting, internal transfer, short-term dispatching, and talent re-employment after performing retirement. We insist on maintaining a "horse-racing" culture, comprehensively rolling out internal competitive selection mechanisms by organising the open competitive selection of candidates for vacancies across the entire Group, thereby improving the selection and appointment of outstanding employees and boosting long-term corporate development through talent growth.

Diversified Training

In accordance with the Measures for Training Management, we have followed our internal talent invigoration strategy to establish a diversified training system for employees at different stages of their growth. By developing the competitiveness of core employees in a differentiated manner and systematically advancing the competency improvement of all employees, we have built a "high-potential and enterprising" talent team to enhance the core competitiveness of the Group. Midea Real Estate is also active in the building of an internal lecturer team, and has encouraged business experts and management elites to share their growth experience and professional knowledge and skills, so as to enhance the competency and work skills of all employees and improve corporate talent reserves.

In 2019

503,811

hours of training were provided in

23,427

individual trainee sessions

Midea Real Estate Core Talent Training System

	Trainees	Training Orientation	Training Course (Form)
Rock Plan	Middle and High-Level Talent	Expanding the horizons, vision, and awareness of trainees, and growing future leading talent for the Group and the industry.	<ul style="list-style-type: none"> - Advanced Studies Program for City Managers - Reserved Cadres Training Camp Mock negotiation, industry benchmarking, online reading club, bi-monthly report and topic research
Cornerstone Plan	Frontline High-Potential Talent	Improving the management and professional skills of trainees and grooming high-performing reserved department heads for the Group.	<ul style="list-style-type: none"> - Cornerstone Training Camp Face-to-face lectures and interaction, workshops, sand table simulation, action learning, site visits, task challenges, themed live streaming debates
Jadestone Plan	Outstanding Fresh Graduates	Enhancing the adaptability of new recruits and developing crucial "future core" resources of the Group.	<ul style="list-style-type: none"> - Jadestone Training Camp Face-to-face lectures and interactions

Rock Plan

CASE

In April 2019, we launched the Rock Plan advanced study program and reserved talent training camp to respectively city managers and reserved cadres. The Big Class Lecture and Small Class Discussion learning models make the connection and complementarity of training contents possible. Through mock negotiation, industry benchmarking, online reading clubs, bi-monthly reports, and topical research, trainees were inspired to gain insights into themselves, the Group, and the industry. This training improved the business skills of trainees, expanded their business horizons, and comprehensively enhanced their overall capabilities.



Jadestone Plan

CASE

In July 2019, 220 outstanding fresh graduates from leading universities across China started their 14-day induction training in the Group Headquarters. Stages and course contents included "Jadestone Landing", "Exploring the Group", "Industry Overview", "Career Express", "Transformation Battle", and "Brightening Future" were designed to help each "uncarved jadestone" to gain an understanding on the industry and the Group rapidly and also enhance their professional competence, which support them achieve a comprehensive transformation from a fresh graduate to a member of the work force, and thus fitting into Midea Real Estate in the best condition at the soonest.



Safety and Health

Always upholding the "People First" concept, Midea Real Estate has continuously improved its safety management regulations and career health assurance system. The Group also plans employee care events and promotes healthy lifestyles to ensure employees' occupational safety and physical and psychological health.

Employee Safety

The occupational safety assurance mechanism has been continuously improved. In the specified labor contract employee occupational safety and health assurance measures, a safe working environment and essential protective supplies are provided to employees. We have formulated the Measures for Prevention, Control and Management of Occupation Diseases to standardise the management of occupational disease prevention and control in the subordinated factories, which aimed to avert, control, and mitigate occupational hazards and prevent the occurrence of occupational diseases. We further actively improve work safety management regulations, strictly follow the state's labor safety management terms, standardise employee behavior standards, and conduct safety education training, enhance employee safety awareness, and reduce safety incident risks and occupational hazards.

Psychological Health

We are deeply concerned with the physical and psychological health of employees, and provide annual physical examinations, host internal activities like badminton matches and basketball matches, and offer psychological counseling.

During the COVID-19 prevention and control period, Midea Real Estate closely followed the development of the pandemic and strictly followed notices delaying the resumption of enterprise business issued by local governments. While adjusting the employees' vacation time, Midea Real Estate calculated the number of non-local employees and prepared for flexible working schedules to reduce the number of personnel in the office at any time. The Group further formulated a work resumption guide which specified efforts to help employee with pandemic prevention and control in commuting, environment, dining, and office operations, so as to strengthen employees' pandemic prevention awareness and create a safe and healthy office environment.

Happy Workplace

As an advocate of "strong peer" culture, Midea Real Estate attaches importance to effective communication with employees, launches employee care activities, and creates a heartwarming and happy working environment.

Attentive Listening

We value the voices of employees, and have continuously improved democratic management, actively expanded employee communication channels, mobilized employees to participate in corporate management, and collected employees' opinions and suggestions. In 2019, we invited 4,328 employees to an organisational culture survey which revealed a satisfaction rate of 99.9%.

Forms and Contents of Employee Communication at Midea Real Estate

MHR platform releases the latest management regulations;

A designated line for employee feedback and timely reply to business questions;

Key node communication for line leaders and cross-functionary leaders to report work progress;

Organisational culture surveys to comprehensively learn about employee issues, opinions, and suggestions on corporate regulations.

Happy Living

We respect and are grateful for the hard work of each employee, and pay tribute to all our fellow employees working hard in their daily tasks. In 2019, Midea Real Estate launched themed activities such as Heartwarming/Working Late in Winter, and Late Night Service Station, organised holiday care activities like gift customisation and holiday dinners, and hosted a variety of cultural and sports events to enhance employees' sense of happiness and belonging.

Care for frontline employees has been a consistent part of our work. In 2019, we organised activities like Physical Examination for Workers, Work Dormitory Environment Improvement, and Summer Cooling to show our care.



▷ Late Night Service Station



▷ Heartwarming/Working Late in Winter



▷ Customised Zongzi for Employees on Dragon-boat Festival



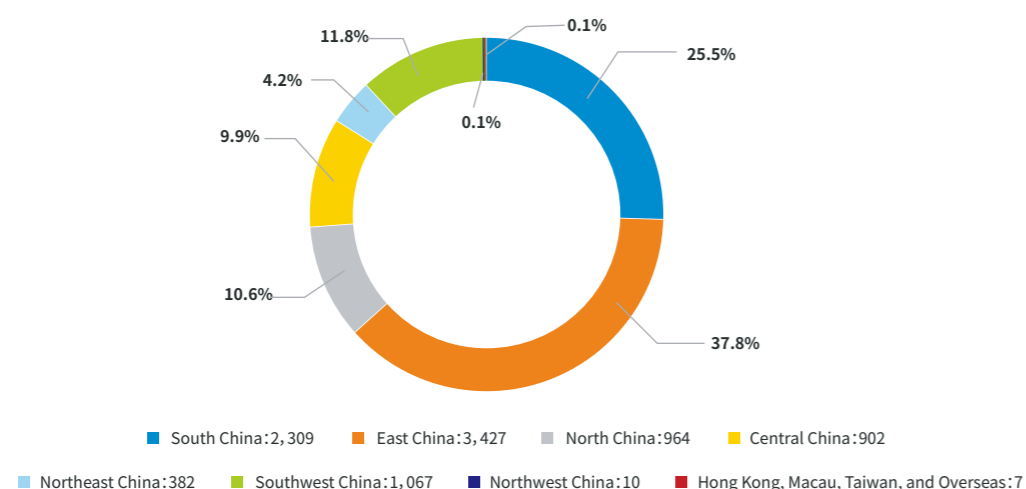
▷ Baseball Playing

03 | Working for the Bright Prospects of the Industry with Our Partners

Responsible Supply Chain

We insist on improving our supply chain management, protecting supplier rights and interests, and pushing the supply chain to upgrade its capabilities to perform its responsibilities. Maintaining harmonious and interactive positive relationships, we work with our partners on the supply chain for integrative development.

Number of suppliers by geographical region



Improving Supply Chain Management

We have formulated the Measures for Supplier Management, Guidelines for Supplier Investigation, and Measures for Blacklist Management to systematically control the development, investigation, approval, evaluation, and classification management of suppliers, and to select quality and stable suppliers for the Group. In 2019, Midea Real Estate amended the Management Rules on Civil Engineering General Contracting Suppliers. The investigation of civil engineering general contractors has been updated, specifying 15 fields for investigation, including supplier corporate culture, organisational structure, talent training, and management experience in terms of management, actual measurement, project progress management, safety culture, and product protection in terms of project implementation. The scope of the investigation and standards of key civil engineering general contracting suppliers is further specified to guarantee construction safety and personnel safety of contractors from the source.

- **Development and Investigation:** a specialised investigation team is built to check the business qualifications of partners and conduct field visits to office venues and production bases, and form an investigation report as a basis for the inclusion of suppliers into the supplier list;
- **Approval:** a supplier approval standard has been established, all suppliers must be subject to investigations before they can be included into the supplier list in principle; suppliers included into the supplier list are required to establish a service team to guarantee cooperation quality;
- **Evaluation and management:** the supplier's contract performance, project delivery performance, and maintenance quality are evaluated on a regular basis, and classified as per the evaluation results; nonconforming suppliers are promptly disused to ensure supply quality.

Added Safety and Culture Protection to the Investigation Contents

CASE

Midea Real Estate added safety and culture protection to the contents of its supplier investigations for civil engineering general contracting. From the five aspects of site material neatness, safety protection, sign definition, rigorous management of construction site entrances/exits, and basic protection measures, the sites of civil engineering general contracting projects are provided with detailed safety investigations and inspections. This is meant to prepare for the assurance of construction site and contractor safety from the stages of supplier development and investigation.



Protecting Supplier Rights and Interests

In strict accordance with the Law of the People's Republic of China on Tenders and Bids and the Regulation on the Implementation of the Bidding Law of the People's Republic of China, Midea Real Estate has continuously improved its tendering and procurement system in light of industry standards and business ethics.

Systematic Assurance	Promoted the online tendering and procurement system, implemented digital controls on tendering and procurement for fairer and more transparent tendering.
Process Control	Completely new suppliers must be subject to integrity background check of the company and the work team; the Anti-Corruption Agreement is enclosed with the tendering documents and cooperation contracts and fully specifies the insider corruption clauses and no unfair competition and practices. Specialised staged audits are conducted to identify possible internal corruption practices and malpractices and promptly handle the same.
Restricted by Whistle-blowing	The contact information of our audit and supervision department is provided in the Anti-Corruption Agreement, so that suppliers may promptly file complaints upon notices of any malpractice.
Joint Supervision	Internal corruption investigation and punishment reports are released through our WeChat Official Account to create an anti-corruption atmosphere of joint supervision for the industry.

Enhancing Supplier Capabilities

Midea Real Estate has put in place a standard training mechanism for external suppliers and contractors. Training is provided to fresh suppliers on a regular basis to help them adapt to cooperation faster; training and guidance on health and safety, and product quality is also provided on a regular basis to realise shared growth and development with our suppliers. In terms of safety management in particular, Midea Real Estate strengthened the safety control of contractors' production process in 2019, and conducted regular safety checks, safety education, and training to enhance the contractors' safety management level.

Strategic Cooperation

Actively exploring cooperation with upstream and downstream partners, government departments, enterprises, and schools, Midea Real Estate has continuously expanded its cooperation in the fields of Smart Community, Smart Home, Prefabricated Construction, and City-Industry Integration. Fully integrating the advantageous resources of both parties and giving play to their professional strengths, Midea Real Estate has adopted diversified cooperation models to promote innovative and productive reinvention, realise strength complementarity, and promote mutual benefits and common development.

Sample Strategic Cooperation Projects in 2019

Partner	Cooperation Contents
Administrative Committee of Handan Economic and Technological Development Zone	Established the City-Industry Integration Urban Construction Foundation to promote the implementation of Smart Home Project and Prefabricated Smart Factory Project.
Jiangsu Geological and Mineral Resource Design and Research Institute	Conducted technical research and cooperation on prefabricated construction.
Jiangxi Provincial Tourism Group Co., Ltd.	Launched partnerships in the Tourism, Mass Consumption, and Public Health industries and investment and cooperation in real estate.
Shenzhen ORVIBO Technology Co., Ltd., Red Star Macalline Holding Group Co., Ltd.	Conducted in-depth strategic cooperation in technological innovation, product application and Smart Home services.
Dahua Technology Co., Ltd.	Promoted the establishment of the Smart Community Joint Laboratory, developed various innovative products and plans for cooperation in the Smart Community industry, and provided specialized R&D support.
Honeywell (Tianjin) Co., Ltd.	Developed Smart Building and Community products, providing refined solutions for Smart Buildings and Communities.
Alibaba Cloud Computing Co., Ltd.	Developed an AI Community Hub and rolled out intelligent applications including those performing personnel track positioning, environmental system monitoring, perimeter intrusion detection, occupation monitoring of key areas, and non-inductive traffic identification.

04 | Reinforcing the Upgrading of Our Intelligence Strategy through Digitisation

To enhance Midea Real Estate's business operations efficiency and to support the Group's digital transformation, we have accelerated our digital construction and enhanced overall operational efficiency. In 2019, Midea Real Estate rolled out its digitisation of all main business operations in terms of integrated finance, integrated supply chains, marketing ecology, and digital technology. For instance, integrated finance achieved the unification of internal financial standards system, and master data accuracy improved to 99.48%, covering 82.8% of integrated financial scenarios. The marketing ecology built a digital platform around users. It has completed the comprehensive mobile and We-Chat-based operations from house showing to move-in and community management in the form of Intelligent Decoration, Intelligent Distribution, and Property Widget. The marketing platform has serviced 1.38 million registered users and provided digital marketing services for over 400,000 home buyers.

Integrated Finance	Connects business through finance, promotes reverse standardisation and transparency in front-end business data, developing digital financial capabilities, ensuring business operational safety, and rapidly supporting business operations.
Integrated Supply Chain	Focuses on project operation, advances the affective interaction and internal and external collaboration of different business lines. Realises process and data connection and optimisation, enhances operational efficiency, and develops digital production and service capabilities.
Marketing Ecology	Centres on customers, establishes effective connections with customers, partners and suppliers, acquire business opportunity leads and data insights for targeted marketing; establishes a small Property+ ecosystem, connects to the large external business ecosystem, and develops digital marketing capabilities.
Digital Technology	Establishes a technologically advanced and open digital technology platform system featuring a robust backbone and flexible terminals based on the principle of openness and cloudification.

Property Widget Revolutionized the Intelligence Reform of Real Estate Marketing

CASE

On 23 September, the Midea Real Estate digital marketing platform released a marketing widget—Property Widget. Through Property Widget, clients can click on their Dream Houses, view house information and immediately communicate with service consultants, receive other house information sent by consultants based on big data analysis, and make thorough house tours and contract-signing arrangements online at any time and anywhere. Property Widget provides future marketing experience for the real estate industry.

Purchase Your House at Home	Full Customer Network Coverage	Data-Empowered Precision Marketing
all house information is covered and a 24/7 new interactive mobile house purchasing experience is reconstructed, realising the seamless tracking of online house showing, intelligent sign-in, immediate communication, and house purchasing.	an intelligent business card and personal customer network are established to enable the intelligent lean management of customer information, realising more accurate information, real-time tracking, and communication with customers.	tracks customer browsing and conducts in-depth analysis, judgement, and prediction on customer requirements based on back-end overall customer big data and AI technologies for more precise marketing reach.



Working Together for a Better Future

Just as the saying goes that "He who eats the fruit will think of the tree; he who drinks from the stream will think of its source", Midea Real Estate has made a sincere commitment to give back to society. In response to the pandemic, we have worked at the frontline with the people to rise to the challenge through our actions. In the field of rural revitalisation, we have practiced what we preach, and explored a sustainable and expansible targeted poverty alleviation pathway. In terms of public benefit programs, we have integrated innovation to build a beautiful and harmonious life through the use of both technology and compassion.

Key Actions in 2019

- Supported pandemic prevention and control through medical devices and purchase of supplies
- Implemented the tenant rent exemption plan to relieve their business pressure
- Focused on rural living conditions and pushed forward rural housing repairs
- Constructed public service facilities and improved rural public spaces
- Focused on rural hydraulic engineering construction to guarantee the safe drinking water of residents
- Launched employee volunteer activities to support the cause of education and share our love for our communities

Key Results in 2019

- Invested RMB **18.5** million in cash funds, material donations, and purchases of pandemic prevention supplies
- Exempted RMB **10.15** million in tenants' rents and management fees, and ensured the supply of about **3,000** assembled sanitary wares for hospitals
- Improved the rural environment by rebuilding **11** houses and repairing **25** houses
- Implemented a centralized water supply project for **9** provincially designated poverty-stricken villages in Shaoguan, guaranteeing the drinking water safety of over **20,000** villagers
- **316** individual employee participations in public benefit programs

Key Issues



Focus Area of Social Welfare



Community Development and Care



01 | Focus on 2019—Fighting against the Pandemic Together

The beginning of 2020 was suddenly hit by a nationwide battle against a faceless foe. The COVID-19 broke out in Wuhan and quickly spread across China. In response to this austere situation, Midea Real Estate immediately initiated its emergency plan and rapidly acted to arrange and implement epidemic prevention and control measures. Through the fastest possible actions, the most effective possible measures, and the most resolute attitude, Midea Real Estate supported the fight against the pandemic and guaranteed the public livelihood.

Joining the Rescue Team with the Front-line to Fight against the Pandemic

Pandemic prevention and control is a command as well as a responsibility. We remain constantly concerned with Wuhan and the medical workers fighting against the pandemic, and have mobilized our regional companies and industrial corporations to invest over RMB18.5 million worth of cash and goods in support of the fight against the coronavirus and to relieve the economic pressures of our tenants. Fighting against the pandemic with people across the country side by side, we have contributed to our victory in this fight.

Pandemic Fighting Data

Midea Real Estate donated RMB **2** million to the fight against the pandemic in Wuhan.

Midea Real Estate donated RMB **5.3** million worth of funds and supplies to the nationwide pandemic fight.

Midea Commercial Management exempted RMB **10.15** million of tenants' rents and management fees in the shopping centres it manages and operates.

Midea Property Management launched a public benefit event themed around "Caring for Medical Workers and Fighting Against the COVID-19" in Communities across China, drawing **4,705** participants.

Ruizhu Youka, a company in which Midea Real Estate holds interests, constructed about **3,000** assembled sanitary wares for "Xiaotangshan" Hospital branches across China.



Pandemic Fighting Efforts

**On 25
January 2020**

Midea Real Estate Wuhan company donated RMB 2 million to Jiangxia District Red Cross Society of Wuhan to purchase medical equipment and supplies for designated hospitals of COVID-19 induced pneumonia treatment to help with the fight against the pandemic.

**On 28
January 2020**

Ruizhu Youka, a prefabricated assembled sanitary ware manufacturer in which Midea Real Estate holds interests, started its construction in advance of the construction of "Xiaotangshan" Hospital. As of 2 February, 2020, Ruizhu Youka had received purchase requests for about 3,000 assembled sanitary wares from hospitals across China, effectively guaranteeing the supply of assembled sanitary wares to "Xiaotangshan" Hospital branches across the country.

**On 29
January 2020**

Midea Real Estate rolled out its rent exemption plan for the shopping centres it manages and operates, exempting one month's rents and management fees for tenants, totaling RMB 10.15 million, helping relieve their financial pressure and tiding them over this difficult time.

**On 31
January 2020**

Midea Real Estate Liaoning Region City Company donated over RMB 3 million worth Midea air conditioners to the Sixth People's Hospital of Shenyang for hospital renovation to help fight against the COVID-19.

**From 9
February to 10
February 2020**

Midea Real Estate Handan Company donated RMB 300,000 to the Handan Red Cross Society and donated large amounts of protective clothing, medical masks, and other pandemic prevention supplies to frontline medical workers in Handan, resolving the problem of shortages of protective supplies.

**On 14
February 2020**

Midea Egret Lake Forest Resort, a subsidiary of Midea Real Estate undertook to give free admission to all medical workers across the country from its resumption date to 31 December 2020 to pay tribute to these "fighters in white gowns".

**On 22
February 2020**

Midea Property Management launched a public benefit event themed "Caring for Medical Workers and Fighting Against the COVID-19" in communities across China. Management fees prepaid for over one year by house owners across the country were used as Community Care Funds to provide housing support, children's education series, and elderly care services for frontline medical workers living in the communities of Midea Property Management on behalf of all homeowners.

**On 25
February 2020**

Midea Real Estate Anhui-Northern Jiangsu Region City Company and other caring enterprises joined hands with Xuzhou Broadcasting TV Media Group and sent over 1,000 cartons of meticulously prepared meals to the Affiliated Hospital of Xuzhou Medical University, Xuzhou Central Hospital, and other hospitals to support and encourage the frontline medical workers.

**On 7
March 2020**

Midea Real Estate Jiangxi-Fujian Region City Company worked with Ganzhou Broadcasting TV Station to host the public benefit event themed "Waiting for the Blossoming Flowers in Spring" to pay tribute to the heroes fighting the pandemic by sending them letters, supplies and flowers.

**On 10
March 2020**

the Midea Real Estate Pearl River Delta Region City Company purchased 2,000 kg of rice and cooking oil from farmers in Shaoguan, and sent them to over 270 medical workers' homes in 16 Midea Real Estate communities in Guangzhou, Foshan and Zhongshan to show our respect and gratitude to the frontline medical workers.

**From 12
March to 24
March of 2020**

Midea Real Estate Shanghai-Jiangsu Region City Company launched the "Heartwarming Festive Lanterns" themed public benefit program in partnership with the Nanjing Qinhuai River Cultural Tourism Foundation, purchased 1,000 festive lanterns that were not sold due to the COVID-19 and gave them away to 1,000 poverty-stricken children in Nanjing to help lift their spirits.



▷ On 28 January, Ruizhu Youka supported the construction of "Xiaotangshan" Hospital.



▷ On 29 January, Midea Commercial Management announced the decision to exempt one-month's rents and management fees for its tenants.



▷ On 31 January, Midea Real Estate Liaoning Region City Company donated air conditioners.



▷ On 9 February, Midea Real Estate Handan Company donated pandemic prevention supplies to frontline medical workers in Handan.



▷ On 22 February, Midea Property Management launched the "Caring for Medical Workers and Fighting Against the COVID-19" themed public benefit event in communities across China.



▷ On 25 February, Midea Real Estate North Anhui Jiangsu Region City Company joined hands with Xuzhou Broadcasting TV Media Group to send "heartwarming meals" to people in need.



▷ On 12 March, Midea Real Estate Shanghai Jiangsu Region City Company launched the "Heartwarming Festive Lanterns" themed public benefit program.



▷ On 7 March, Midea Real Estate Jiangxi-Fujian Region City Company hosted the "Waiting for the Blossoming Flowers in Spring" themed charity event to pay tribute to the heroes fighting the pandemic with flowers.



▷ On 10 March, the Midea Real Estate Pearl River Delta Region City Company purchased rice and cooking oil and donated them to the families of medical workers.

Building Strong Health Defence With Our Customers

Safeguarding the health and safety of our customers is a major priority to be addressed while facing the COVID-19. Closely following the development of the COVID-19, we immediately released the Emergency Notice on the Prevention and Control of COVID-19, and formulated the Emergency Plan for Pandemic Control. Through rapid work arrangement and employee deployment, we set up 6 specialised teams in charge of pandemic prevention publicity, data submission, garbage cleanup, safety control, living support, and material distribution, building a strong health defence line for our communities.

As of 29 February 2020, the communities managed by Midea Real Estate across the country invested about RMB

3 million

in emergency supplies

Care—Establishing a 24-Hour Mechanism

We put in place a 24-hour emergency communication mechanism and information distribution mechanism, built emergency command and emergency publicity teams, rolled out material purchase and stocking measures, site environment prevention and control measures, publicity management, and management of suspected cases.

Guarantee—Advance Allocation of Emergency Supplies

On 20 January 2020, we initiated the purchase and stocking of emergency supplies, provided a rapid response, and made continuous purchases to ensure the adequate provision of supplies. As of 22 January, we had purchased 153,801 masks, 25,490 bottles of disinfectant, and 2,151 no-contact thermometers for communities across China.

Professionalism—All-round Disinfection to Ensure Hygiene

All communities managed by Midea Real Estate were subject to comprehensive disinfection. Indoor public areas like corridors, elevators, and basements were disinfected twice per day, key areas like those surrounding garbage cans, entry gates, and recreational facilities were disinfected three times per day, and door handles and elevator control panels were disinfected four times per day to ensure proper sanitation and hygiene levels. Specialised garbage cans for used masks were provided to reduce virus transmission.

Adherence—Rigorous Quarantine Management

Starting from 27 January 2020, all communities managed by Midea Real Estate implemented quarantine management practices. Road barriers were set up and entrances/exits were assigned personnel to measure the body temperature of residents entering the communities, registering the information of passing homeowners and employees returning to their hometowns.

Timeliness—Multi-Channel Distribution of Pandemic Information

Pandemic prevention posters and announcements were posted on community bulletin boards and in elevator halls. The latest pandemic information, government releases on pandemic developments, and official statements dispelling rumors were pushed to the homeowner service APP - Cloud Community (雲朵社區) and homeowner chat groups in real time to spread the importance of pandemic prevention to all households.

Upgrading—Provision of Uplifting Special Services

The Fresh Food segment was launched on the homeowner service APP - Cloud Community and added the service platform - Cloud Market (雲朵薈) to provide safe home delivery services of fresh food. Meanwhile, convenient services are provided to the public, including free printing, binding and door-to-door delivery of learning materials and express parcels; we work with Chunyu Doctor in providing free volunteer consultations and psychological counseling services online 7×24 hours to meet the owners' requirements during this special time.



▷ Allocation of Emergency Supplies

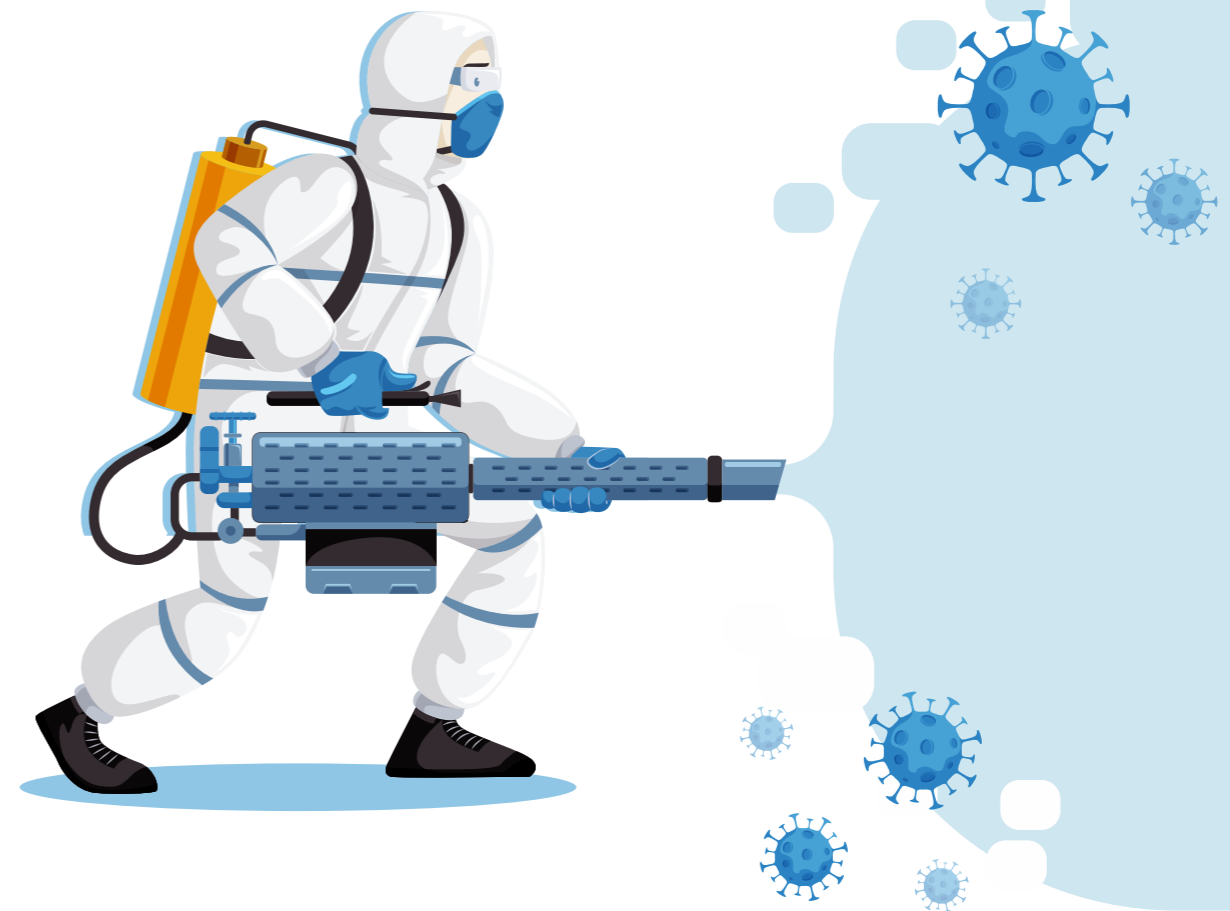
▷ Comprehensive Disinfection of Public Areas

▷ Strict Body Temperature Testing at Entrance Points



▷ Safe Fresh Food Delivery Campaign

▷ Free Online Consultation



02 | Supporting Rural Revitalisation

The implementation of rural revitalisation strategies is a major aspect of the new era of China's "Three Rural" issues. This strategy is focused on successfully building a moderately well-off society in an all-round way and building a great modern socialist country in all respects. In response to the policy of the Guangdong Provincial People's Government regarding the new model rural village drive for 2,277 impoverished villages in the province and the national government's call for poverty alleviation, Midea Real Estate has based in the Shaoguan Philanthropic Foundation for Rural Revitalisation ("Foundation") to advance rural revitalisation work in Shaoguan. By practically improving the rural living environment, and enhancing the quality of life and health of rural residents and spreading and promoting village culture, Midea Real Estate has committed to boosting the sustainable development of rural economies, societies, and cultures.



Extended Reading:

The Shaoguan Philanthropic Foundation for Rural Revitalisation is China's first public welfare foundation focused on the cause of rural revitalisation and is funded by Midea Real Estate. It is positioned as a hybrid foundation with poverty alleviation, rural revitalisation project execution business and public welfare ecological cultivation subsidy business. Currently, the Fund is carrying out targeted poverty alleviation and rural revitalisation work in Renhua County, Nanxiong City and Zhenjiang District of Shaoguan, and committed to promoting the overall improvement of Shaoguan's public welfare and charity culture and rural system by integrating cross-border resources.

Ecological Living—Housing Security

"Ecological living" is one of the overall objectives of rural revitalisation, and refers to environmental friendliness in rural communities. A common aspiration of rural residents is to improve the rural living environment. Hence, Midea Real Estate's Tianyuan Design Institute collaborated with the Foundation to complete the basic living environment renovation plan of 8 administrative villages in Renhua County and Nanxiong City, focusing on enhancing the rural living environment, improving rural garbage and sewage treatment and village appearance. In close cooperation with the relevant Shaoguan government departments, we helped poverty-stricken households rebuild and repair their structurally unstable or dangerous houses.



▷ In July 2019, the waste yard, which had been deserted for years, was transformed into the Yuanyang Grove that villagers of Hefu Village can use for rest and entertainment.



▷ In July 2019, the Dajing River Course Renovation Project of Hefu Village was completed.



▷ In August 2019, the Scenic Pond Project of Zhongzhan Village was completed.



▷ In September 2019, the external facades of 24 houses in Xinwuzu, Jiawon was completed.



▷ In February 2020, the Hemei Home Plan launched for poverty-stricken households with housing issues, helping rebuild 5 households and repair 11 households in Renhua County, and to rebuild 6 households and repair 14 households in Nanxiong.

Hydraulic Engineering—Water Security

The standards of drinking water and irrigation water in rural villages are generally lower than those in the cities, and most rural villages are faced with problems such as inadequate irrigation water, sub-standard water quality, and outdated pipeline equipment. Rural water issues are closely related to the well-being of rural residents. Therefore, Midea Real Estate worked with the Foundation in 2019 to advance farmland irrigation and water conservancy improvement projects in Pinggang Village, and safe drinking water improvement projects in Zhenjiang District and Nanxiong, Shaoguan. These efforts were meant to further improve the water supply capacity of rural water conservancy projects through providing better infrastructure and supporting facilities, and thus to ensure the safety of drinking water and water utilisation of rural residents.

Farmland irrigation and water conservancy improvement project

Midea Real Estate introduced a specialised technical team to Pinggang Village and launched mountain spring water purification, water pipeline network construction, water quality improvement and ditch construction works in collaboration with the Foundation, effectively improving water irrigation conditions in Pinggang Village. This project was fully completed in November 2019.

Safe drinking water improvement project

starting from July 2018, the Foundation rolled out its drinking water improvement plan in administrative villages with relatively serious drinking water safety issues, including Qunfeng Village and Xiabei Village in Lishi Town, Zhenjiang District, Jiawon Village, and Taiyuan Village in Zhuji Town, Nanxiong, so as to enhance the water supply capacity and safety level of rural drinking water and ensure the safe drinking water of rural residents. In July 2019, the Zhenjiang District drinking water project was completed, benefiting 5,121 villagers in 2 poverty-stricken villages. In March 2020, the Nanxiong City drinking water project was partially completed; upon full completion, this project will benefit around 18,500 villagers in 8 administrative villages.



▷ Before the implementation of the improvement project



▷ Reservoir installation and construction process



▷ After the implementation of the improvement project

Comfortable Living—Building Homes Together

In 2019, Midea Real Estate and the Foundation launched the construction of public service facilities in combination with the rural infrastructure improvement plan and the future development direction of the villages, including public space improvement works such as the construction and renovation of community centres, landscaping improvement, construction of municipal township roads, and repair of ancient buildings. A handful of project villages in Renhua County and Nanxiong were selected for renovation by the Foundation, and Midea Real Estate implemented the renovation work through construction on idle land and site reconstruction and improvement, addressing the problem of shortage of public spaces in rural areas.

Jointly Building the Xinlong Village Rural Park

CASE

The Rural Park is now a landmark of Xinlong Village. It used to be a deserted plot of low-lying land stretching for about 10,000 m², covered with weeds and garbage. To enhance the overall appearance of the village, the Foundation assembled a three-in-one team comprising the "Foundation + Design Team + Local Villagers" under the joint construction model. Villagers were encouraged to invest manpower, and with limited funds, the idle resources in the village were fully utilized. The park was completed in a month. The completed park now provides a venue for village activities and a destination for tourists to visit.



▷ Rural Park before Renovation



▷ Rural Park after Renovation

Constructing the Dajing Parking Lot in Hefu Village

CASE

The Dajing Parking Lot was formerly a sunning ground pitted with holes and an exposed retaining wall. To eliminate the safety hazard, the Foundation repaved the ground with concrete and enclosed it with rubble retaining wall and rails. It has now become a multifunctional space of about 1,025 m² that can be used for parking, rice sunning and recreation.



▷ Parking Lot before Renovation



▷ Parking Lot after Renovation

Constructing the Cultural Activity Room and Basketball Court of Group 12, Pinggang Village

CASE

To enrich the villagers' cultural and recreational life, the Foundation constructed a community cultural activity room and a basketball court, and rebuilt the old sunning grounds in three village groups of Pinggang Village. The cultural activity rooms and basketball courts offered a venue for about 300 villagers in these three village groups to conduct cultural, recreational, and agricultural production activities, and host public forums.



▷ Cultural Activity Room before Renovation



▷ Cultural Activity Room after Renovation

Rebuilding the Jiaowan Archway of Jiaowan Village

CASE

The Jiaowan Archway is located in Xinwu Group, Jiaowan Village. Initially built in 1718, it has a history of 300 years. The early stage focused on simple repairs to the Jiaowan Archway, as it had fallen out of repair for many years. To restore the former appearance of the Archway, preserve its historical and cultural value, and enhance the overall landscape appearance of 24 folk houses, the Foundation rebuilt the Archway to keep the culture and essence of ancient buildings alive.



▷ Archway before Renovation

▷ Archway after Renovation

Civilised Crafts—Cultural Rejuvenation

Building "Harmonious and Beautiful Villages" is one of the goals of the Foundation, and an important CSR project for Midea Real Estate. In 2019, Midea Real Estate launched the Shaoguan Rural Study Trip Exploration Tour during summer vacation together with the Foundation. Urban and rural children were recruited as members of Midea Real Estate's volunteer group to interact with nature. This program was aimed to spread Shaoguan's intangible cultural heritages, to revitalise traditional crafts in an innovative manner, increase job opportunities for rural villagers, and rejuvenate industrial and rural development.

Launched the Little Designer Program to Spread Intangible Cultural Heritages

CASE

In July 2019, Midea Real Estate launched the Little Designer Program, which recruited 20 teams of Midea Real Estate homeowner families and Shaoguan rural children to learn about intangible cultural heritages and explore the secrets of nature. Art experts from Guangzhou were also invited to serve as professional instructors. These young volunteers first gave free rein to their imagination and created their own paintings based around Mount Danxia and azuki beans. We then detailed the designs of outstanding works and upgraded them as packages for azuki accessories. This program supported the promotion of distinctive agricultural products in these poverty-stricken villages while providing an opportunity for the children to learn about intangible cultural heritages.



Organising the Shaoguan Rural Study Trip Exploration Tour

CASE

In July 2019, Midea Real Estate launched the Shaoguan Rural Study Trip Exploration Tour in collaboration with the Foundation. Primary school students from Shunde and Dongtang Town in Renhua County were invited to visit the intangible cultural heritage sites in Dongtang Town, experience the local culture, and work together to decorate the lotus-themed "Art Dinner". The paintings created during the tour were re-designed and used as packaging for the Midea Real Estate Specialties Festival products this year. The Specialties Festival is a brand public benefit program launched by Midea Real Estate in 2018 to integrate product resources from the Shaoguan area for packaging and promotion to support sales of local agricultural products. All profits gained through the program would be used for public benefit programs in poverty-stricken villages.



03 | Charity Efforts

In 2019, Midea Real Estate released the Guidelines for Responsible Brand Construction and adjusted the overall planning of its future social responsibility projects and development pathways. The Midea Real Estate Volunteer Team was also built to launch volunteering activities in the fields of education, health, care for the disadvantaged, and environmental protection. A greater number of caring, responsible, and dedicated employee volunteers were encouraged to participate in the social welfare and charity support programs.

Supporting Educational Development

Midea Real Estate has continuously concerned itself with social development and education, and is committed to providing greater room for growth and more development platforms. In 2019, we launched a series of activities in support of educational development, including making computer donations to Tianjiabing Primary School in Renhua County, expansion of Renhua High School, Taiyuan primary school renovation in Nanxiang, supporting the Caring Book House, making children's book donations, supporting college entrance examinations, and the Dream Home Plan.

Caring Book House Inspiring Dreams

CASE

After learning about the lack of books at Yushui Primary School in Jizhang Town, Dushan County, Midea Real Estate Southwest Regional Company initiated a library construction assistance program. On 22 May 2019, volunteers headed to Yushui Primary School to conduct book donation activities. A total of 2,100 volumes of books were donated, covering such categories as children's art, children's literature, popular science, encyclopedias, and cartoons. These books help enrich the children's minds, helping grow their knowledge and fulfill their childhood through reading.

Reconstructing the Library, Dormitory Building and Multiple-use Building of Renhua High School

CASE

Renhua High School is the only county-level key senior high school in Renhua County and has 94 years of history. In recent years, the original school facilities have been unable to meet the actual demand of educational development due to the increasing number of teachers and students. In response to this, starting in 2018, the Foundation organized several field surveys and evaluations on Renhua High School and decided to fund the reconstruction of the library, dormitory building and multiple-use building of Renhua High School, with the project to be undertaken by Midea Real Estate. In November 2019, the foundation-laying ceremony for the expansion and optimization project of Renhua High School was held. Upon completion, the project would provide a dormitory building designed with 540 beds, a library of 1,406 m², and an academic lecture hall with 880-person capacity and related functional rooms to address the school's pressing need of sustainable development and training of more high-caliber talents.



▷ Design Rendering of the Library



▷ Design Rendering of the Dormitory Building

Renovating Taiyuan Primary School

CASE

Located in Xinjie Village Group of Taiyuan Village, Taiyuan Primary School was built in the 1980s. This incomplete primary school with 33 years of history has damaged buildings and outdated classroom facilities. To address the problem of enabling the village's school-aged children to attend primary school in the area, multiple parties decided, after discussions, that the Foundation would fund the renovation and Midea Real Estate would undertake the renovation of Taiyuan Primary School. The old doors and windows were replaced with new ones, and the building facade and interior were renovated to meet the children's learning needs and adapt to the needs of modern teaching. In January 2020, the preliminary acceptance inspection of Taiyuan Primary School Renovation Project was completed.



▷ Primary School before Renovation



▷ Primary School after Renovation

Running Towards a Healthy Life

Midea Real Estate is dedicated to promoting the concept of healthy lifestyles nationwide, has launched sports activities themed around environmental protection and student grants, and invited the public to improve their health while speaking for public benefit programs. In 2019, we hosted various types of sports competitions like an eight-city joint run, Supporting Acts of Kindness in Cities, City Orienteering Challenges, the Midea Real Estate Chengde Cup Liuye Lake Cycling Competition, and the 2019 Hunan Hengyang First International Marathon. All of these activities were designed to contribute to building a healthy community and practicing the "Healthy China strategy".

Nationwide Xiangjiang River Eco-Walk Fitness Campaign

CASE

In May 2019, the Midea Real Estate Hunan Region Zhuzhou Company held the 12th Xiangjiang River Eco-Walk. It was an eco-friendly event supporting education, protection of the Xiangjiang River, and nationwide fitness. It was attended by about 6,800 participants aged from 3 to 70, and raised RMB 321,750 for education, marking the highest amount raised in the event's history. This public benefit event has allowed us to not only support the protection of Xiangjiang River and the launch of educational support programs, it has also spread environmental awareness and understanding of healthy living nationwide, practically boosting the development of social welfare.



Sharing Acts of Compassion

Midea Real Estate concerns itself with every frontline worker contributing to its host cities, and is grateful for their efforts in making these cities better. To allow these frontline workers to feel the warmth of home, we often visit them on special occasions. In 2019, to show our respect for these crucial individuals, we organised activities including the Anhui Lujiang Midea City Project Worker Physical Examination, the Paying Tribute to City Strivers Series public benefit event, and the Dedicated to Strangers in Familiar Cities, Summer Cooling and Paying Tribute to City Beautifiers events.



▷ Paying Tribute to City Heroes Summer Cooling Event

Realising Better Development through Responsibility

01 | Responsible Operation

Midea Real Estate has always taken the fulfillment of its environmental, social, and governance responsibilities as the only path for sustainable corporate development and business continuity, and has always considered legally compliant operations as its bottom line. Actively giving play to our professional strengths and resources strengths, we have integrated intelligent technology into our day-to-day daily operations and urban development, incorporated legal compliance and risk prevention in business operations, and continuously promoted innovation and reform to safeguard steady corporate development and create a better life for the people.

Responsibility Concepts

Upholding the vision of being "A Pioneer in Smart Living", Midea Real Estate has actively given play to its professional strengths in terms of intelligence, technology, planning, and design, made constant innovations and reforms, restructured industrial layout, focused on intelligent manufacturing, engaged in green and eco-friendly programs, stimulated the vitality of our talent, and jointly paint a prosperous society. By constructing high-quality houses for people, driving the growth of cities, and creating more beauty and value for the society, Midea Real Estate has created better lives for the public through intelligence upgrading.

A Smarter Life	Committed to building high-quality construction and integration services with intelligent, industrialised, and digital, constructing "5M Smart Health Community", and creating better lifestyles.
A Greener Ecosystem	We focus on intelligence industrialisation and building industrialisation, accelerating the technical development and ecosystem establishment of prefabricated interior decoration, imposing rigorous full lifecycle eco-friendly management on buildings from design to operation, and building a new pattern of eco-friendly living.
Boosting Greater Growth of Peers	Upholding the concept of "Achieve Success with Talents, Accomplish Talents with Careers", Midea Real Estate has provided employees with a platform for them to give full play to their talents and accomplish career success, and boosted long-term corporate development through talent growth.
Creating More Vibrant Communities	On the basis of our professional competence, we have rolled out our rural revitalisation strategy and explored replicable and expansible rural revitalisation and targeted poverty alleviation pathways. Through our volunteer team, we have given back to the community and allowed more people to enjoy a better life.
Ensuring Steadier Operation	By maintaining our steady development momentum and enhancing capital operation, risk control, and responsible operation capabilities, we have developed comprehensive corporate competitiveness guided by a manufacturing mindset and helped realise high-quality development.

Responsible Management

ESG Management Structure

In light of the development requirements for the new era, Midea Real Estate has continuously improved its environmental, social, and governance (ESG) management system. We have established ESG work teams made up of members from key functional departments such as environmental protection and safety, human resources, product quality, social welfare, and corporate governance to manage and supervise Midea Real Estate's environmental, social, and governance affairs. Every year the ESG work teams sort out and update ESG-related policies and regulations on a regular basis, collect and integrate annual ESG practices, review the annual ESG performance of Midea Real Estate, and put forward suggestions to the Board of Directors. In 2019, the Midea Real Estate ESG Report was prepared by the ESG work teams and was submitted to and approved by the Board of Directors.

ESG Level	Staffed by
ESG Leading Team	CFO serves as leader, coordinates with head persons of other relevant functional centres and designated regional head personnel
ESG Management Team	Persons in charge of the business of relevant departments serving as members of the ESG management team
ESG Work Group	The operational staff from relevant functional departments of the headquarters, regional companies, and other operating divisions

ESG Work Promotion

When taking the opportunity to prepare the ESG report, Midea Real Estate systematically reviewed its work from 2018 in 2019, identified the drawbacks in ESG governance structure and ESG report disclosure, and drew up improvement and response measures. The Board of Directors was further arranged to provide training on the latest guidelines for ESG reporting, so that the members of the Board of Directors could gain a better understanding of the ESG compliance requirements of The Hong Kong Stock Exchange and further involve themselves in ESG management.



Responsible Communications

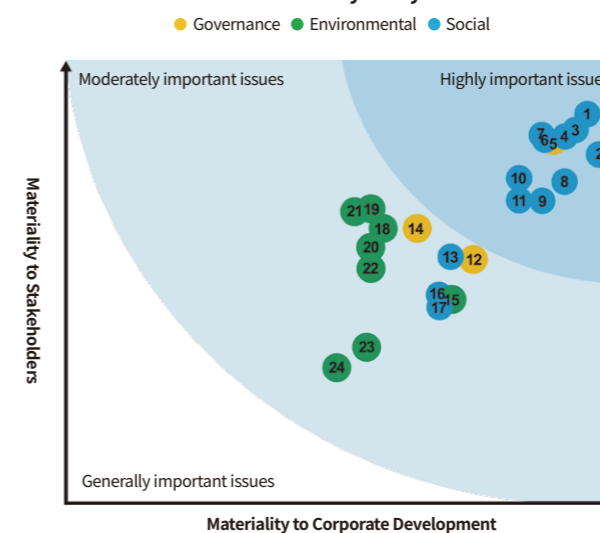
We hope to maintain active two-way communication and collaboration with internal and external stakeholders by establishing convenient communication channels, so as to better learn about and promptly respond to their opinions and suggestions, and thus form a driving force to boost continuous corporate development, optimise management, and practically advance sustainable corporate development.

Stakeholders	Demands and Expectations	Form of Communication	Response Measures
Shareholders and investors	Disclosure transparency Protection of shareholders' rights and interests Corporate compliance governance	Regular disclosure of business information General meeting of shareholders Investor conference and roadshow	Transparent and open information disclosure Continuous improvement of corporate risk management Improvement of brand value
Governments and regulators	Law-abiding compliance business operations National policies fully implemented Anti-corruption and anti-bribery Local development support	Regular reporting and communication Forums and exchanges	Continuous improvement of compliance management Improvement of governance structure Tax payment issued according to law
Property owners/ Customers of malls and office buildings	Quality of products and services Effective response to customer complaints Customer's security protection Customer's Privacy protection	Effective complaint channels and responses Satisfaction surveys Fee information disclosure Property/commercial service activities	Protection of customers' rights and interests Optimisation of product and service quality Improvement of customer experience
Employees	Talent attraction and retention Development and training Safety and health Benefits and care	Regular communication Regular trainings Employee activities	Formulating a competitive remuneration system and benefit mechanism Providing training regularly Improvement of promotion mechanisms Organising employee activities
Environment	Energy conservation Emission reduction Effective utilisation of materials	Environmental information disclosure Forums and exchanges	Advanced eco-friendly building industrialisation Constructing eco-friendly buildings Implementing eco-friendly construction Building eco-friendly communities
Suppliers	Win-win cooperation for mutual benefit Contract fulfilled in good faith	Regular daily communication Supplier conferences Procurement activities	Strengthening supply chain management Conducting supplier training Implementing transparent procurement
Industry associations/ chambers of commerce	Observing the industrial norms Promoting the industry innovation	Strengthening industrial exchanges	Directing/participating in industrial research
The society and the public	Local community development and care Supporting social welfare	Public benefit activities Community services Information disclosures	Organising and participating in rural revitalisation projects Organising and participating in local community activities Launching employee volunteer activities

Responsibility Issues

Midea Real Estate conducts a comprehensive survey on its stakeholders every two years to continuously pay attention to their needs and opinions. In 2018, we collected 1,627 questionnaires filled in by investors/shareholders, government regulators, customers, and employees to fully understand their demands and suggestions. Based on the survey, Midea Real Estate conducted 11 in-depth interviews with management and employees in 2019 to reflect the changes in stakeholders' viewpoints and demands. Through a re-evaluation on the questionnaire-based survey results in 2018, we adjusted and reviewed the major issues in light of the results of our 2019 communications with our stakeholders and our business operations, and concluded that there were 11 highly important issues, including the quality of our products and services, customer complaint responses, and user's security protection. These issues have been fully elaborated in this report, and the sustainable development strategy and management policies of Midea Real Estate have been adjusted as per the concerns and demands of stakeholders.

ESG Issue Materiality Analysis Matrix



List of Major ESG issues

Importance	No.	Issue Description	Importance	No.	Issue Description
Highly important issues	1	Quality of products and services	Moderately important issues	12	Disclosure transparency
	2	Customer complaint response		13	Intellectual property protection
	3	User's security protection		14	Responsibility governance
	4	Employee safety and health		15	Eco-friendly building
	5	Anti-corruption and anti-bribery		16	Community development and care
	6	Brand image		17	Focus Area of Social Welfare
	7	Talent attraction and retention		18	Energy conservation
	8	Employee development and training		19	Waste management
	9	Responsible supply chain		20	Water resources utilisation
	10	Labor rules		21	Greenhouse gas emissions
	11	Customer privacy protection		22	Material usage
			23	Biodiversity conservation	
			24	Exhaust gas and wastewater discharge and management	

02 | Steady Development

Risk Management Control

The Group's risk management and internal control systems include a defined structure with specified limits of authority and responsibility. Each of the business departments acts as the primary unit of risk prevention and control, responsible for the implementation of daily risk management and internal controls, identification and collection of internal and external risk information and assisting the auditing and risk control centre in performing regular risk assessments. The senior management is responsible for setting appropriate principles and values, performing risk assessments, owning the design, implementation and maintenance of internal controls, as well as giving confirmation to the Board on the effectiveness of the risk management and internal controls. The Board and the Audit Committee oversee the actions of the management and monitor the overall effectiveness of the control systems.

In 2019, the Group had engaged an external internal control consultant to review the Group's risk management and internal control systems. The Group performed evaluation on top ten risks, updated the risk evaluation standards and risk databases, prioritised and ranked the identified risks in accordance with the risk occurrence and significance, and determined the significant risks which need to be addressed in top priority by integrating the risk tolerance with response measures and improvement plans developed, as well as reported to the Audit Committee the evaluation results and the implementation of control measures considering, among others, the changes in external market environment and internal operating environment and the business development progress. The Group had considered and adopted or will adopt recommended measures by the external consultant to ensure ongoing compliance and enhance its internal control measures where appropriate.

Anti-Corruption

Midea Real Estate strictly follows the Company Law of the People's Republic of China, the Law of the People's Republic of China on Anti-Unfair Competition, and other corruption and bribery prevention laws and regulations. To execute rapid analysis, judgement, and response to material business risks, our Risk Control Centre set up its Audit Sub-Centre in 2019. The Audit Sub-Centre has set up a subsidiary Audit Department and Fraud Supervision Department to comprehensively monitor the fraud risks in business operation, optimise controls in both institutional and structural terms, and effectively build a solid anti-corruption defence line.

Stringent Anti-Corruption Regulations	Specifies employees' code of conduct for corruption-related behavior in accordance with internal regulations like Anti-Corruption Practices, requires employees to sign the Midea Real Estate Integrity Agreement (for Employees), standardises the integrity of all employees, and eliminates corruption and commercial bribery incidents.
Tight Supervision and Management	Specifies the supervisory department, standardises the supervision and supervises the units and key posts on a regular basis as per the Measures for Supervision Management and Supervision Work Procedure and Guidelines, punishes any employees soliciting or accepting bribes or committing malpractice as per the Measures for Accountability Management, and hands them over to the judiciary authorities if their acts constitute criminal offenses.
Well-Defined Whistleblowing Approaches	Issued the Measures for Tip-off and Complaint Management, and established whistleblowing channels like phone and e-mail hotlines; prohibits all forms of discrimination or retaliation, keeps the information of whistleblowers and whistleblowing files strictly confidential based on the principle of information confidentiality, and prohibits information leakages.
A Strong Integrity Atmosphere	Creates a strong integrity atmosphere from top to bottom through online and offline approaches like integrity lectures, topic reporting, case video watching, and integrity article releases on WeChat.



Intellectual Property Protection

Pursuant to the Trademark Law of the People's Republic of China, Patent Law of the People's Republic of China, and Copyright Law of the People's Republic of China, Midea Real Estate highly values the protection of intellectual property rights, and standardises and normalises intellectual property right-related work to safeguard innovation results and build the brand.

Formulated Measures for Patent Management to define the measures to handle patent application, patent portfolio, patent ownership, patent warning, patent evaluation, patent operation, and infringement disputes;

Formulated Measures for Copyright Management to specify the primary action guidelines for copyright ownership, registration, protection, and risk prevention, to encourage employees to safeguard their legitimate intellectual property rights, and to fully respect the intellectual property rights of others while filing patent and copyright applications;

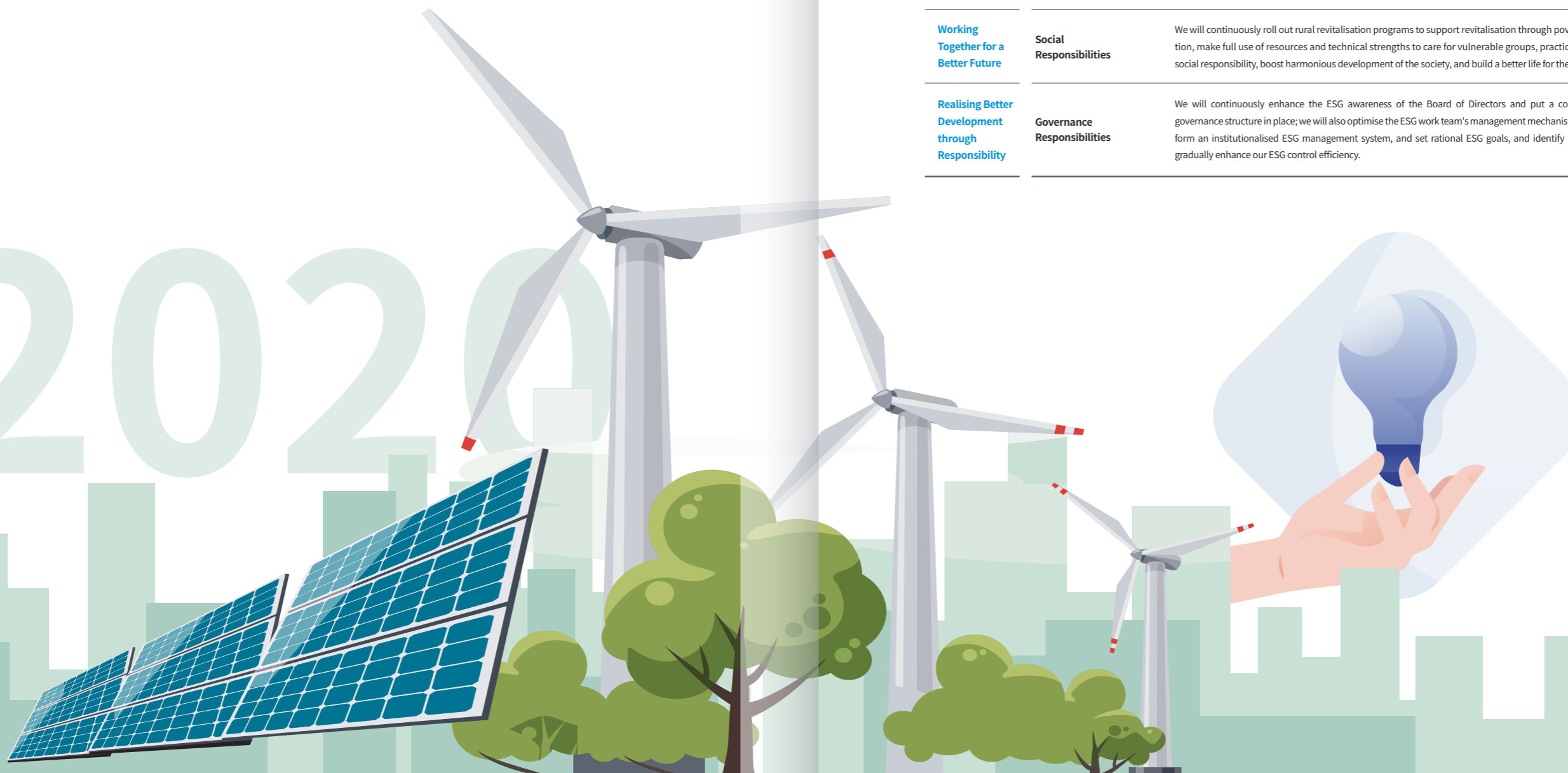
Released the Notice on Use Specifications for Commercial Trademarks to define the correct forms of trademarks of Midea Real Estate and their use permissions and specifications on publications, new conferences and websites to further standardise trademark use;

Released the Notice on News Generation Mechanism and Measures for Management of Information Release and Notice on Crisis Management System to unify the responsible departments, rights and liabilities, relevant requirements and action guidelines for news release and brand crisis management of Midea Real Estate, and enhance the brand's crisis handling capability.

Future Outlook

Looking forward to 2020, Midea Real Estate will continue to forge ahead on the path of "intensive development in focused area and strategic upgrade". Seizing the strategic opportunities of industrial development and fully studying changes in the market, we will upgrade our innovative product research and development, further empowering the industry and enhancing our competitiveness, and thus supporting high-quality lifestyles and creating more value for society.

2020



<p>Building a Better Life with Intelligence</p>	<p>Product Responsibilities</p> <p>Customer Responsibilities</p>	<p>We will focus on lean management, carry out forward-looking technology research, empower the industry in a profound way; maintain the core competitiveness of our products in 5M Smart Health Community, create new product advantages and development opportunities, and advance lean products and services.</p> <p>With a continuous focus on customers in terms of professionalism, perspective and process in a holistic manner, we will promote the industry's first integrated property service and customer service model, attach importance to community operations and building customer relationship, and achieve the objective of continuously offering value to customer.</p>
<p>Building a Better Ecosystem</p>	<p>Environmental Responsibilities</p>	<p>In light of the trend towards eco-friendliness in the construction industry, we will deepen building industrialisation, accelerate the technical development and ecological layout of prefabricated interior decoration, optimise eco-friendly construction management, implement the concept of eco-friendly operation in a more profound manner, and ultimately grow into an eco-friendly real estate enterprise.</p>
<p>Boosting Mutual Progress with Our Peers</p>	<p>Employee Responsibilities</p> <p>Partner Responsibilities</p>	<p>We will continuously improve our competitive remuneration system and intelligent human resources service platform, focus on employee training at all stages, comprehensively tap employee potential, and lay a solid human resources foundation for the Group's development.</p> <p>We continuously improve supply chain management, strengthen supplier training, advance supply chain development, advocate eco-friendly and transparent procurement, and establish a responsible supply chain.</p>
<p>Working Together for a Better Future</p>	<p>Social Responsibilities</p>	<p>We will continuously roll out rural revitalisation programs to support revitalisation through poverty alleviation, make full use of resources and technical strengths to care for vulnerable groups, practice corporate social responsibility, boost harmonious development of the society, and build a better life for the public.</p>
<p>Realising Better Development through Responsibility</p>	<p>Governance Responsibilities</p>	<p>We will continuously enhance the ESG awareness of the Board of Directors and put a corresponding governance structure in place; we will also optimise the ESG work team's management mechanism, gradually form an institutionalised ESG management system, and set rational ESG goals, and identify ESG risks to gradually enhance our ESG control efficiency.</p>

Appendix

ESG Index

Environmental, Social and Governance Aspects, General Disclosure and KPIs	Chapter
A.Environmental	
General Disclosure	Building a Better Ecosystem
A1 Emissions	Emissions don't constitute an important aspect for the operation of Midea Real Estate.
A1.1 The types of emissions and respective emissions data	ESG KPIs
A1.2 Greenhouse gas emissions in total and, where appropriate, intensity	ESG KPIs
A1.3 Total hazardous waste produced and, where appropriate, intensity	Building a Better Ecosystem
A1.4 Total non-hazardous waste produced and, where appropriate, intensity	Building a Better Ecosystem
A1.5 Description of measures to mitigate emissions and results achieved	The generation and disposal of hazardous waste is not an important aspect for the operation of Media Real Estate.
A1.6 Description of how hazardous and non-hazardous wastes are handled, education initiatives and results achieved	
A2 Use of resources	
General Disclosure	Building a Better Ecosystem
A2.1 Direct and/or indirect energy consumption by type in total and intensity	ESG KPIs
A2.2 Water consumption in total and intensity	ESG KPIs
A2.3 Description of energy use efficiency initiatives and results achieved	Building a Better Ecosystem
A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Media Real Estate does not have any problems in obtaining and using water.
A2.5 Total packaging material used for finished products and, if applicable, with reference to per unit produced	Not applicable. The use of packaging materials does not constitute an important aspect for the operation of Midea Real Estate.
A3 The Environment and Natural Resources	
General Disclosure	Building a Better Ecosystem
A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Building a Better Ecosystem
B.Social	
General Disclosure	Boosting Mutual Progress with Our Peers
B1 Employment	Boosting Mutual Progress with Our Peers
B1.1 Total workforce by gender, employment type, age group and geographical region	ESG KPIs
B1.2 Employee turnover rate by gender, age group and geographical region	/
B2 Health and Safety	
General Disclosure	Boosting Mutual Progress with Our Peers
B2.1 Number and rate of work-related fatalities	ESG KPIs
B2.2 Lost days due to work injury	/
B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored	Building a Better Life through Intelligence Boosting Mutual Progress with Our Peers
B3 Development and Training	
General Disclosure	Boosting Mutual Progress with Our Peers
B3.1 The percentage of employees trained by gender and employee category	Boosting Mutual Progress with Our Peers ESG KPIs

Environmental, Social and Governance Aspects, General Disclosure and KPIs	Chapter
B3.2 The average training hours completed per employee by gender and employee category	Boosting Mutual Progress with Our Peers ESG KPIs
B4 Labor Standards	
General Disclosure	Boosting Mutual Progress with Our Peers
B4.1 Description of measures to review employment practices to avoid child and forced labor	Boosting Mutual Progress with Our Peers
B4.2 Description of steps taken to eliminate such practices when discovered	Boosting Mutual Progress with Our Peers
B5 Supply Chain Management	
General Disclosure	Boosting Mutual Progress with Our Peers
B5.1 Number of suppliers by geographical region	Boosting Mutual Progress with Our Peers ESG KPIs
B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Boosting Mutual Progress with Our Peers
B6 Product Responsibility	
General Disclosure	Building a Better Life through Intelligence
B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable. Product recycling is not an important aspect of Media Real Estate operations.
B6.2 Number of products and service related complaints received and how they are dealt with	Building a Better Life through Intelligence ESG KPIs
B6.3 Description of practices relating to observing and protecting intellectual property rights	Realising Better Development through Responsibility
B6.4 Description of quality assurance process and recall procedures	Building a Better Life through Intelligence
B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored	Building a Better Life through Intelligence
B7 Anti-corruption	
General Disclosure	Realising Better Development through Responsibility
B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Realising Better Development through Responsibility ESG KPIs
B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Realising Better Development through Responsibility
B8 Community Investment	
General Disclosure	Working Together for a Better Future
B8.1 Focus areas of contribution	Working Together for a Better Future
B8.2 Resources contributed to the focus area	Working Together for a Better Future ESG KPIs

List of ESG Policies, Laws, and Regulations

ESG Index	Applicable Laws and Regulations	Internal Policies of 2019
A1 Emissions	Law of the People's Republic of China on Environmental Protection Law of the People's Republic of China on the Prevention and Control of Ambient Noise Pollution	
A2 Use of Resources	Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution	Measures for Waste Management Measures for Energy Management
A3 The Environment and Natural Resources	Law of the People's Republic of China on the Prevention and Control of Water Pollution Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution Law of the People's Republic of China on Energy Conservation	
B1 Employment	Labor Law of the People's Republic of China Labor Contract Law of the People's Republic of China Employment Promotion Law of the People's Republic of China Social Insurance Law of the People's Republic of China Provisions on Minimum Wages	Measures for Personnel Management Measures for Recruitment Management Labor Contract Notice on Standardizing the Open Competitive Selection of Employees of Midea Real Estate Group Management of Internal Competitive Selection
B2 Health and Safety	Labor Law of the People's Republic of China Law of the People's Republic of China on the Prevention and Control of Occupational Diseases Production Safety Law of the People's Republic of China Fire Prevention Law of the People's Republic of China Law of the People's Republic of China on Response to Emergencies Regulations on the Control over Safety of Dangerous Chemicals Report on Production Safety Accident and Regulations of Investigation and Treatment Interim Provisions on the Investigation and Control of Safety Accidents Regulation on Work-Related Injury Insurance of the People's Republic of China Provisions on the Supervision and Administration of Occupational Health at Work Sites Occupation Disease Classification and Catalogue	Measures for Safety System Establishment and Implementation (Trial) Measures for Safety Production Responsibility System Management (Trial) Measures for Production Risk Classification Control Measures for Hidden Danger Identification and Control Unified Standard Practices of Safety Civilisation Measures for Work Safety Accident and Work-related Injury Management (Trial) Measures for Electricity Safety Management (Trial) Measures for Hazardous Operation Management (Trial) Measures for Finite Work Space Management (Trial) Measures for Special Operation Personnel Management (Trial) Measures for the Control over Safety of Dangerous Chemicals (Trial) Measures for Fire Safety Management Measures for Security Management (Trial) Measures for the Prevention, Control, and Management of Occupational Diseases Decisions on Further Specifying the Work Safety Management Responsibilities
B3 Development and Training	—	Measures for Training Management
B4 Labor Standards	Labor Law of the People's Republic of China Provisions on Prohibition of Child Labor Law of the People's Republic of China on the Protection of the Minors	Measures for Recruitment Management Anti-Corruption Practices
B5 Supply Chain Management	Construction Law of the People's Republic of China (Amended in 2019) Law of the People's Republic of China on Tenders and Bids Regulation on the Implementation of the Tendering and Bidding Law of the People's Republic of China (Amended in 2019) Government Purchase Law of the People's Republic of China	Measures for Bidding Management Measures for Supplier Management Guidelines for Supplier Investigation Guidelines for Development of Suppliers in New Areas Guidelines for Archives Administration of Suppliers Measures for Blacklist Management Integrity Agreement (for Suppliers) Measures for Material Supplier Management Measures for Management of Centralised Procurement of Engineering, Materials and Equipment and Engineering Services Management Rules on Civil Engineering General Contracting Cooperation Management Rules on Decoration Suppliers

ESG Index	Applicable Laws and Regulations	Internal Policies of 2019
B6 Product Responsibility	Product Quality Law of the People's Republic of China Measures for Pre-Sales Management of Urban Commodity Houses Measures for Real Estate Scales Management Law of the People's Republic of China on the Administration of Urban Real Estate Regulations on Quality Control of Construction Projects Regulations on the Administration of Urban Real Estate Development and Operation Regulations on Property Management Advertisement Law of the People's Republic of China Patent Law of People's Republic of China Copyright Law of People's Republic of China Trademark Law of the People's Republic of China Law of the People's Republic of China on the Protection of the Rights and Interests of Consumers	Guideline System of Standardised Management Management System of Quality Control on Design Management System of Quality Control on Products Management System of Quality Control on Engineering Construction Measures for Management of Key Processes Guidelines for Fine Decoration Engineering Management Guidelines for New Technology Measurement Manual for Prevention of Control of Common Construction Engineering Quality Problems Guidelines for Delivery and Assessment Measures for Civil Engineering Assessment and Management (2018) Guidelines for Engineering Quality Enhancement Guidelines for Acceptance Inspection of Construction Procedures Quality Inspection Standard Guidelines for Post-assessment of Engineering Quality Midea Real Estate Manual for Batch Construction of Smart Homes Meijia Smart Home Construction Process and Installation Standard Measures for Sales Risk Inspection and Quality Assessment and Management in the Display Area Guidelines for Standardised After-Sales Door-to-Door Services Measures for Management of First-Inquiry Responsibility System of Customer Services Notice on Issuing the Measures for Management of Service Quality Enhancement Notice on Implementing the Reward and Punishment Measures for Engineering and Customer Service Management Guideline for Services operations Operations Management Manual Work Instructions on Customer Complaint Handling Measures for Patent Management Measures for Copyright Management Privacy Policy Overall Policy for Information Safety Management Reward and Punishment Measures for Information Safety
B7 Anti-corruption	Company Law of the People's Republic of China Law of the People's Republic of China on Anti-money Laundering Law of the People's Republic of China on Anti-Unfair Competition (Amended in 2019) Interim Provisions on Banning Commercial Bribery Anti-Monopoly Law of the People's Republic of China Law of the People's Republic of China on Tenders and Bids	Anti-corruption Practices Integrity Agreement (for Suppliers) Integrity Agreement (for Employees) Measures for Tip-off and Complaint Management Measures for Accountability Management Basic Regulations on Audit Risk Control Measures for Supervision Management Supervision Work Procedure and Guidelines
B8 Community Investment	Charity Law of the People's Republic of China	Guidelines for Responsible Brand Construction Volunteer Management Manual

During the reporting period, in strict accordance with the laws above the list, Midea Real Estate did not have any significant violations.

ESG KPIs

ESG Index	Unit	Year 2019	
A. Environmental			
A1. Emissions			
A1.2 Greenhouse gas emissions in total and, where appropriate, intensity ^{1) 2)}			
Total carbon dioxide emissions	Tons	5,974.92	
Emission intensity	Tons/RMB million of revenue	0.15	
Scope 1: Direct carbon dioxide emissions ^{2(a)}	Tons	442.28	
Scope 2: Indirect carbon dioxide emissions ^{2(b)}	Tons	5,532.64	
A1.3 Total hazardous waste produced and, where appropriate, intensity ³⁾			
Total hazardous waste produced	kg	454.53	
Intensity of hazardous waste	kg/RMB million of revenue	0.01	
A1.4 Total hazardous waste produced and, where appropriate, intensity ⁴⁾			
Total non-hazardous waste produced	Tons	43.50	
Intensity of non-hazardous waste	Tons/RMB million of revenue	0.001	
Office waste paper	Tons	43.50	
A2. Use of Resources			
A2.1 Direct and/or indirect energy consumption by type in total and intensity ^{5(a)}			
Energy consumption in total ⁶⁾	MWh	8,545.89	
Intensity of energy consumption	MWh/RMB million of revenue	0.21	
Gasoline	Liters	2,440	
Natural gas	m ³	201,988	
Purchased electricity	kWh	6,433,192.14	
A2.2 Water consumption in total and intensity			
Water consumption	m ³	115,598	
Intensity of water consumption	m ³ /RMB million of revenue	2.81	
B. Social			
B1. Employment			
B1.1 Total workforce by gender, employee type, age group and geographical region			
	Total number of employees	Headcount	14,413
Gender	Number of male employees	Headcount	8,817
	Number of female employees	Headcount	5,596
Employee Type	Number of senior management	Headcount	26
	Number of middle-level management	Headcount	1,812
	Number of grassroots employees	Headcount	12,575
Age Group	Aged 16-29	Headcount	6,816
	Aged 30-49	Headcount	7,423
	Aged 50 and above	Headcount	174
Geographical Region	Mainland China	Headcount	14,402
	Hong Kong, Macau, and Taiwan	Headcount	11
B2. Health and Safety			
B2.1 Number of work-related fatalities			
Number of work-related fatalities	Headcount	0	

ESG Index	Unit	Year 2019	
B3. Development and Training			
B3.1 The percentage of employees trained by gender and employee category			
Gender	Male	Percentage	61.17%
	Female	Percentage	38.83%
Employee category	Senior manager	Percentage	0.18%
	Middle-level manager	Percentage	12.57%
	Grassroots employee	Percentage	87.25%
B3.2 The average training hours completed per employee by gender and employee category			
	all employees	Hours	34.96
Gender	Male	Hours	34.96
	Female	Hours	34.96
Employee category	senior management	Hours	27.27
	middle-level management	Hours	16.27
	grassroots employees	Hours	37.66
B5. Supply Chain Management			
B5.1 Number of suppliers by geographical region			
	Total number of suppliers	Suppliers	9,068
Geographical region	South China	Suppliers	2,309
	East China	Suppliers	3,427
	North China	Suppliers	964
	Central China	Suppliers	902
	Northeast China	Suppliers	382
	Southwest China	Suppliers	1,067
	Northwest China	Suppliers	10
	Hong Kong, Macau, Taiwan, and Overseas	Suppliers	7
B6. Product Responsibility			
B6.2 Number of products and service related complaints received			
	Property Management	Cases	2,790
	Sales Management	Cases	2,772
B7. Anti-Corruption			
B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases			
		Cases	3
B8. Community Investment			
B8.2 Focus areas of contribution			
	Total public welfare investment	RMB 10 thousand	587.89
	Targeted poverty alleviation	RMB 10 thousand	264.50
	Education	RMB 10 thousand	89.31
	Community	RMB 10 thousand	36.11
	Environmental protection	RMB 10 thousand	16.80
	Others	RMB 10 thousand	181.17
	Number of employees participating in public welfare /volunteer activities	Times	316

Notes

Unless otherwise specified, the scope of the data and statistics of this report is consistent with that of the Annual Report 2019 of Midea Real Estate Holding Limited. Among them, for environmental data, we further clarified the statistical indicators to ensure the accuracy and comparability of the data. The total environmental data statistics for 2019 include office operation data of Midea Real Estate Headquarter, Midea Property Management Headquarter, industrial development business units, and three commercial property operation projects of Midea Real Estate, and property operation data of commercial operation projects. In addition, in 2019, we expand environmental data disclosure categories such as hazardous waste and non-hazardous waste produced data (office waste paper) and gasoline usage data. In the future, we will further expand the scope of the disclosed data and ramify flaws in the disclosed contents.

- a) Scope 1 The direct carbon dioxide emissions of A1.2 are direct carbon dioxide emissions generated by gasoline, natural gas;
- b) Scope 2 The indirect carbon dioxide emissions of A1.2 are indirect carbon dioxide emissions generated by purchased electricity;
- c) Total hazardous waste produced of A1.3 includes the total waste of mercury-containing fluorescent lamps, power-saving lamps, toner cartridges, ink cartridges, and electronic wastes;
- d) The total non-hazardous waste data statistic of A1.4 includes Midea Real Estate Headquarter, industrial development business units, Midea Property Management Headquarter and three commercial property operation projects of Midea Real Estate are not yet complete statistics and will not be disclosed temporarily;
- e) The total energy consumption of A2.1 includes the total energy consumption generated by gasoline, natural gas and purchased electricity.

Data Calculation Standards

- 1) Direct carbon dioxide emissions generated by gasoline, natural gas are calculated in reference to the Greenhouse Gas Emission Accounting Methods and Reporting Guidelines for Operating Units (Enterprises) of Public Buildings (Trial) released by the General Office of the National Development and Reform Commission;
- 2) Indirect carbon dioxide emissions generated by purchased electricity are calculated based on the Greenhouse Gas Emission Accounting Methods and Reporting Guidelines for Operating Units (Enterprises) of Public Buildings (Trial) released by the General Office of the National Development and Reform Commission, and the carbon emission factors of electricity in Mainland China were calculated with reference to the Standards of China Regional Grid Base-line Emission Factor in Emission Reduction Projects of 2017;
- 3) The conversion of standard coal for the total energy consumption is made with reference to the General Principles for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2008T).