Xiaomi Corporation

Q2 2021 Results Announcement
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Key highlights in Q2 2021

Record results

Revenue
87.8 billion
RMB
64.0% YoY

Adjusted net profit\(^1\)
6.3 billion
RMB
87.4% YoY

#2 global smartphone market share

Global market share
(16.7%)

#3 Mainland China market share
(16.8%)

#1 Europe market share
(28.5%)

Growing user base

453.8 million
Global MIUI MAU\(^2\)
32.1% YoY

124.0 million
Mainland China MIUI MAU\(^2\)
13.0% YoY

Leading AIoT platform

374.5 million
AloT connected devices\(^3\)
34.0% YoY

102.0 million
AI assistant MAU\(^2\)
30.2% YoY

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\(^1\)Defined as profit for the period, as adjusted by adding back (i) share-based compensation, (ii) net fair value changes on investments, (iii) amortization of intangible assets resulting from acquisitions, (iv) changes of value of financial liabilities to fund investors, and (v) income tax effects of non-IFRS adjustments

\(^2\)In June 2021

\(^3\)As of June 30, 2021, excluding smartphones and laptops
Record revenue and adjusted net profit

In Q2 2021

Total revenue was RMB87.8 billion, up 64.0% YoY

Net profit was RMB8.3 billion, up 83.9% YoY

Adjusted net profit was RMB6.3 billion, up 87.4% YoY

Both quarterly total revenue and adjusted net profit achieved record highs

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1 Defined as profit for the period, as adjusted by adding back (i) share-based compensation, (ii) net fair value changes on investments, (iii) amortization of intangible assets resulting from acquisitions, (iv) changes of value of financial liabilities to fund investors, and (v) income tax effects of non-IFRS adjustments.
Powerful brand with global recognition

**Fortune Global 500**

Ranked **#338** in 2021
Up **84** slots from last year
Listed for **3rd** consecutive year

**2021 Kantar BrandZ™ Top 100 Most Valuable Global Brands**

Ranked **#70** in 2021
Up **11** slots from last year
Listed for **3rd** consecutive year
Worldwide smartphone shipments and market share

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Q2 2021 shipment volume</th>
<th>Q2 2021 market share</th>
<th>Q2 2020 shipment volume</th>
<th>Q2 2020 market share</th>
<th>Shipment YoY growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Samsung</td>
<td>58.0</td>
<td>18.4%</td>
<td>53.7</td>
<td>18.9%</td>
<td>8.1%</td>
</tr>
<tr>
<td>Xiaomi</td>
<td>52.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>16.7%</td>
<td>28.8</td>
<td>10.1%</td>
<td>82.9%</td>
</tr>
<tr>
<td>Apple</td>
<td>45.7</td>
<td>14.5%</td>
<td>45.1</td>
<td>15.8%</td>
<td>1.3%</td>
</tr>
<tr>
<td>OPPO</td>
<td>32.6</td>
<td>10.3%</td>
<td>25.8</td>
<td>9.1%</td>
<td>26.2%</td>
</tr>
<tr>
<td>vivo</td>
<td>31.2</td>
<td>9.9%</td>
<td>24.5</td>
<td>8.6%</td>
<td>27.4%</td>
</tr>
<tr>
<td>Others</td>
<td>95.3</td>
<td>30.2%</td>
<td>106.8</td>
<td>37.5%</td>
<td>-10.7%</td>
</tr>
<tr>
<td>Total</td>
<td>315.6</td>
<td>100.0%</td>
<td>284.7</td>
<td>100.0%</td>
<td>10.8%</td>
</tr>
</tbody>
</table>

Source: Canalys

1 Among top 5 smartphone vendors by shipments
No. 3 market position in mainland China with the highest YoY growth

Mainland China smartphone shipments and market share

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Q2 2021 shipment volume</th>
<th>Q2 2021 market share</th>
<th>Q2 2020 shipment volume</th>
<th>Q2 2020 market share</th>
<th>Shipment YoY growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>vivo</td>
<td>18.2</td>
<td>24.3%</td>
<td>14.8</td>
<td>16.3%</td>
<td>23.3%</td>
</tr>
<tr>
<td>OPPO</td>
<td>16.0</td>
<td>21.4%</td>
<td>14.5</td>
<td>16.0%</td>
<td>10.4%</td>
</tr>
<tr>
<td>Xiaomi</td>
<td>12.6</td>
<td><strong>16.8%</strong></td>
<td>9.3</td>
<td><strong>10.3%</strong></td>
<td><strong>35.1%</strong></td>
</tr>
<tr>
<td>Apple</td>
<td>7.9</td>
<td>10.5%</td>
<td>7.7</td>
<td>8.5%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Honor</td>
<td>6.9</td>
<td>9.2%</td>
<td>12.8</td>
<td>14.1%</td>
<td>-46.0%</td>
</tr>
<tr>
<td>Others</td>
<td>13.3</td>
<td>17.7%</td>
<td>31.5</td>
<td>34.7%</td>
<td>-57.9%</td>
</tr>
<tr>
<td>Total</td>
<td>74.9</td>
<td>100.0%</td>
<td>90.7</td>
<td>100.0%</td>
<td>-17.3%</td>
</tr>
</tbody>
</table>

Source: Canalys

1 Among top 5 smartphone vendors by shipments
Strengthened our position in the premium market

Premium smartphone shipments reached over **12 million** units globally in H1 2021, versus ~10 million units in 2020

1. By smartphone shipments in Q2 2021 in mainland China, according to third-party data
2. Smartphones with mainland China major retail price at RMB3,000 and above or with overseas major retail price at €300 and above
Continuous investment in research and development

In Q2 2021

R&D expenses increased by **56.5%** YoY to **RMB3.1 billion**
Continuous technology innovation – Xiaomi MIX 4

Camera Under Panel (CUP) technology
Full screen display with hidden front camera

RMB500 million+ R&D investment
60 Patent applications

“Point to Connect” UWB\(^1\) technology
The first domestic smartphone to feature UWB

\(^1\) Ultra wide band
CyberDog – a bio-inspired quadruped robot
Promote innovation by establishing a robotics laboratory and open source platform
Xiaomi Smart Factory (Phase 2) commenced construction in Beijing\(^1\)

Xiaomi’s first large-scale smart factory, leveraging Phase 1’s R&D capabilities

- **58,300 m\(^2\)** Total area
- **Begin production by end of 2023**
- **10 million** Annual capacity
- **Ultra-premium** smartphone units

\(^1\) Began construction on July 14, 2021
Attracting and retaining the best talent

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### Incentives for young engineers and outstanding staff

- **3,904 Participants**
  - Outstanding young engineers, fresh graduates, and staff in core positions
  - Recipients of the Annual Technical Award

- **70,231,664 Award Shares**

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### Incentives for technology specialists and core management

- **122 Participants**
  - Technology specialists
  - Middle and senior management
  - First batch of recipients under the New 10-year Entrepreneur Program

- **119,650,000 Award Shares**

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1. Representing approximately 0.28% of the total issued shares of the Company as at July 2, 2021 and approximately 0.28% of the total issued shares of the Company as enlarged by such issue and allotment

2. Representing approximately 0.48% of the total issued shares of the Company as at July 5, 2021 and approximately 0.47% of the total issued shares of the Company as enlarged by such issue and allotment
Recruiting the best talent for our smart EV business

Total applications received for smart EV business\(^1\)

**Over 20,000**

Self-driving division recruiting **500 positions**

Development of L4 autonomous driving technology

Announced acquisition of DeepMotion to strengthen autonomous driving capability

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Note: The vehicle pictured above is for illustrative purposes only

\(^1\) From June 11 to August 12, 2021
Smartphones
In Q2 2021

Smartphone revenue reached RMB59.1 billion, up 86.8% YoY

Smartphone shipments achieved 52.9 million units, up 86.8% YoY, a record high
Mainland China offline retail expansion continued to gain traction

Offline retail stores in mainland China

<table>
<thead>
<tr>
<th>Month</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 2020</td>
<td>3,200+</td>
</tr>
<tr>
<td>Mar 2021</td>
<td>4,500+</td>
</tr>
<tr>
<td>June 2021</td>
<td>7,600+</td>
</tr>
</tbody>
</table>

Xiaomi offline smartphone market share in mainland China

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 2020</td>
<td>4.7%</td>
</tr>
<tr>
<td>Q1 2021</td>
<td>7.0%</td>
</tr>
<tr>
<td>Q2 2021</td>
<td>7.8%</td>
</tr>
</tbody>
</table>

1 According to third-party data, by smartphone shipments in mainland China
Broke new records during the 618 e-Commerce Festival

Cumulative paid GMV exceeded RMB19 billion\(^1\), up 90% YoY

No.1 by order volume\(^1\) among Android smartphones\(^2\)

IoT products achieved 158 No.1 rankings by order value or order volume\(^1,2\)

- Smart TV -
  Order value exceeded RMB1.7 billion\(^3\)

- Wearable devices -
  Order volume exceeded 1.9 million units\(^3\)

- Smart AC -
  Order value exceeded RMB850 million\(^3\)

\(^1\) From 00:00:00 June 1 to 23:59:59 June 18, 2021
\(^2\) On JD.com, Tmall.com and Suning.com
\(^3\) From 00:00:00 June 1 to 01:00:00 June 18, 2021
Rapidly expanding our global footprint

Q2 2021 Xiaomi smartphone shipment rankings and market share

† Ranking improved
† Market share improved

<table>
<thead>
<tr>
<th>Region</th>
<th>Rank</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>No. 1</td>
<td>28.5% ↑</td>
</tr>
<tr>
<td>Middle East</td>
<td>No. 2</td>
<td>20.9% ↑</td>
</tr>
<tr>
<td>Latin America</td>
<td>No. 3</td>
<td>15.8% ↑</td>
</tr>
<tr>
<td>Africa</td>
<td>No. 3</td>
<td>8.5% ↑</td>
</tr>
<tr>
<td>APAC</td>
<td>No. 1</td>
<td>18.7% ↑</td>
</tr>
<tr>
<td>India</td>
<td>No. 1</td>
<td>29.0% ↑</td>
</tr>
</tbody>
</table>

Source: Canalys
Smartphone market share ranked No. 1 in 22 markets and top 5 in 65 markets

No.1
Spain, Italy, France, Greece, Russia, Poland, Ukraine, Belarus, Czech Republic, Romania, Serbia, Croatia, Bulgaria, Slovakia, Lithuania, Colombia, India, Indonesia, Thailand, Malaysia, Myanmar, Algeria, Portugal, Hungary, Latvia, Kazakhstan, Nepal, Laos, Peru, Chile, Ecuador, Turkey, Qatar, Egypt, Morocco

No.2
Portugal, Hungary, Latvia, Kazakhstan, Nepal, Laos, Peru, Chile, Ecuador, Turkey, Qatar, Egypt, Morocco

No.3
Germany, Sweden, Austria, Netherlands, Belgium, China, Philippines, Vietnam, Pakistan, Singapore, Sri Lanka, Mexico, Brazil, Saudi Arabia, UAE, Israel, Kuwait, Nigeria

No.4
Slovenia, South Korea, Argentina, South Africa, Kenya

No.5
UK, Switzerland, Bangladesh, Cambodia, New Zealand

Source: Canalys, by shipments in Q2 2021
New Span Ranked No.1 for the first time
Ranked #1 in Europe for the first time

Europe smartphone market share

<table>
<thead>
<tr>
<th>Rank</th>
<th>Vendor</th>
<th>Q2 2021 market share</th>
<th>Shipment YoY growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1</td>
<td>Xiaomi</td>
<td>28.5%</td>
<td>70.1%</td>
</tr>
<tr>
<td>#2</td>
<td>Samsung</td>
<td>26.6%</td>
<td>-10.8%</td>
</tr>
<tr>
<td>#3</td>
<td>Apple</td>
<td>16.1%</td>
<td>-23.9%</td>
</tr>
<tr>
<td>#4</td>
<td>OPPO</td>
<td>4.6%</td>
<td>163.0%</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>24.2%</td>
<td>-20.0%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100.0%</td>
<td>0.3%</td>
</tr>
</tbody>
</table>

Source: Canalys

Spain #1: Market share 41.2%, Shipment YoY growth 12.0%

Italy #1: Market share 35.0%, Shipment YoY growth 87.9%

France #1: Market share 29.7%, Shipment YoY growth 82.3%

Germany #3: 15.2%, 46.2%
In Q2 2021

IoT and lifestyle product revenue reached RMB20.7 billion, up 35.9% YoY
Global leading consumer AIoT platform

374.5 million
Connected devices¹
Up 34.0% YoY

7.4 million
Users with 5 or more devices
connected to Xiaomi’s AIoT platform¹
Up 44.5% YoY

102.0 million
AI assistant MAU²
Up 30.2% YoY

56.5 million
Mi Home App MAU²
Up 38.6% YoY

¹ As of June 30, 2021, excluding smartphones and laptops
² In June 2021
Global smart TV shipments in Q2 2021 reached **2.5 million** units

Ranked **No.1** in mainland China for **10** consecutive quarters

Ranked **No.1** among TVs over 70 inches in mainland China

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1 According to AVC, by shipments in Q2 2021
2 According to AVC, including Xiaomi and Redmi, by retail sales volume in Q2 2021
Extending our multi-screen ecosystem with Xiaomi Pad 5 series

Xiaomi’s first tablet since 2018

- Qualcomm Snapdragon 870 processor\(^1\)
- 11-inch 2.5k display with 120Hz refresh rate
- 8600mAh battery, 67W fast charging allowing full charge in 67 minutes\(^1\)
- Dolby Atmos 8-speaker surround sound\(^1\)
- Customized keyboard and pen accessories

MIUI for Pad to improve user experience

- Optimized support for over 300 mainstream apps
- Built-in split-screen multitasking for enhanced productivity

\(^1\) Specification listed are for Xiaomi Pad 5 Pro
Xiaomi’s first premium smart speaker – Xiaomi Sound

- Dynamic tuning by HARMAN
- Xiaomi’s first speaker to feature UWB
- 360° sound
- Intercom capability across multiple speakers

Hi-Res certified
Overseas IoT business maintained high growth momentum

Revenue
Overseas IoT and lifestyle product revenue YoY growth

Smart TV global expansion
Smart TVs sold in 40+ markets

New smart TV markets in H1 2021
Czech Republic  Romania  Greece  Singapore  Thailand

Popular categories
Multiple products with 100%+ YoY revenue growth

Xiaomi Electric Scooter  Xiaomi Band  Xiaomi Watch  Xiaomi Vacuum Cleaner  Xiaomi Desktop Monitor

1 As of June 2021
2 By overseas revenue in Q2 2021
Internet Services
Global MIUI MAU\(^1\) reached **453.8 million**, an increase of **32.1%** YoY

Mainland China MIUI MAU\(^1\) reached **124.0 million**, representing an increase of 5.3 million from March 2021

Global TV MAU\(^2\) grew **34.0%+** YoY

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\(^1\) In June 2021

\(^2\) In June 2021, including both TV and TV box users
In Q2 2021

Internet services revenue reached RMB7.0 billion, up 19.1% YoY

Advertising revenue reached historical quarterly high, contributing to increase in internet services gross margin to 74.1%

Gaming revenue decreased due to revised commercial terms

Other internet VAS revenue decreased due to the impact of fintech business
Continued growth in overseas internet services

Overseas internet services revenue increased by 96.8% YoY in Q2 2021, accounting for 15.6% of total internet services revenue.

Western Europe MIUI MAU increased 60%+ YoY\(^1\) and Latin America MIUI MAU increased 125%+ YoY\(^1\)

\(^1\) In June 2021
Financials
Revenue by region and segment

Total revenue
RMB billions

Q2 2020: 53.5
Q1 2021: 76.9
Q2 2021: 87.8

YoY %
64.0%
14.2%

QoQ %

Smartphone revenue
RMB billions

Q2 2020: 31.6
Q1 2021: 51.5
Q2 2021: 59.1

YoY %
86.8%
14.8%

QoQ %

IoT and lifestyle product revenue
RMB billions

Q2 2020: 15.3
Q1 2021: 18.2
Q2 2021: 20.7

YoY %
35.9%
13.7%

QoQ %

Internet services revenue
RMB billions

Q2 2020: 5.9
Q1 2021: 6.6
Q2 2021: 7.0

YoY %
19.1%
7.0%

QoQ %

Overseas
YoY %

Mainland China
50.3%

Overseas
81.6%

Total revenue by region, Q2 2021
RMB billions

87.8

Overseas
49.7%

Mainland China
50.3%

Revenue by region and segment

Overseas
81.6%

Mainland China

Overall gross margin

<table>
<thead>
<tr>
<th></th>
<th>Q2 2020</th>
<th>Q1 2021</th>
<th>Q2 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>14.4%</td>
<td>18.4%</td>
<td>17.3%</td>
</tr>
</tbody>
</table>

Smartphone gross margin

<table>
<thead>
<tr>
<th></th>
<th>Q2 2020</th>
<th>Q1 2021</th>
<th>Q2 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>7.2%</td>
<td>12.9%</td>
<td>11.8%</td>
</tr>
</tbody>
</table>

IoT and lifestyle products gross margin

<table>
<thead>
<tr>
<th></th>
<th>Q2 2020</th>
<th>Q1 2021</th>
<th>Q2 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>11.4%</td>
<td>14.5%</td>
<td>13.2%</td>
</tr>
</tbody>
</table>

Internet services gross margin

<table>
<thead>
<tr>
<th></th>
<th>Q2 2020</th>
<th>Q1 2021</th>
<th>Q2 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>60.3%</td>
<td>72.4%</td>
<td>74.1%</td>
</tr>
</tbody>
</table>
Adjusted net profit reached a record high of RMB6.3 billion in Q2 2021, up 87.4% YoY

<table>
<thead>
<tr>
<th>Net Profit RMB billions</th>
<th>Adjusted Net Profit RMB billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2020</td>
<td>Q1 2021</td>
</tr>
<tr>
<td>4.5</td>
<td>7.8</td>
</tr>
</tbody>
</table>

Net profit margin:

<table>
<thead>
<tr>
<th></th>
<th>Q2 2020</th>
<th>Q1 2021</th>
<th>Q2 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>RMB billions</td>
<td>8.4%</td>
<td>10.1%</td>
<td>9.4%</td>
</tr>
<tr>
<td>RMB billions</td>
<td>6.3%</td>
<td>7.9%</td>
<td>7.2%</td>
</tr>
</tbody>
</table>

1 Defined as profit for the period, as adjusted by adding back (i) share-based compensation, (ii) net fair value changes on investments, (iii) amortization of intangible assets resulting from acquisitions, (iv) changes of value of financial liabilities to fund investors, and (v) income tax effects of non-IFRS adjustments.
Continued to maintain high operating efficiency

Operating expense ratio was 11.3% in Q2 2021
Strong cash flow performance

Adjusted operating cash flow and Capex
RMB billions

<table>
<thead>
<tr>
<th>Year</th>
<th>Adjusted Operating Cash Flow</th>
<th>Capital Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>27.1 (3.4)</td>
<td>0.5 (0.7)</td>
</tr>
<tr>
<td>2020</td>
<td>16.3 (3.0)</td>
<td>8.4 (0.7)</td>
</tr>
<tr>
<td>Q2 2020</td>
<td>6.7 (0.5)</td>
<td></td>
</tr>
<tr>
<td>Q2 2021</td>
<td>8.4 (0.7)</td>
<td></td>
</tr>
</tbody>
</table>

Repurchased 208 million shares totaling **HKD5.4 billion** in 2021 year-to-date

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1 Operating cash flow adjustments including (i) the change of loan and interest receivables and impairment provision for loan receivables mainly resulting from the fintech business; (ii) the change of trade payments related to the finance factoring business; (iii) the change of restricted cash resulting from the fintech business; and (iv) the change of deposits from customers from the Airstar bank.
Strengthened cash position

Due to strong operating cash flow and capital market financings, cash resources increased to **RMB111.6 billion**

Cash resources\(^1\)
RMB billions

<table>
<thead>
<tr>
<th></th>
<th>Q2 2020</th>
<th>Q3 2020</th>
<th>Q4 2020</th>
<th>Q1 2021</th>
<th>Q2 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>64.4</td>
<td>75.5</td>
<td>108.0</td>
<td>108.9</td>
<td>111.6</td>
</tr>
</tbody>
</table>

\(^1\)Including (i) cash and cash equivalents, (ii) restricted cash, (iii) short-term bank deposits, (iv) short-term investments measured at fair value through profit or loss, (v) short-term investments measured at amortized cost and (vi) long-term bank deposits
Additional earnings growth through strategic investments

Selected investee companies listed or received listing approval in Q2 2021

- smart manufacturing
- AI speech
- image sensor and display
- polymer lithium ion batteries
- consumer electronics components

**330+ companies invested as of Q2 2021**

After-tax net gains on disposal of investments was **RMB1.1 billion** in Q2 2021

Total value of investment\(^1\) was **RMB74.5 billion**, **HKD3.57 per share**\(^2\)

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\(^1\) Include (i) fair value of our stakes in listed investee companies (based on the stock price on June 30, 2021), (ii) book value of our stakes in unlisted investee companies and (iii) book value of long-term investments measured at fair value through profit or loss, as of June 30, 2021

\(^2\) Based on RMB to HKD exchange rate of 1:1.20 on June 30, 2021
ESG updates
Our ESG goals & strategies

Environmental
- Reduce packaging and use biodegradable materials
- Promote recycling economy and waste conversion
- Employ renewable energy and apply sustainability concepts

Social
- Promote workplace diversity and advocate employee welfare programs
- Support public welfare initiatives
- Improve accessibility across products and provide employment opportunities to the disabled

Governance
- Joined the United Nations Global Compact (UNGC) in 2020
- Support the UN Sustainable Development Goals (SDGs)
- Corporate Governance Committee (CGC) oversees ESG issues

Technology Innovation
- Reduce carbon footprint through better product design
- Develop energy-efficient infrastructures and energy-saving electrical appliances
- Entry into smart electric vehicle business

In July 2021, we published our 2020 Sustainability Report and Green Finance Framework and issued our inaugural 30-year Green Bond
Continued to strengthen privacy protection and data security

Xiaomi Security & Privacy Awareness Month

Held the Xiaomi Security & Privacy Awareness Month in June 2021 to raise employees' awareness of data security and privacy protection

- 6 themed activities
- 30-day event duration
- 12,000 offline visits

Published white papers and reports\(^1\) to enhance transparency in Q2 2021

For smartphones and MIUI system

- MIUI Security White Paper
- MIUI Privacy White Paper

For IoT products

- Xiaomi IoT Privacy White Paper

Responses to data requests

- Transparency Report 2020

\(^1\) Published or updated in Q2 2021. All documents can be found at Xiaomi Trust Center (https://trust.mi.com)