美的集團股份有限公司

Midea Group Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 0300

RIDING THE STORM

風雨中出發

2025 INTERIM REPORT

CONTENTS

Definitions	2
Business Overview	6
Corporate Information	9
Management Discussion and Analysis	11
Financial Review	71
Report of the Directors	82
Changes in Shares and Information on Shareholders	102
Report on Review of Interim Financial Information	106
Interim Condensed Consolidated Statement of Profit or Loss	107
Interim Condensed Consolidated Statement of Comprehensive Income	108
Interim Condensed Consolidated Statement of Financial Position	109
Interim Condensed Consolidated Statement of Changes in Equity	112
Interim Condensed Consolidated Statement of Cash Flows	114
Notes to the Interim Financial Information	116

DEFINITIONS

In this report, unless the context otherwise requires, the following terms or phrases shall have the following meanings:

Terms	Definition
"A Shares"	domestic shares with a nominal value of RMB1.00 each, which are listed on the Shenzhen Stock Exchange and traded in Renminbi
"Annto Smart Logistics" or "Annto"	Annto Logistics Supply Chain Technology Co., Ltd. (安得智聯供應鏈科技股份有限公司), a PRC subsidiary of the Company established on 24 February 2011
"Associate(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Articles of Association"	the articles of association of Midea Group Co., Ltd., as amended from time to time
"Board" or "Board of Directors"	the Board of Directors of the Company
"BRL"	Brazilian Real, the lawful currency of Brazil
"CG Code"	the Corporate Governance Code in Appendix C1 of the Hong Kong Listing Rules
"China" or "the PRC"	the People's Republic of China
"CLOU Electronics"	Shenzhen CLOU Electronics Co. Ltd (深圳市科陸電子科技股份有限公司), a PRC company established on 12 August 1996 and acquired by us in 2023, the shares of which have been listed on the Shenzhen Stock Exchange (stock code: 002121)
"Code Provisions"	the code provisions in Part II of the Corporate Governance Code
"Company Law"	the Company Law of the People's Republic of China
"Company", "the Company", "we", "us" or "our"	Midea Group Co., Ltd. (美的集團股份有限公司), a PRC company established on 7 April 2000, the A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 000333), and the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 0300)

Terms	Definition
"connected person(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of our Company
"domestic China" or "Mainland China"	Mainland China, for the purpose of this report only, excluding Hong Kong, Macau and Taiwan
"H Shares"	foreign shares with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
"Hiconics Eco-energy" or "Hiconics"	Hiconics Eco-energy Technology Co., Ltd. (北京合康新能科技股份有限公司), a PRC company established on 11 June 2003 and acquired by us in 2020, the shares of which have been listed on the Shenzhen Stock Exchange (stock code: 300048)
"HK" or "Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HK$" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"KUKA China"	the subsidiaries of KUKA Group in China
"KUKA Group" or "KUKA"	KUKA Aktiengesellschaft, a stock corporation incorporated under the laws of the Federal Republic of Germany and one of our subsidiaries

Terms	Definition
"Latest Practicable Date"	19 August 2025, being the latest practicable date for ascertaining certain data in this interim report before its publication
"Little Swan"	Wuxi Little Swan Co., Ltd. (無錫小天鵝股份有限公司), a PRC company established on 29 November 1993 that we acquired in 2008, and its subsidiaries
"Midea", "Midea Group", the "Group" or "our Group"	the Company and its consolidated subsidiaries
"Midea Holding"	Midea Holding Co., Ltd. (美的控股有限公司), a PRC company established on 5 August 2002 and a member of the largest group of Shareholders of our Company
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules
"M-Smart"	our app and mini-program for consumers to manage our smart home appliances and enjoy additional benefits and services
"Reporting Period"	1 January 2025 to 30 June 2025
"RMB" or "Renminbi"	Renminbi, the lawful currency of Mainland China
"Securities Law"	the Securities Law of the People's Republic of China
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

Terms	Definition
"Share(s)"	ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, comprising A Shares and H Shares
"Shareholder(s)"	holder(s) of the Share(s) of our Company
"Substantial Shareholder(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"SZSE"	the Shenzhen Stock Exchange
"Toshiba Lifestyle" or "TLSC"	Toshiba Lifestyle Products & Services Corporation (東芝生活電器株式會社), a company established in Japan and acquired by us in 2016
"treasury shares"	has the meaning ascribed to it under the Hong Kong Listing Rules
"WAHIN"	Guangzhou Hualing Refrigerating Equipment Co., Ltd. (廣州華凌製冷設備有限公司), a PRC subsidiary of the Company established on 13 June 2010
"Wandong Medical"	Beijing Wandong Medical Technology Co., Ltd. (北京萬東醫療科技股份有限公司), a PRC company established on 12 May 1997 and acquired by us in 2021, the shares of which have listed on the Shanghai Stock Exchange (stock code: 600055)
"Winone" or "Winone Elevator"	WINONE Elevator Company Limited (菱王電梯有限公司), a PRC subsidiary of the Company established on 8 February 2002 that we acquired in 2020, and its subsidiaries
"year-on-year"	compared with the same period last year
"%"	percent

BUSINESS OVERVIEW

I. SUMMARY OF MAIN PRODUCTS AND BUSINESSES

Midea is a world-leading technology group comprising the Smart Home, Energy Solutions & Industrial Technology, Intelligent Building Technology, Robotics & Automation, Healthcare and Smart Logistics, among others. With a business portfolio that is focused on the coordinated development of ToC and ToB businesses, Midea offers various smart home products and services to individual consumers, as well as providing diversified commercial and industrial solutions for corporate clients. Specifically, Midea Smart Home Solutions primarily covers smart home appliances, smart home and related peripheral industries and ecological chains, which has centered on the construction of intelligent scenarios for end users, user operations and data value discovery, and is committed to providing end users with the best experience of smart home appliances and services. Midea Energy Solutions and Industrial Technology, with technology as the core driver, integrates new energy business and key components in HVAC & home appliances, new energy vehicles, robots, etc. It operates many brands including GMCC, Welling, MR, Hiconics, CLOU, Servotronix, etc., with its products covering compressors, motors, chips, valves/pumps, new energy auto parts, robotic parts, photovoltaic and energy storage products, aiming to provide green, efficient and intelligent products and technology solutions for customers across the world with advanced technologies, premium quality and services. Midea Intelligent Building Technology business mainly offers products and services in relation to buildings and other relevant sectors. With iBUILDING, Midea's digital building service platform as the core, its business covers HVAC, elevators, energy management, building control, etc., offering products including VRF units, large chillers, unitary units, machine room air conditioners, escalators, passenger elevators, freight elevators, etc., as well as building automation software and building weak electricity integrated solutions. Supported by "Building Equipment and Facilities + Digital Technology + Industrial Ecosystem Layout", it facilitates logistics, information, feeling and energy flows of buildings to empower buildings with digital and low-carbon technologies and build a sustainable smart space. Midea Robotics & Automation business primarily focuses on future factory-related fields, providing solutions for industrial robotics, automatic logistics systems, and transmission systems, as well as solutions for health care, entertainment, new consumption, etc. Midea Healthcare business includes WDM, which is committed to innovation in medical imaging technology and providing high-quality medical imaging products and services for clinical use in the field of healthcare. Annto Smart Logistics in the field of smart logistics continuously provides customers with end-to-end digital and intelligent supply chain solutions.

With "Bring Great Innovations to Life" as its corporate vision, "Integrate with the World, to Inspire Your Future" as its mission, "Embrace what's next – Aspiration, Customer First, Innovation, Collaboration, Dedication" as its values, "High-quality Development and High-performance Operations" as its management and operation standard, Midea integrates global resources and promotes technological innovation to create a better life for over 500 million users, major customers and strategic partners from various sectors worldwide every year with satisfying products and services. In the face of higher requirements for products and services in the digital Internet era, Midea continues to promote its four strategic focuses of "Technology Leadership, Direct to Users, Digitization & Intelligence Driven, and Global Impact", so as to build Midea in the new era. Particularly, it strives to achieve Technology Leadership by building scale advantages in R&D and strengthening the efforts and investment in core and cutting-edge technologies; be Direct to Users through direct contact and interaction with users and reinventing product service and business models; be Digitization & Intelligence Driven through comprehensive digitalization and comprehensive intellectualization, as well as improving efficiency internally and focusing on users externally; and achieve Global Impact by seeking breakthroughs in terms of market, channel and business model in key regions and serving global users.

Midea, a global operating company, has established global presence and serves customers all over the world. To date, Midea has over 400 subsidiaries, 38 R&D centers, 63 major manufacturing bases, and more than 190,000 employees worldwide. Its business covers more than 200 countries and regions. Overseas, Midea has 22 R&D centers and 41 major manufacturing bases in more than ten countries.

II. INDUSTRY STATUS

Midea Group ranked No. 246 on the Fortune Global 500 list unveiled in July 2025, a significant leap of 31 places, marking its tenth consecutive year on the list. In May 2025, for the third consecutive year, Midea Group was named to the Fortune China ESG Impact List by virtue of its continuous improvement in ESG management systems and performance, as well as the outstanding achievements of products in energy conservation, emissions reduction, and material utilization. In June 2025, Forbes magazine released its Global 2000 list of the world's largest public companies, and Midea Group ranked No.184 globally, a substantial rise of 21 places from the previous year. Leveraging its "AI+" core strategy and breakthrough achievements in smart manufacturing, Midea Group was also included in the "Forbes China 2025 AI 50 Technology Companies" list. In March 2025, Midea Group was featured in TIME magazine's "World's Best Companies 2025 – Asia Pacific" list, ranking 43rd for its strategic layout and comprehensive strength in the Asia-Pacific market. In April 2025, Midea Group received 13 awards at the 2024 China National Light Industry Council Science and Technology Awards, including six first-prize awards for the six projects respectively: "AI Data-Driven Inverter Control Technology and Application", "Heat Transfer Enhancement Mechanisms and Industrialization of Novel Heat Exchangers Based on Airspeed and Fin Non-uniformity Synergy", "Research and Industrialization of High Torque Density, High-Efficiency Ferrite Motor Systems and Its Key Low-Carbon Manufacturing Technologies ", "Long-Lasting, Energy-Efficient Self-Cleaning Technology for Air Conditioners and Its Industrial Application", "Development and Application of Key Technologies and Equipment for Smart Processing of Chinese Staple Foods and Dishes", and "Key Technologies for Multi-Scenario Microwave Food Processing and Application". These awards span multiple business areas, from ToC products like residential air conditioners and kitchen appliances to ToB sectors like building technologies and industrial motors. At the 50th International Exhibition of Inventions Geneva, Midea Group received the highest-level Gold Medal with the Congratulations of the Jury for its "Skincare Bathroom Water Softener" and a Silver Medal for its "Ultra Slim Under-sink Water Softener". Midea Group ranked No.271 and No.46, respectively, on the 2025 Global 500 list and 2025 Tech 100 list released by Brand Finance, a British brand assessment institution, topping other domestic home appliance makers in the industry; driven by the Global Impact strategy, Midea continued to enhance its brand influence in overseas markets and was named to the Kantar BrandZ Top 50 Chinese Global Brands 2025 published by Kantar BrandZ and Google. In May 2025, Midea Group was successfully included in the S&P Global "Sustainability Yearbook (China Edition) 2025" for its outstanding performance in Environmental, Social, and Governance (ESG). Furthermore, Midea's MSCI ESG rating was upgraded to 'A' in the latest 2025 review, further highlighting its achievements in ESG. In April 2025, the Midea Washing Machine Hefei Factory was officially certified for carbon neutrality with ISO 14068-1:2023, following an audit by the internationally authoritative certification body SGS. This makes it the first "carbon neutral" factory within Midea Group to receive this prestigious international certification, signifying that its full-process carbon reduction system has reached a world-class level and setting a new benchmark for Midea Group's ESG strategic development. As of June 2025, Midea Group had 37 national green factories, 13 green supply chain factories, nine 5G factories, three excellent-level smart factories, three zero-carbon factories and six world-class lighthouse factories, which fully demonstrated Midea's leading intelligent manufacturing capability and digitalization level in the global manufacturing industry. In August 2025, Midea's washing machine factory in Jingzhou also received certification from WRCA, the London-based world record certification body, as the "World's Outstanding First Multi-Scenario Coverage AI Agent Factory", marking the official launch of the industry's first intelligent agent factory. In addition, Midea was rated by the three major international credit rating agencies, Standard & Poor's, Fitch Ratings and Moody's. The rating results place Midea in a leading position among its peers worldwide as well as among Chinese non-state-owned enterprises.

In the first half of 2025, Midea continued to carry forward the "Number One Engine" strategy in the domestic market. Midea-branded products ranked first in home appliance sales on major online platforms such as JD.com, Tmall, Douyin, and Pinduoduo. At the same time, Midea-branded products also ranked first in home appliance sales in major offline channels such as key accounts, distributors, and e-commerce low-tier market penetrations.

In June 2025, during the 2025 International Solar Photovoltaic Power Generation and Smart Energy (Shanghai) Exhibition (2025SNEC), Midea Group's energy-related businesses made their debut under the unified brand identity of "Midea Energy". The Company also unveiled its "Energy Storage + Heat Pump + AI" three-pronged strategic approach and introduced the next-generation container-level direct cooling energy storage platform, next-generation heat pump technology, and next-generation AI energy management system. Currently, Midea Energy has achieved a competitive edge by covering the entire energy industry value chain while leveraging Midea's unique advantages. Through brands such as Midea, Hiconics Eco-energy, CLOU Electronics, and KUKA, it provides energy solutions for five major scenarios: home energy solutions, commercial and industrial energy solutions, green building energy solutions, large-scale ground-based energy storage solutions, and smart manufacturing solutions.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Fang Hongbo (方洪波先生) (Executive Director, chairman of the Board and chief executive officer)
Mr. Wang Jianguo (王建國先生)
(Executive Director and vice president)
Dr. Gu Yanmin (顧炎民博士)
(Executive Director and vice president)
Mr. Guan Jinwei (管金偉先生)
(Executive Director and vice president)
Dr. Zhang Tian (張添博士) (Executive Director and employee representative Director)
(Appointed on 30 May 2025)
Mr. Zhao Jun (趙軍先生)
(Non-executive Director)
Dr. Xu Dingbo (許定波博士)
(Independent non-executive Director)
Dr. Xiao Geng (肖耿博士)
(Independent non-executive Director)
Dr. Liu Qiao (劉俏博士)
(Independent non-executive Director)
Dr. Qiu Lili (邱鋰力博士)
(Independent non-executive Director)
Mr. Fu Yongjun (伏擁軍先生) (Executive Director)
(Resigned on 28 March 2025)

SPECIAL COMMITTEES UNDER THE BOARD

Audit Committee

Dr. Xu Dingbo (許定波博士) (Chairman)
Dr. Xiao Geng (肖耿博士)
Dr. Liu Qiao (劉俏博士)
Dr. Qiu Lili (邱鋰力博士)

Remuneration and Evaluation Committee

Dr. Xiao Geng (肖耿博士) (Chairman)
Dr. Xu Dingbo (許定波博士)
Dr. Liu Qiao (劉俏博士)
Dr. Qiu Lili (邱鋰力博士)

Nomination Committee

Dr. Liu Qiao (劉俏博士) (Chairman)
Dr. Xu Dingbo (許定波博士)
Dr. Xiao Geng (肖耿博士)
Dr. Qiu Lili (邱鋰力博士)

Strategy Committee

Mr. Fang Hongbo (方洪波先生) (Chairman)
Dr. Xu Dingbo (許定波博士)
Dr. Xiao Geng (肖耿博士)
Dr. Liu Qiao (劉俏博士)
Dr. Qiu Lili (邱鋰力博士)

JOINT COMPANY SECRETARIES

Ms. Gao Shu (高書女士)
(Appointed on 28 March 2025)
Ms. Lai Siu Kuen (黎少娟女士)
Mr. Jiang Peng (江鵬先生)
(Resigned on 28 March 2025)

AUTHORIZED REPRESENTATIVES

Mr. Fang Hongbo (方洪波先生)
Ms. Lai Siu Kuen (黎少娟女士)

AUDITOR

PricewaterhouseCoopers
Certified Public Accountant
Registered Public Interest Entity Auditor

REGISTERED OFFICE AND HEADQUARTERS IN MAINLAND CHINA

Midea Headquarters Building
No. 6 Midea Avenue, Beijiao Town
Shunde District
Foshan, Guangdong Province
China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1918, 19F
Lee Garden One
33 Hysan Avenue, Causeway Bay
Hong Kong

COMPANY WEBSITE

www.midea.com.cn

COMPANY TELEPHONE

+86 757 2260 7708
+86 757 2663 7438

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

COMPLIANCE ADVISER

Huatai Financial Holdings (Hong Kong) Limited

STOCK CODE

SZSE: 000333.SZ
HKEX: 0300.HK

MANAGEMENT DISCUSSION AND ANALYSIS

I. INDUSTRY OVERVIEW FOR THE REPORTING PERIOD

(I) Home Appliance Industry

In the first half of 2025, amid a complex global landscape marked by a sluggish economic recovery, persistent geopolitical conflicts, and rising trade protectionism, China's home appliance exports still managed to reach RMB352.46 billion, marking a 1.4% year-on-year growth, according to figures from the General Administration of Customs. Domestically, fuelled by the "trade-in" subsidy policy, the home appliance market demonstrated remarkable growth resilience. According to the aggregated data provided by AVC (奧維雲網), the retail market for home appliances (excluding 3C products) reached RMB453.7 billion in the first half of 2025, a 9.2% year-on-year increase. The domestic growth in the first half of 2025 exhibits three main features. The first is the marked divergent performance across different home appliance categories under the ongoing state subsidies policy. Notably, cleaning appliances, air conditioners, and wash and care products ranked among the top performers. The second is the escalating competition for user traffic and ecosystem dominance in the industry. On the channel side, e-commerce platforms have all rushed to launch "instant retail" services, such as takeout, to garner high-frequency traffic portals, thereby amplifying overall retail traffic. On the corporate side, building personal brands for executives has become a hit, with corporate giants following suit. The third is home appliance industry needs to break the single "pragmatism value" mindset and delve deeper into consumer psychology. This involves understanding and appealing to human nature through what can be termed the "five senses of experience" and the "six sensory perceptions". The "five senses of experience" refer to the sense of security from products and services, a sense of belonging fostered by membership programs, the sense of pleasure from high-quality content, a sense of respect from shared values, and a sense of participation through user co-creation. The "six sensory perceptions" encompass sight, smell, hearing, taste, touch, and the integrated perception that combines them all. To make it happen, companies must continuously adapt their organizational structures to remain user-centric, leveraging digitalization and intelligence to deliver high efficiency and agile responsiveness. According to forecasts by AVC, taking into account factors such as the partial pre-emption of home appliance demand in 2025 by 2024, the potential gradual decline in consumer interest in state subsidies for home appliances, and the high base effect of home appliance retail sales stimulated by the state subsidies policy in the second half of 2024, despite the continuation of the state subsidies policy, the overall retail scale of domestic home appliance categories in 2025 is projected to increase marginally on a year-on-year basis.

According to the aggregated data provided by AVC, the retail sales of the domestic air-conditioning market amounted to RMB126.3 billion in the first half of 2025, marking a year-on-year increase of 12.4%. This growth was primarily stimulated by a trifecta of factors: favorable government policies, intense price competition, and a boost from high temperatures, which collectively unleashed consumer demand and grown sales in both volume and value. On the price front, fierce price wars among manufacturers left a sharp drop in the industry's average selling price, with mid-to-high-end demand pressured. Notably, in the online market, the sales share of models priced below RMB2,200 surged to 35.2%, while that of the mid-range segment (RMB2,200-3,000) rapidly shrank. On the channel side, emerging e-commerce platforms, represented by Douyin (the Chinese version of TikTok), demonstrated a remarkable growth, with their sales scale skyrocketing by 92.5% year-on-year. On the product front, in pursuit of green, healthy, energy-efficient, and high-efficiency solutions, the air-conditioning market showed strong policy-driven consumption. The sales share of Energy Efficiency Grade 1 models exceeded 98% and 95% in online and offline markets, respectively. The penetration rate of cabinet/wall-mounted fresh air conditioners in offline market approached 10%.

According to the aggregated data provided by AVC, the retail sales of the domestic laundry appliances market amounted to RMB47.6 billion in the first half of 2025, marking a year-on-year increase of 11.5%. Additionally, the clothes dryer market reached retail sales of RMB7.6 billion, marking a year-on-year increase of 13.7%. The sound development of the wash and care segment was driven by a dual engine of rigid demand and quality-living demand, coupled with innovations in product form factors. On the product side, the innovation and iteration of "partition laundry appliances" not only generated significant industry buzz but also stimulated user demand. According to the aggregated data provided by AVC, the penetration rate of these products in online market climbed rapidly since March 2025, with their sales share nearing 10% by May. Furthermore, heat pump technology is poised to become the next anchor point for structural upgrades. Conventional condenser-type products have long been plagued by issues like low drying efficiency, high energy consumption, and lint residue. In contrast, heat pump technology, through innovations like dual-cooling/dual-heating systems and multi-field-coupling energy saving, has enabled an over 26% improvement in energy efficiency while reducing noise, meeting consumers' demand for quality. Currently, the penetration rate of heat-pump all-in-one washer-dryers in offline market is merely around 5%, promising immense growth potential.

As per the aggregated data released by AVC, the domestic refrigerator market recorded retail sales of RMB67.28 billion in the first half of 2025, representing a year-on-year increase of 3.5%. The market for home refrigeration appliances featured consumer upgrading and structural adjustment. Essential-demand categories, such as side-by-side and two-door models, are characterized by intensifying price competition. In contrast, trend-driven categories like cross-door and French-door refrigerators, powered by premium pricing and technological advancements, have become the core battleground where brands prioritize their focus and see clear growth momentum. On the price front, the impetus for price upgrading in the refrigerator industry slowed down. In online market, the retail sales share of low-end models priced under RMB2,200 increased by 7.4%. Conversely, in offline market, the share of mid-to-high-end models in the RMB8,000-14,000 price range showed a prominent growth, with its retail sales share rising to

39.5%. On the product front, large-capacity products with four or more doors are rapidly replacing older models. In the first half of 2025, the total retail sales share of multi-door and cross-four-door models exceeded 60% in the online market and approached 80% in the offline market. The zero built-in products are gaining popularity and scale accelerately, with their technological form continuously evolving from "zero built-in" to "zero-clearance" and "freely-embedded". In the first half of 2025, the retail sales share of zero built-in products in the offline market surged to 52.1%. The "501-550L" capacity segment has become the core growth driver for the refrigerator market, and the penetration rate of which has been steadily climbing since 2022, reaching over 50% in offline market and 40% in online market in May 2025.

According to AVC's aggregate data, the overall retail sales of the major kitchen and bath appliance market was RMB78.9 billion in the first half of 2025, a 3.9% year-on-year increase. In 2025, the "state subsidy" policy officially expanded its category coverage to include microwave ovens and dishwashers. Thanks to this move, qualify-living kitchen appliances, represented by built-in units and dishwashers, demonstrated relatively strong growth resilience. By category, the newly subsidized "built-in dishwasher" segment maintained a stable growth, with dishwasher retail sales reaching RMB6.19 billion in the first half of 2025, a 7.5% year-on-year increase. The dishwasher market exhibits a clear price polarization between online and offline channels. In the online market, the retail sales share of dishwashers under RMB4,000 increased to 33.3%. In the offline market, the share of dishwashers priced above RMB9,000 rised to 51.5%. Whilst the trend toward product structural upgrades continues, dishwashers featuring 18+ place settings accounted for 19% and 33% of retail sales in online and offline markets, respectively. In the first half of 2025, the retail sales of built-in microwave-steamer-oven units amounted to RMB3.93 billion, a 5.3% year-on-year increase. Their average selling price grew by 3.9% online and 5.6% offline year-on-year, suggesting structural upgrades are driving up prices greatly. In the first half of 2025, the domestic range hood market had retail sales of RMB16.7 billion, up 11.8% year-on-year, and the gas cooktops market saw retail sales of RMB9.3 billion, up 10.1% year-on-year. In the first half of 2025, the average selling prices for both range hoods and gas cooktops in the online market underwent a notable decline. As price competition intensified, even upgraded range hood models (such as top-and-side dual suction, cross-category, and ultra-thin designs) experienced price fluctuations. Performance parameters have figured prominently in product upgrades. In the first half of 2025, range hoods with an airflow of over 25m^3/min accounted for 47.9% and 65.5% of retail sales in online and offline markets, respectively. Those with a wind pressure over 1,200Pa accounted for 15.3% and 21.6% of retail sales in online and offline markets, respectively. Gas cooktops with a power of over 5.2KW held a 70% share of retail sales in the online market. In the first half of 2025, the domestic market for end-of-pipe water purification systems (including water purifiers, purified water dispensers, and water dispensers) reached retail sales of RMB15.65 billion, a 21.3% year-on-year increase. In particular, water purifiers and purified water dispensers saw year-on-year growth rates of 22.0% and 41.4%, respectively, primarily driven by the rapid popularization of emerging features like mineral retention and ice-making. Water dispensers, however, compared unfavourably with that, dragged by the offline market, with a growth rate of merely 8.9%. In the first half of 2025, the retail sales of electric water heaters and gas water heaters in domestic China were RMB10.6 billion and RMB13.1 billion, respectively. The retail sales of electric water heaters saw a slight year-on-year decline, while those of gas water heaters increased by 2.3% year-on-year. The penetration rate of first-class energy-efficient products continued to rise, with the retail sales share of

first-class energy-efficient gas water heaters reaching 13.6% and 12.8% in the online and offline markets, respectively, in the first half of 2025. Gas water heaters continued to upgrade toward larger capacities, with products over 16 liters accounting for 6.8% and 7.7% of retail sales in online and offline markets, respectively. Meanwhile, water heater products also continued to upgrade functions to meet health-related demands such as preventing limescale and bacteria, and producing mineralized water for skin care.

According to AVC's aggregate data, the overall retail sales of small kitchen appliances in domestic China amounted to RMB31.9 billion in the first half of 2025, a 9.3% year-on-year increase. This growth was mainly driven by the structural upgrade of small kitchen appliance products spurred by the "state subsidy" policy. A comparison of categories shows that high-volume products like rice cookers, electric pressure cookers, and countertop microwave ovens exhibited robust scale trends with overall demand nearing saturation. Market increment was primarily driven by emerging categories. Products associated with health, wellness, and emotional well-being, such as coffee machines, health pots, juicers, and soy milk makers – all of which have low household penetration – continued their growth.

According to AVC's aggregate data, the retail sales of the domestic cleaning appliance industry reached RMB22.4 billion in the first half of 2025, a 30% year-on-year increase. Within this, the robotic vacuum cleaner market continued its strong momentum, with fast product iteration and rapidly increasing popularity of new technology, contributing to a 41.1% year-on-year increase in retail sales. The floor-washing machines, driven by a powerful combination of upgraded state subsidies, a slowdown in price reductions, and strong brand promotion, recorded a 30.3% year-on-year increase in retail sales. The vacuum cleaner segment benefited from the popularity of auto-empty stations and price reductions, achieving growth in both sales volume and value, with a 10.6% year-on-year increase in retail sales.

(II) Robotics and Automation Industry

As outlined in "World Robotics 2024" released by the International Federation of Robotics (IFR), the five key trends driving the global robotics industry in 2024 encompass the broadening adoption of artificial intelligence and machine learning, the persistent expansion of collaborative robots into novel application domains, the significant growth potential exhibited by mobile manipulators, more solutions facilitated by digital twins, and the increasing implementation of technological advancements in humanoid robots. As reported by the IFR, the number of industrial robots operational in factories worldwide reached 4.282 million in 2023, reflecting a 10% year-on-year increase. In terms of annual installations, the global figure stood at 541,000 units in 2023, representing a slight 2% decrease compared to the previous year, albeit the annual installation volume has surpassed 500,000 units for three consecutive years. Regionally, Europe observed an 8% growth, whereas both the Americas and Asia experienced declines. Notably, there were 276,300 installations of industrial robots in domestic China, accounting for 51% of the total global installations. The service robot market continued its upward trajectory in 2023, with the installation of professional service robots (including Autonomous Mobile Robots, or AMRs) globally increasing by 30% year-on-year to reach 205,000 units.

Additionally, the latest data from the IFR reveals that, in terms of industrial robot density – defined as the number of industrial robots per 10,000 workers – the global average has set a new record in 2023, reaching 162 units. South Korea retains its top position globally with a density exceeding 1,000 units. Notably, China has witnessed a significant acceleration in the deployment of robots, resulting in a density of 470 units in domestic China in 2023, surpassing Germany and Japan for the first time and rising to third place globally. China has consistently served as a catalyst for growth in the global robotics market. Taking into account various dynamics, including the flexible demands of the manufacturing sector, the diminishing demographic dividend, the emergence of new markets, and advancements in innovative technologies, the application scope of industrial robots is poised to broaden further, highlighting significant potential for future expansion and development. The ongoing uncertainty in the global economy in 2024 has continued to impact the automation industry, leading to a 3% decrease in global robot installations year-on-year amidst the economic weakness of major economies worldwide. However, in the long run, despite macroeconomic challenges, the long-term growth trajectory of industrial robots remains intact. The annual compound growth rate of robot installations is projected to reach 4% between 2025 and 2027, culminating in over 600,000 units by 2027.

According to information released at the press conference of the World Robot Conference 2025, the sales volume of China's industrial robot market reached 302,000 sets in 2024, maintaining its position as the world's largest industrial robot market for the 12th consecutive year. The report of MIR shows that industrial robot shipments in the first half of 2025 exceeded 160,000 units, with a year-on-year growth of nearly 16%, outperforming expectations. It is expected that the annual sales volume of China's industrial robot market in 2025 will grow by over 10%. From a sector perspective, demand in the automotive, electronics, semiconductor, and lithium battery sectors remained strong in the first half of 2025, significantly driving market growth. Fueled by the explosive demand from the AI industry, investments continued to increase in segments such as PCB, semiconductors, and AI servers, boosting industrial robot demand. Notably, industrial robot shipments in the semiconductor sector grew by 30%. Driven by both domestic demand and exports, automotive production and sales volume experienced rapid growth. Domestic OEMs saw robust overseas demand, while new technologies spurred increased investment in mid-to-high-end vehicle models. Additionally, automotive parts and new electronic technologies are accelerating iteration. Industrial robot shipments in segments such as automotive manufacturing, automotive parts, and automotive electronics grew by 38.8%, 26.4%, and 24%, respectively. Additionally, with the recovery in demand for power and energy storage batteries, leading companies are accelerating capacity expansion to capture market share, which has significantly increased the demand for industrial robots. This results in a 20.5% growth in industrial robot shipments within the lithium battery sector. From a model perspective, in the first half of 2025, SCARA (Selective Compliance Assembly Robot Arm) robot shipments increased by 10.5% year-on-year. The main reason is that more manufacturers are accelerating the deployment of specialized models such as economical, lightweight, cleanroom, heavy-load, and high-speed robots to meet the diverse needs of the electronics, automotive parts, and lithium battery sectors. Collaborative robots grew by nearly 50%, supported by the rapid growth of demand from automotive parts, ship and steel structure welding, and food and beverage palletizing sectors, as well as continuous breakthroughs in new scenarios like drone battery swapping and inspection, and

charging for new energy vehicles. Six-axis robots with payloads under 20kg increased by 11.2% year-on-year in shipment, primarily due to increased demand for assembly and handling in the electronics sector and welding in metal products, as well as continuous introduction of new cleanroom models by leading manufacturers and the expansion of their applications in LCD, semiconductor, food and beverage, and medical sectors. Six-axis robots with payloads over 20kg increased by 16.5% year-on-year in shipment, mainly driven by demand growth in automotive, power, and energy storage battery markets, as well as the optimization and development of large-load robot products by robotic enterprises for integrated die casting, palletizing, and other scenarios.

(III) Intelligent Building Technology Industry

In the intelligent building technology industry, Midea focuses on products, services and related businesses with respect to buildings. It aims to provide users with comprehensive, intelligent and sustainable building solutions based on the digital building platform and by facilitating the logistics, information, feeling and energy flows. The intelligent building ecosystem mainly includes HVAC, elevator, intelligent building (building automation) and integrated energy management. These offerings cater to diverse scenarios, including industrial facilities, hospitals, infrastructure projects, parks, commercial properties, hotels, and educational institutions. In terms of industry competition, the HVAC, elevator, and building automation in domestic China exhibit similar competitive dynamics, characterized by two key features: a high proportion of foreign and joint venture brands, and a relatively low level of market concentration. According to data from Journal of HV&AC, ChinaIOL.com, and Changjiang Securities Research Institute, foreign brands accounted for approximately 40% of the central air conditioning market in the first half of 2025, continuing a downward trajectory. In the entire market, there are only four manufacturers whose market share exceeding 10%, highlighting a notable long-tail effect. Meanwhile, according to the data from China Elevator Industry Business Yearbook, in 2024, foreign and joint venture brands occupy 70% of the elevator market, while leading domestic brands still lag in revenue scale and market share. Kone, Mitsubishi Electric, Hitachi, and Otis each generated revenues of approximately RMB20 billion in domestic China. Similarly, the building automation market is largely dominated by foreign brands such as Honeywell, Siemens, Johnson Controls, and Schneider Electric. Regarding market size and growth prospects, according to the data from ChinaIOL.com, the tax-exclusive sales revenue of central air conditioners market in China amounted to RMB69.1 billion in the first half of 2025, marking a 5.5% decrease compared to the previous year, with domestic China sales comprising about 82% of the total. The applications of central air conditioning are primarily categorized into residential, commercial, industrial, and public buildings, with ToB business accounting for over 70% of sales in terms of business type. From an industrial development standpoint, the non-residential segment of the central air conditioning market experiences less volatility than the residential segment and is more closely tied to infrastructure investments. Downstream segments such as government public buildings, transportation, data centers, cultural, educational, and recreational facilities, as well as healthcare, exhibit substantial growth potential and a strong likelihood of sustaining higher growth rates in the long run. Meanwhile, data from the National Bureau of Statistics of China indicates that the production volume of elevators,

escalators, and lifts in domestic China declined by 6.4% year-on-year to 654,000 units in the first half of 2025, affected by the short-term challenges faced by the real estate sector. Based on the operational figures from key manufacturers, when considering both the average ex-factory price per elevator unit and maintenance services, the output value per elevator stands at approximately RMB200,000. Consequently, the annual market size for domestic elevator equipment has approached RMB300 billion. Demand for elevator installation and modernization in old residential communities is steadily increasing. Additionally, the implementation of the Project Code for Residential Building, which took effect on 1 May 2025 and mandates that new residential buildings with four or more floors must have at least one elevator per residential unit, is expected to further drive industry expansion. According to the data from EqualOcean Intelligence, the current market size for intelligent buildings remains relatively modest. The equipment-based businesses such as central air conditioners and elevators are "organs" in building construction, whereas building control is the "nervous system" that controls various equipment for the high-efficiency and low-carbon operation of buildings, and determines the overall quality of building solutions. In aggregate, the domestic industrial scale of the intelligent building technology industry has surpassed RMB400 billion. Additionally, with the ongoing implementation of the "Action Plan for Promoting Large-Scale Equipment Upgrades and Replacement of Consumer Goods" issued by the State Council of the People's Republic of China, industrial demand remains robustly supported.

The smart building industry is now presented with fresh opportunities, particularly those stemming from the "carbon peaking and carbon neutrality" goals, "digitalization and intelligence" trends, and the push for "domestic substitution". The establishment of the "carbon peaking and carbon neutrality" strategic objectives has signaled an acceleration in the transition towards smart and low-carbon buildings. Buildings constitute a substantial portion of energy consumption and carbon emissions across society. The "2024 Report on Carbon Emissions in Urban and Rural Construction in China", jointly published by the China Association of Building Energy Efficiency and Chongqing University in Beijing, reveals that in 2022, emissions from building operations accounted for roughly 22% of the country's total carbon emissions. As the balance shifts between new constructions and existing buildings, the proportion of emissions from building operations is poised to increase further. Consequently, as a key contributor to society's carbon footprint, the drive towards low-carbon or even zero-carbon emissions in the building sector will undoubtedly gain greater momentum. In recent years, a series of policies aligned with the "carbon peaking and carbon neutrality" goals have been progressively unveiled. Meanwhile, the National Development and Reform Commission of China has issued guidelines such as "Advanced Energy Efficiency Standards, Energy-saving Benchmarks, and Entry-level Requirements for Key Energy-consuming Products and Equipment", which encompass HVAC systems in buildings. These initiatives are designed to bolster the framework for managing building energy consumption, elevate monitoring and management capabilities for energy efficiency in buildings, and enhance overall building energy performance. They also aim to catalyze the widespread adoption of ultra-low energy, near-zero energy, and low-carbon building designs. In this context, energy-saving retrofits, intelligent building operations, and energy performance contracting are poised to emerge as key implementation strategies. From a market standpoint, initiatives such as electricity price reforms and "power rationing" elevate costs,

subsequently enhancing the return on investment for energy-saving retrofits, energy management, and digital operations within the building sector. Meanwhile, an increasing number of market participants are actively embracing the national strategy of "carbon peaking and carbon neutrality" goals and undertaking energy-saving retrofits. On the whole, within the context of the "carbon peaking and carbon neutrality" goals, buildings, as a significant contributor to overall energy consumption and carbon emissions, are accelerating their journey towards energy conservation and carbon reduction. This trend is stimulating a surge in demand for highly efficient and low-carbon building solutions. Amidst the shift towards a digital economy, buildings, which currently lag in development despite being a pivotal component of "smart cities", are poised to witness a substantial increase in the demand for digitalization and intelligence. Meanwhile, advancements in communication technologies, computing capabilities, algorithms, and AI technologies are driving the industry's evolution from system-level control – including HVAC and elevators – to building-level control. This shift encompasses two pivotal dynamics: the expansive transition from "control" to "services" and the narrowing disparity with foreign firms that hold a first-mover advantage. An even more encouraging and unequivocal trend is that digitization and intelligence are currently catalyzing the transformation and upgrading of the elevator industry. The substitution of foreign brands by domestic counterparts in the central air-conditioning sector has progressed through three phases: unitary air conditioners, variable refrigerant flow (VRF) systems, and large chilled water units. In the first half of 2025, domestic brands collectively accounted for approximately 60% of the market share. Notably, domestic manufacturers have made continuous breakthroughs in the large chilled water unit segment, which possesses higher entry barriers. The central air-conditioning industry has fully entered the phase of domestic substitution, with considerable potential for future growth. The pace of domestic substitution within the elevator industry has been relatively gradual; however, amid the waning real estate boom, evolving maintenance models, and the adoption of IoT technologies, the optimization of the market landscape is poised to gather pace. In the medium to long term, the market structure marked by a "high proportion of foreign capital + low market concentration" presents an increasing number of competitive opportunities in the smart building sector. On one hand, buildings contribute substantially to energy consumption and carbon emissions, and the pursuit of "carbon peaking and carbon neutrality" goals is accelerating energy-saving retrofits and smart operations. On the other hand, advancements in digitalization and intelligence, coupled with the incremental application of AI technologies, are catalyzing a qualitative shift in the input-output efficiency of smart buildings.

II. BUSINESS SCOPE IN THE REPORTING PERIOD

In the first half of 2025, although the domestic home appliance market witnessed a partial recovery in consumer demand, buoyed by the ongoing "trade-in" subsidy policy, industry competition centred on user traffic and pricing continued to intensify. The international operating environment remained challenging due to the persistent impacts of trade protectionism, currency fluctuations, and geopolitical conflicts. Midea Group has consistently adhered to the annual operational principle of "simplification for growth and self-disruption to confront challenges". With a continued emphasis on core businesses and products, particularly notable advancements in overseas operations, the Group has witnessed further growth in its overall scale. Additionally, key indicators including profitability and cash flow have undergone positive enhancements, reflecting Midea's operational resilience and its enduring commitment to high-quality growth. In the first half of 2025, the Company's total revenue reached RMB252.3 billion, marking a 15.7% year-on-year increase, with the net profit attributable to owners of the Company amounting to RMB26.0 billion, up 25.0% compared to the previous year.

(I) Implementing Technology Leadership Strategy and "Three Generations" R&D Requirements, Supporting Domestic High-End Brands and Overseas OBM Priority Strategy

Midea, rooted in its corporate vision of "Bring Great Innovations to Life", consistently augments its investment in research and development to ensure the effective implementation of its "Three Generations" R&D mode. By leveraging differentiated and innovative products, Midea drives structural upgrades and fosters high-quality growth across the global market. Drawing upon user demands and consumption trends, Midea offers users differentiated entire-house smart solutions that seamlessly integrate "smart home appliances + smart home", thereby facilitating the advancement of its dual high-end brands. In international markets, Midea reinforces its "Overseas OBM (Original Brand Manufacturer) Priority" strategy by continually strengthening its overseas R&D centers and manufacturing bases. Through a multi-pronged approach of localized innovation, localized manufacturing, and localized proprietary branding, Midea elevates its brand presence on a global scale.

Residential air conditioners:

Based on three major directions of carbon neutrality, air value, and smart home, Midea has continuously focused on its technological strategy layout of "cooling, heating, energy conservation, intelligence, health, and comfort", doubling efforts in the disruptive and differentiated product technologies to seek breakthroughs in overseas markets and enhance products' overall competitiveness. In the first half of 2025, Midea launched several targeted products for major overseas markets. For the North African market, Midea introduced the T3 high-performance inverter series. This series features our pioneering "high-torque, miniaturized T3 compressor combined with a hybrid air-liquid refrigerant pipe for heat dissipation". This technology solves the demanding poor heat exchange in high-temperature outdoor units and excessive heat generation from electronic controls at high output. It enables the unit to deliver a 100% cooling capacity at an ambient temperature of 46°C and maintain stable operation at 60°C. The product has received the market's first Intertek certification for "60°C High-Temperature Operation" and recorded sales of over 900,000 units upon its launch. For the ASEAN market, Midea launched three

inverter split-unit series: Celest, Numen, and Avigator. These products are designed with AI ECOMASTER technology for intelligent, precise temperature control and high energy efficiency, evidenced by an additional energy saving of 40% as certified by Intertek. They, powered by Prime Guard anti-corrosion technology, ensure reliability and durability despite the harsh island climates. An innovative pull-down front screen design greatly simplifies installation and maintenance. Within six months upon their launch, these series sold over 520,000 units and were honored with the German Red Dot Design Award.

For the domestic market, Midea has developed a range of differentiated products. Notably, the Midea Outdoor-Unit-Free Kitchen Air Conditioner comes as the industry's first retrofittable, integrated kitchen air conditioner that does not require dismantling the ceiling keel. Concealed within the ceiling, the main unit saves space without damaging existing decor. It utilizes Midea's proprietary "Meifu No. 0", a novel ternary non-azeotropic mixed refrigerant. This allows the unit to deliver a powerful 3,500W of cooling simply through a single wall opening for heat exhaust, offering a truly retrofittable solution without an external unit. The Midea Omni-Wind Series floor-standing air conditioner features the industry's first Omni-Wind technology, which creates a "bionic forest breeze". It delivers a large air volume with gentle, corner-to-corner coverage while maintaining an indoor temperature difference of less than 1°C. The unit employs a supercar-grade engraving process to create a brushed metal texture on its full-panel display, allowing it to seamlessly blend into home environments. The Midea Navigator IV residential central air conditioner presents the industry's first to apply ultra-low-frequency continuous vapor-injection technology. This allows for stable operation at an ultra-low frequency of 6Hz, ±0.3°C precise temperature control and 10-hour cooling without stopping and restarting. Its low-frequency operating power is as low as 245W, consuming over 40% less electricity. The unit's performance does not degrade in ambient temperatures ranging from -7°C to 48°C, making it resilient to extreme weather. The Midea Dual-Outlet residential central air conditioner introduces a ground-breaking "dual-outlet for cooling and heating" form factor. By intelligently switching between dual outlets for cooling and a lower outlet for heating, it goes beyond traditional structural limitations. Equipped with the industry's first dual-wing variable-trajectory air control technology, it integrates three modes – upper, lower, and dual outlet – and adjusts the airflow trajectory within the air duct accordingly. This achieves downward-flowing hot air, long-distance cool air delivery, and uniform temperature throughout the space. In the cooling mode, the dual-outlet design uses a "Y-shaped" bidirectional airflow to output cool air from both upper and lower outlets simultaneously, controlling the temperature difference between near and far areas to within 1°C upon reaching desired temperature. The upper outlet has a throwing distance of up to 14 meters. In the heating mode, a golden 45° downward airflow from the lower outlet precisely directs hot air to the floor, increasing the heating speed in the human comfort zone by three times and keeping the head-to-toe temperature difference below 1°C. Combined with a variable-direction centrifugal air duct design, the hot air spreads close to the ground, creating an effect that serves as an "alternative to floor heating". Through its "invisible" air control technology, users can freely customize the style, length, and color of the air outlets, allowing the central air conditioner to truly integrate into the living environment.

Laundry appliances and refrigerators:

We are committed to technological breakthroughs in four prioritized areas: partitioned wash and care, healthy electrocatalysis, multi-functional flow-through systems, and high-efficiency heat exchange. To make it happen, Midea is comprehensively working on its core competitiveness in the global wash and care industry. For the domestic market, Midea is expanding a portfolio of versatile partitioned units and pure-flat, large-capacity products, following a primary technology track of fast, quiet drying. The Little Swan Mini Plum series is the industry's first 1+1KG mini all-in-one washer-dryer. It delivers on the promise of "true partitioning, true drying, and true versatility". A single panel controls both drums for simultaneous washing and drying, providing a one-stop solution for all family laundry needs, from underwear to outerwear. Its design is compatible with various decor styles and allows for flexible installation, including multi-unit combinations for families requiring multiple-drum separate washes. It pioneers dual-condenser smart drying technology with independent "tornado drying" in each drum, ensuring fast, thorough drying without trapped moisture. The unit features a dual-drum and independent dual-water-circuit design and is equipped with Water Cube technology for a gentler yet more effective wash. It also provides triple-level sterilization, with both drums certified for Medical-Grade Healthy Wash by the China Health & Safety Certification Center. The COLMO Turing "Slender Waist" is an advanced AI all-in-one dry cleaning and care machine. Its integrated design features a single control screen for both drums, positioned at an ergonomic height for user comfort. It offers an upgraded "Gentle Care Wash", where a mousse-like foam allows for the safe washing of high-end fabrics. Equipped with AI Light Dry Cleaning 3.0 technology, it provides deep care that leaves bespoke garments fluffy and well-shaped. The machine features proximity-based wake-up and smart door-opening functions, automatically opening the door at the end of a cycle to keep clothes fresh and achieving a seamless, zero-touch AI interaction. As a pioneer in integrating DeepSeek, it supports voice Q&A and can generate care guides, covering all life scenarios. A single wake-up command can trigger multiple instructions for advanced AI voice interaction. Through the combination of AI and a large visual display, users can perceive the washing process in real-time. The system also scientifically matches the best washing program based on weather and water quality information, achieving full-process AI visibility. It has been honored with both the German iF and Red Dot Design Awards. The Toshiba X20 all-in-one Heat Pump Washer-Dryer offers a comprehensive solution for washing, drying, and care. By using dual-cooling and dual-heating system, a triple-inverter design, and a front-air-intake speed-drying system, it has improved drying and care efficiency by 50%. The machine body, viewing window, and control panel are all perfectly flat and integrated, allowing for zero-protrusion embedding into home cabinetry, embodying a pure-flat aesthetic. It utilizes Ultra Fine Bubble (UFB) 3.0 technology to deeply break down stubborn stains, significantly improving fabric whiteness. Combined with high-density silver ions, it achieves a sterilization rate of up to 99.99%, delivering a new level of healthy clean. Its star-rated care programs allow for customized washing solutions, perfectly protecting garments in conjunction with a nano-particle fresh air system and dual Woolmark Green certification. The Midea Breeze Bright Moon Laundry Tower showcases an oriental aesthetic design, with its front panel incorporating the texture of traditional cloud brocade. It adopts a rackless unibody, micro-seam, pure-flat design that allows for seamless embedding into standard cabinetry and has claimed a German iF Design Award. It is the industry's first to feature a hole-less inner drum, which, combined with technologies like Omni-Directional Flow and Quick Clean 2.0, effectively

isolates dirt. The dryer is equipped with an evaporator self-cleaning function, an upgraded dual-inverter system, and MEMS 2.0 for improved dryness identifying accuracy, achieving gentle drying that does not harm clothes. The powerful "Steam Care" function effectively smooths out wrinkles and protects fabric. For the overseas markets, Midea continues to focus on large-capacity products as its main strategy, aiming at new platforms, and upgrade the product mix for both the Toshiba and Midea brands and continuously refine product lines. The new "zero built-in" series subvert the traditional washing machine form factor with its "zero built-in" minimalist aesthetic, liberating users' home space. The Midea MF series washing machine is equipped with Power Mix Spray technology, an innovative water circuit that pre-mixes and dissolves detergent. It masterfully combines powerful washing dynamics with intelligent water flow control to satisfy users' demands for both "speed and cleanliness". The Toshiba zero built-in T37/35 series washing machine continues the brand's "Exquisite Living" philosophy. Its seamlessly embedded design features world-leading Blue Oxygen and Air wash and care technologies, catering to the needs of elite consumers who demand premium care for both fabric and color.

Midea continues to place the user at the center of the refrigerator business, focusing its technology strategy on four key pillars: intelligence, home integration, food preservation, and fundamental performance. This approach allows us to build core competitiveness in smart and healthy home appliances and to continuously launch differentiated, industry-leading products. For the domestic market, we have introduced COLMO 990 Large Built-in Series, the industry-first largest zero built-in refrigerator. It is equipped with cutting-edge AI dynamic food recognition and molecular-level nutrition management functions. The series allows users to freely choose from a variety of appearances and functional accessories to meet their personalized needs. Within three months of launch, the series achieved sales of over RMB100 million and was honored with both the German iF Design Award and the U.S. IDEA Design Award. Following the success of the blockbuster "Big White Pear" model, the Toshiba brand has launched the Big White Pear Ultra refrigerator. This model comes with high-capacity, zero built-in technology and "star-rated culinary preservation" science. It also stands as Toshiba's refrigerator with the most powerful storage solutions, the highest number of separate storage compartments, and the most user-centric design. It is designed with industry-leading rapid-chilling technology for meat, setting a new industry standard for "star-rated freshness enhancement". This technology preserves meat for up to 10 days while significantly increasing its glutamic acid and glycine content. It also applies the industry's most powerful atomized preservation technology for fruits and vegetables, which maintains constant humidity. Equipped with an original high-quality UNIT moisture-retaining membrane, it establishes a new industry standard for "Level-1 constant-humidity culinary preservation", keeping fruits and vegetables fresh for 7 days. This refrigerator redefines the home's aesthetic atmosphere and, with its comprehensive preservation capabilities, meets the diverse culinary needs of different users. The Midea brand has globally premiered the Sideboard Refrigerator. With a depth of just 45cm, it sits perfectly flush with standard sideboards, breaking the limits of traditional refrigerator thickness while still offering a capacity of 427L, achieving "maximum utilization of every single millimeter". It also revolutionizes the traditional practice of co-mingling refrigerated ingredients by pioneering a "kitchen-diner partitioned storage" model, with a "ready-to-eat" section on the left and a "cooking ingredients" section on the right. This allows users to effortlessly maintain an organized storage space and is leading a "new-scenario" revolution in the refrigerator industry. The product sold over 10,000 units within two months of launch. For the

North American market, the UR-BCD830WZ1-ST, Midea's proprietary brand refrigerator tailored to local lifestyles and user needs is equipped with the OneTouch AutoFill™ function. This feature utilizes an industry-first contactless drink-sensing system to accurately identify the cup type and automatically dispense ice, water, or a mix of both, delivering a "one-touch fill, auto-stop when full" experience that precisely addresses user pain points and enhances their quality of life, helping us break into mainstream channels in the overseas market. For the South American market, Midea has launched the high-capacity SPACE MASTER brand refrigerator series. By employing technologies such as ultra-thin foam insulation, miniaturization of core components, and a minimized compressor compartment, this series offers greater internal space within the same external dimensions, while the establishment of the SPACE MASTER brand empowers the Overseas OBM Priority strategy. For the ASEAN market, targeting high-end consumers who favor modern, integrated home decor styles, the Toshiba brand has introduced the premium Japandi series, which features an industry-leading dual-axis, variable-trajectory hinge enabling a best-in-class 2mm zero built-in. It is also equipped with Pure Air electronic odor elimination and the industry's fastest 60-minute ice-making technology. These features have helped drive a sales breakthrough for the Toshiba brand in the Thai market. For the European market, two Midea models, the CE-BCD526WX-JT and CE-BCD527WX-JT, are equipped with internationally leading pulsed-purification preservation technology, which can sterilize food ingredients even through their packaging, becoming the first Chinese refrigerator products to receive the Germany health certification "Hygiene Label".

Kitchen appliances and other home appliances:

To address the full spectrum of household water usage scenarios, M10S MAX, the Midea Energy Efficiency Grade 1 non-condensing tankless Gas Water Heater, adopting internationally leading condensate purification technology, has completely resolved the user pain point of condensate discharge issues occurred in traditional Energy Efficiency Grade 1 models. The unit's thermal efficiency reaches 107%, significantly saving on gas consumption. It also goes beyond the bottlenecks of sensing and temperature control in complex water usage scenarios, reducing temperature control response time from 3 seconds to 0.2 milliseconds – an industry-first millisecond-level rapid constant temperature. This ensures a 7A-grade constant temperature throughout the entire process, even with intermittent stops and starts or multi-point water usage. The Midea Super-Conducting New Energy Water Heater Z600, with its energy storage and heat exchange structure, solves the water quality contamination caused by stale water and magnesium rods in traditional electric water heaters. Being tankless, it ensures a pure water flow through real-time dynamic heating and water renewal. It delivers rapid energy storage in 30 minutes, providing up to 2,000L of usable water on a single charge. It meets all-day water needs without requiring constant high-temperature standby, consuming over 40% less energy than traditional models. Its ultra-compact design, significantly shorter and slimmer than industry dual-tank models, allows for beautiful and unrestricted installation. The unit monitors water temperature in real time, allowing for a wide temperature adjustment range of 35-60°C. The Midea Electrolytic Water Purifier MRC988-3000 is powered by the industry's first electrolytic weak-alkaline water technology. Users can choose from three water types: fresh mineral water, pure water, and weak-alkaline water. Mineral water filtered through an MPC composite cartridge undergoes electrochemical decomposition in an electrolysis module to produce alkaline water. This process instantly adjusts the alkalinity without altering the original water quality, ensuring a stable pH of outlet water.

Focusing on improving comfort in the kitchen environment, Midea has launched efficient and intelligent range hoods and cooktops. The Midea Steam-Wash Top-and-Side Dual Suction Range Hood AK7 MAX is the industry's first product to combine a 28m³/min airflow with a steam-wash function in a top-and-side dual suction form factor. It uses high-temperature steam to clean the impeller, achieving a cleaning and sterilization rate of over 99% and meeting the requirements for a 10-year long-lasting performance certification. Combined with hood-to-cooktop linkage and variable-frequency cruise technology, it enables a completely hands-free cooking process. The Midea A/Q Series Integrated Cooking Center is the industry's first integrated product that combines a gas cooktop with a microwave-steamer-oven unit. It is the first to incorporate variable-frequency microwave technology into an integrated cooking center, achieving scenario-based technological fusion through "microwave + direct-injection steam" and "microwave + variable-frequency 3D baking", making cooking more efficient. Combined with the gas cooktop's unique six-ring-flame open-fire cooking technology, it offers a brand-new high-efficiency cooking solution.

To effectively address post-meal cleaning needs, Midea launched the GX6000S Max Intelligent Dispensing Dishwasher, which was conferred the industry's first "Grade A Cleanliness Certificate". It features an innovative upgrade to its hot air circulation technology, with a patented sealed loop-type air duct design that achieves 120°C drying and sterilization. It is the first to offer a water-free, standalone sterilization function, with performance equivalent to a dedicated sterilization cabinet, an air duct bacteria removal rate of 99.99%. It employs a patented three-layer, five-arm omni-directional hurricane spray technology with water pressure up to 55,000Pa, ensuring comprehensive, corner-to-corner cleaning to meet more of consumers' daily washing needs. It is equipped with a new Smart Cloud Washing system that enables intelligent detergent dispensing, precisely controlling detergent usage to within a 1ml margin based on the level of dirt. Its proprietary self-adaptive algorithm learns user washing and drying habits to provide personalized solutions. Its 18-place-setting large-capacity Chinese-style dish racks have received a Grade A capacity certification and are complemented by an innovative fruit and seafood basket. Combined with a 7-day storage function, it can be used directly as a dish cabinet after washing, avoiding secondary transfer and bringing a more convenient user experience.

To meet the diversified cooking needs of users, the Midea Petal IH Rice Cooker uses a proprietary bionic "petal-shaped" 4-zone IH coil technology, which doubles the IH heating area and nearly triples the heating height on the side walls. The heating field, shaped like a blooming flower, evenly envelops every grain of rice in the pot, ensuring their uniform and full moisture absorption. Paired with Midea's pure titanium, zero-coating inner pot, the rice is not only fragrant and delicious but also healthier, ideal for consumers' demands for a high-quality, healthy lifestyle.

The Midea "Quiet Sleep" Variable-Frequency Wall-Breaker Blender pioneers a "Quiet Sleep" technology, using precise, phased temperature control to efficiently generate and release GABA (γ-aminobutyric acid), increasing its levels by up to 90%. In collaboration with a leading university, Midea conducted a sleep quality assessment study, which showed that continuous consumption of the "quiet sleep" beverage significantly improves sleep quality, making it an industry benchmark for both functional innovation and user experience breakthroughs. It is also equipped with refined soy milk emulsification technology.

Through phased temperature control combined with high-performance mechanical wall-breaking, the total solid content is increased by 121%, and high-quality protein content is significantly boosted, resulting in an upgrade of both richness and stability for soy milk. It also features a detachable blade technology, effectively addressing difficult cleaning confronting traditional wall-breaker blenders. The Midea Built-in Microwave-Steamer-Oven-Air Fryer Combo GR6 Pro is equipped with AI ingredient and doneness recognition, which enables automatic adjustment of cooking time, leading a new experience in AI-powered smart cooking. It uses a proprietary turbo-charged hot air system, where a high-speed hot air turbine, paired with a "sand dune" vortex nozzle, increases rotational speed by 28% at lower air pressures. The vortex nozzle guides the hot airflow, and the "sand dune" outlet increases air speed by 37%. Its unique M-Climate commercial-grade baking system automatically dehumidifies in the latter half of the baking process, significantly improving the food's crispiness, aroma, and dehydration rate, and delivering commercial-grade humidity-controlled baking. The COLMO High-End Built-in Microwave-Steamer-Oven TURING 2.0 series applies "AI Flexible Chamber Partitioning" technology, enabling precise dual-chamber cooking at different temperatures simultaneously, as well as fast cooking in a smaller partitioned chamber. During cooking, the space can be flexibly divided as needed, which, together with independent temperature control technology for upper and lower chambers, achieves simultaneous baking for the two chambers. The upper chamber can be used for rapid cooking in a smaller, separate space, increasing speed by about 30%. The brand-new Toshiba Stone-Kiln Oven YD95 series is upgraded with an exquisite Japanese-style touch color screen. It boasts a "vintage domed stone kiln" design with an arched top and rounded chamber corners, which rapidly forms thermal convection. A high temperature of 250°C quickly sears the surface of meats to form a crispy crust that seals in juices, achieving a "crispy outside, tender inside" flavor. It also has a "degreasing superheated steam" baking function, generating high-temperature steam up to 250°C. The nano-level vaporized water molecules release a large amount of heat while penetrating the food, making meats exceptionally tender and juicy.

Insightfully addressing the need for entire-house smart cleaning, Midea innovatively upgraded the AT6 series Floor Scrubber. Developed from deep insights into user needs for odor and bacteria control in both the water and air paths throughout the product's life cycle, it pioneers a dual-system odor-purification solution with a sterilization rate of 99.99%, leading the industry to focus on post-use chain cleaning experiences. With an industry-first 22,000Pa super-suction power for a floor scrubber, it easily removes both wet and dry debris. It, designed with a high-temperature 100°C "Volcanic Spring" thermal-melt washing function, uses a three-step process of boiling water soaking, forward-and-reverse scrubbing, and sealed-chamber rinsing, paired with a high-temperature quick-dry program. This perfects the entire post-use chain of roller brush cleaning and drying, ensuring a worry-free experience after cleaning. The Midea V16 series Vacuum Cleaner, which debuted at the Consumer Electronics Show (CES), is upgraded with a powerful 22,000Pa suction and IntelliView AI 2.0 binocular smart stain recognition. Its "Lingyue" robotic arm obstacle-crossing system can intelligently activate and lift the main unit to easily cross thresholds up to 4cm, significantly improving the cleaner's pass-through capability. Its flexible dual-arm sweeping and mopping system includes a robotic arm side brush that automatically extends into corners and a mop that maintains a constant 8N downward pressure. Together with the flexible corner sweeping and mopping system, it adaptively adjusts the mop's angle to achieve 100% cleaning coverage in corners.

To address industry-wide pain points presented by high noises and poor air sensation from electric fans in living room and bedroom scenarios, Midea has pioneered a dual-sweep coupled anti-distortion vortex-ring fan blade. This design innovates the traditional form of axial-flow blades, scaling up the airflow coverage area by 21.5% and reducing noise by 4-6dB compared to competing products. Through a comprehensive, detailed study of air evaluation metrics, Midea, joined by its partners, published the industry's first "Evaluation Standard for Electric Fan Comfort". Midea also introduced comfort indicators such as turbulence intensity and power spectral index. According to tests by the third-party certification body CVC Certification & Testing Co., Ltd., the Midea "Lucky Clover" Quiet Sleep Fan garnered the highest 5-star rating across multiple comprehensive comfort indicators, including air softness, coverage, and quiet operation, and was awarded the "Electric Fan Comfort Level Certification".

(II) Advancing Technological Innovation, Strengthening TP3 Elements Development in Research Organizations, Establishing a Digital and Intelligent Innovation Mode, Continuously Converting R&D Outcomes into Standards and Patents, and Comprehensively Implementing a Strategy of Technological Leadership

Midea remains committed to enhancing its R&D investment to optimize its "Three Generations" R&D mode and work on the "TP3 elements" – Technologies, People, Projects, and Processes within research organizations. By guiding these research organizations to strategically position themselves in frontier technology exploration, core technology breakthroughs, and technology project conversions in respect of the project portfolio, Midea aligns its technology strategies with the medium – to long-term product planning and dually drives industrial development through technology and products.

Midea has established 16 national-level scientific and technological innovation platforms, including national key laboratories, national artificial intelligence open innovation platforms, national cross-industry and cross-domain platforms, national enterprise technology centers, state-level industrial design centers, state-level demonstration bases for talent and intelligence introduction, postdoctoral research stations, etc. Additionally, there are 82 provincial and ministerial-level scientific and technological innovation platforms, including provincial and ministerial-level enterprise technology centers, innovation centers, engineering technology research centers, industrial design centers or key laboratories, as well as doctoral workstations. Midea Group has always adhered to continuous investment in research on core technologies, achieving substantial breakthroughs in both its core business sectors and new technological domains. In the first half of 2025, Midea had 11 new provincial and ministerial-level first prize science and technology awards, and 14 new internationally advanced achievement assessments. Cumulatively, Midea has won four national science and technology awards, 475 provincial and ministerial-level science and technology awards, and more than 360 internationally leading or advanced achievement assessments. In industrial design, Midea centered on the DTC transformation, the Overseas OBM Priority initiative, and breakthroughs in ToB operations, and continuously promoted product design innovation and enhanced user experience on the principle of "driving growth through simplicity" to build a matrix of distinct brand families. In the first half of 2025, Midea received 101 industrial design honors, including 47 German Red Dot Awards, 35 German iF Design Awards, and 19 U.S IDEA Awards.

In order to provide strong support for the fulfillment of the strategic objective of "Technology Leadership", Midea further implements the "3+1" standardization strategy of "Innovation Patentability, Patent Standardization, Standard Internationalization and Midea Standard Goes Out". Through a two-tier (Group-business divisions) standardization management system and the double drivers of "standard innovation + product innovation", Midea shifts innovation achievements to advanced technological standards. In the first half of 2025, Midea actively participated in the formulation or revision of 83 technical standards, comprising 2 international standards, 51 national standards, 6 industry standards, and 24 local and group standards. To date, our cumulative involvement in the formulation or revision of technical standards exceeds 2,200. Among these, the international standards include the "Wireless Power Transfer Controllers", and the "Household and Similar Electrical Appliances – Safety – Part 2-11: Particular Requirements for Tumble Dryers". The national standards include the "Information Technology – Interconnection of Information Equipment – Smart Home Interconnection – Part 4: Local Interconnection Test Specification", the "Technical Requirements for Washing Machine Traction Devices", the "Household Refrigerating Appliances – Characteristics and Test Methods – Part 1: General Requirements", the "Electric Dampers for Household and Similar Use", the "Household and Similar Electrical Appliances – Test Code for the Determination of Airborne Acoustical Noise – Particular Requirements for Coffee-Makers", the "Water Dispensers for Cold and Hot Drinking Water", the "Controllers with Water Flow Sensing Function for Household and Similar Use", the "Application Design and Installation Requirements for Variable Refrigerant Flow (Vrf) Air Conditioning (Heat Pump) Systems", the "Green Product Evaluation – Household Electrical Appliances – Part X: Electric Motor-Compressors for Household and Similar Electrical Appliances" and the "Technical Specification for Wireless Charging Systems for Industrial Mobile Robots". Midea continued to refine the conversion of innovation outcomes and the deployment of patent protection strategy. In the first half of 2025, Midea received over 5,500 newly granted patents worldwide, with more than 1,000 being overseas granted patents. As of June 2025, Midea's total global patent applications exceeded 155,000, and the number of granted invention patents stood at over 30,000. Midea remains committed to enhancing patent quality, with a cumulative total of over 135 awards in the China Patent Awards, including six Gold Awards and 14 Silver Awards.

Furthermore, Midea is strategically branching out into humanoid robotics technology as a new business segment for the Group. So far, Midea has established a Humanoid Robot Innovation Center, which leverages Midea's advantages in diversified industrial operations to focus on three key areas. The first is the research, development, and application of core robotic components. The second is the "robotization" of home appliances, which involves integrating robotics and AI technologies – such as visual recognition, robotic arm applications, and human-robot interaction – into home appliances. The third is a focus on the development of complete robots, tapping deeply into potential application scenarios and working on core technologies.

Looking ahead, Midea will accelerate the application of humanoid robots in both industrial and commercial scenarios and tailor solutions for them. For industrial applications, a Midea humanoid robot began its "on-the-job" deployment at the Midea washing machine factory in Jingzhou in early May 2025. It is primary tasked with inspections, machine operation and maintenance, equipment repair, and workpiece handling. For commercial applications, Midea has already begun developing relevant products for real-world deployment. These are expected to be rolled out in our offline retail stores in the second

half of the year, where they will offer services such as guided tours and home appliance demonstrations. In April 2024, Midea was presented with the title of "2024 Quality Enterprise for Humanoid Robot Supply Chain" at the China Humanoid Robot Technology Application Summit. In February 2025, Morgan Stanley issued the research report "The Humanoid 100: Mapping the Humanoid Robot Value Chain", in which Midea was ranked in "the Humanoid 100 – Morgan Stanley's List of Global Humanoid Enablers".

(III) Driving New Growth through Steadfast DTC Transformation, Focusing on Retail Capabilities, and Advancing Digital Business Model Innovation to Achieve Upgrades in Operational Efficiency and User Experience

Midea has efficiently facilitated resources, consolidated the operational foundation, and deepened online-offline integration, delivering consistent user experiences. Through retail-focused policy, we have enabled retail-driven, aligning the value chain to prioritize retail and user services. Midea has advanced online-offline shared inventory for consistency in warehousing, logistics, shipment and delivery fulfilment, simplified internal pallet management to improve efficiency to elevate both intelligent replenishment capabilities and inventory turnover efficiency with actual retail at the core, fully guaranteeing retail supply. We have promoted product sales available both online and offline, ensuring consistent user experiences. For lead generation capacity building such as operations on diverse traffic platforms and in new and existing communities, Midea has enhanced lead conversion capabilities.

For offline channels, Midea has consistently enhanced digital capabilities, initially building an offline retail transformation framework. First, Midea has extended data operations to stores. Through data captured from "Midea Cloud Sales", online payments, and digital and intelligent hardware, we have achieved full-process transaction visualization, offering stores retail data for operational decision-making to achieve fine operations. Second, we have developed the Standardized Operating Procedures 2.0 for basic store operations to support stores' retail transformation. Midea has driven terminal standardization of Mall stores, digitalization based on electronic shelf labels, Cloud Display Screens, and customer flow analytics systems in around 2,000 stores, and intelligent upgrades to POS systems in over 25,000 stores. Core stores now feature synchronized online-offline pricing via electronic price labels. Third, we have established a lead generation matrix across eight traffic platforms, including Douyin, Kuaishou, Xiaohongshu, Meituan, and Gaode, with over 20,000 stores settled in. Midea has cultivated online lead generation capabilities across organizational levels from logistics centers to stores and established a full business chain of "coupon sales supplemented by lead generation", while reactivating existing users via OMO coupons and trade-in programs to enhance user retention. In the first half of 2025, this contributed over 2 million orders, representing 18% of total offline store transactions. Fourth, we have established a user-centric, efficient, and digital and intelligent quasi-self-operated store system for shopping, service and experience, and refined management of quasi-self-operated stores. By implementing a "headquarters-assigned store manager system" in core stores, we have achieved online operations and unified service standards for store managers, while synchronously deploying M-Smart interactions and entire-house smart devices to offer users immersive shopping experiences.

In the first half of 2025, Midea's domestic e-commerce sales accounted for over 50% (including penetration into lower-tier markets), with the Midea ecosystem securing its 13th consecutive year as the industry leader in total online sales during the "618" shopping festival. We have refined and sustained leadership in our presence on new e-commerce platforms. With breakthroughs in products driven by technological innovation, Midea offers users entire-house smart solutions. Additionally, Midea actively aligns with national trade-in policies. User renewal experiences are elevated through our active positioning and business model innovation. Midea has also driven integrated online-offline domestic operations. Through joint online-offline traffic generation, streamlined product integration, integrated supply chain warehouse-network systems, and perpetration into local life channels, we offer customers omnichannel services of "online consumption + offline experience", continuing to simplify efficiency enhancement and gaining new growth drivers.

In terms of brand marketing, Midea has continued to deepen its "Direct to Users" strategy, comprehensively driving brand marketing upgrades with a user-centric focus. Through innovative technology products in marketing campaigns targeting the young generation, we have strengthened emotional bonds with target audiences, shaping Midea's brand image that blends technology with warmth while reinforcing the brand philosophy that "Smart Living Can Be Even Better". Besides, by adapting actively to evolving user media engagement habits and content ecosystems, Midea has sped up a transition to digital and precision marketing, established a closed-loop of user reach, interaction and retention, and improved marketing efficiency. In the first half of 2025, Midea's total brand audience assets ranked first in the home appliance industry on both Xiaohongshu and Douyin platforms.

In terms of user operations, Midea pursued improvements in both reputation and experience by revamping its membership system and upgrading Midea Fan benefits. Midea delights users with tiered operations and more-than-expected membership benefits to enhance reputation. Our diverse membership benefits include integrated delivery and installation, 7-day no-questions-asked return, complimentary cleaning service, half-priced consumables, 1V1 butler, and shopping points, covering 29 million member interactions in the first half of 2025. Through data-driven terminal empowerment, Midea has achieved precision retail, sustained online public domain user engagement, promoted digital and intelligent upgrades in offline stores, enhanced user purchasing experiences, and continuously optimized service efficiency. Focusing on improvements in installation, maintenance, return, and exchange responsiveness, we have swiftly solved user questions through frontline authorization. Midea has addressed user interaction information gaps, achieving unique user identity and data feedback visualization, and integrated and launched the unified interface "Midea WeChat Mini Program". In the first half of 2025, the number of mini program users grew over 400% year-on-year, significantly simplifying the user service path. Based on its One ID system, Midea has achieved cross-channel user behavior tracking. We have partnered with Meituan and Douyin to establish an instant local life chain, shortening order fulfillment times and lifting marketing conversion rates.

In terms of user services, Midea deepens digital transformation to build a full-cycle smart appliance service ecosystem. First, upgraded service standards have driven dual improvements in satisfaction and Net Promoter Score (NPS), underpinned by transparent pricing and a "365-Day Replacement Policy for Small Appliances". Second, we have pioneered the 5G video customer service and AI-powered diagnostics, alongside an integrated "delivery-disassembly-installation-collection" service network that streamlines returns with full-process visibility, significantly enhancing responsiveness. Third, scenario-based service offerings such as Xi Yue Jia (CleanCare) and Mei Jia Bao (HomeGuard) have been launched, forming a closed-loop pre – and post-sales system. Fourth, we have upgraded traditional home appliance services to proactive smart butler services covering the whole-life cycle of home appliances. Integrated scenarios such as equipment condition monitoring, cleaning and maintenance, parts and consumables management, and trade-in programs have created one-stop, evolving smart lifestyle solutions for users. In the first half of 2025, services reached over 32 million people. Additionally, green transformation is accelerated through an innovative closed-loop carbon asset model, which upgrades the appliance recycling system into a carbon management framework, positioning Midea as a sustainability leader.

In terms of intelligence, Midea has deepened AI technology applications. The industry's first household domain, Smart Home Agent, has been developed grounded in underlying technologies such as large language models, multimodal reasoning, and full-range perception, achieving a closed loop of "perception-learning-decision-making-execution". Integrated multimodal sensing capabilities and deep learning models have produced diverse proactive intelligent applications across air, water usage, lighting, and security domains, forming entire-house self-perception, self-understanding, and self-decision-making capabilities. The Midea Home APP has been upgraded with a theme of "Simpler and Young". The APP has created a user platform with AI and IoT at the core based on Smart Home Agent and introduced the family assistant agent Midea AI for "visual + voice" user interaction experiences. As of the end of June 2025, the Midea Home APP's registered users had exceeded 80 million, including over 20 million monthly active users. Midea has driven intelligent breakthroughs in dual brands. The COLMO brand continues to deliver integrated appliance-home furnishing solutions and has launched a suite of appliance-home furnishing products with smart central control as entry points. COLMO has upgraded its offline stores and introduced the "intelligent scenario experience + professional product display" model. By offering one-stop solutions from floor plans to proposals through its Home Design Pro, COLMO has improved design service efficiency and built a nationwide intelligent service network system. The Midea brand continues its focus on "Products, Users, Ecosystems", expanding the scale of individual intelligent products through self-development and the ecosystem brand "Midea Select". Online and offline sales channels have been established and the home product matrix has been refined. Based on the Midea AI, the brand offers home scenarios for integrating home appliances and smart furniture. Through the integrated appliance-home furnishing strategy, the Midea brand has upgraded intelligent and digital operation capabilities of stores, consistently enhancing user experiences.

(IV) Accelerating Global Breakthrough, Strengthening Overseas Localization, and Maintaining Consumer-Centric Product Orientation

In the first half of 2025, the overseas home appliance market was haunted by varied risks and challenges such as intensified trade protectionism, geopolitical conflicts, exchange rate volatility, and persistently high inflation. Nevertheless, Midea's overseas operations achieved robust growth. On the overseas manufacturing front, Midea ratchets up its overseas manufacturing landscape and refines its global supply chain system. We have established a system of supply chain synergy between domestic and overseas factories, advanced unified global capacity planning, and implemented the "Regional-to-Regional" model. A feasibility study of establishing comprehensive manufacturing bases in two countries has been conducted. Midea has increased production capacity in countries like Thailand, Indonesia, Vietnam, Malaysia, Egypt, and Saudi Arabia, while systematically addressing cross-category supply issues at overseas comprehensive manufacturing bases to enhance localized production and delivery capabilities. In terms of international logistics, Midea has consolidated logistics support for overseas order delivery. While deepening cooperation with strategic suppliers of international logistics, we have expanded partnerships with leading local overseas logistics suppliers. As a result, we have established a presence in multi-tiered resources and raised the ratio of self-operated logistics, forging an ecosystem of global long and short supply chains and overseas local delivery supply chains. Midea has piloted a local sales logistics digital operations system in two countries to improve internal control and operational efficiency, guaranteeing logistics order delivery and enhancing customer satisfaction. Additionally, we have planned key logistics hub resources like central warehouses, port terminals, container yards, and forward warehouses across Southeast Asia, Middle East, Europe, and the United States, while promoting our cross-category integrated management and sharing model to improve both supply chain responsiveness and resilience.

Midea remains committed to its localization strategy, driving product innovation through in-depth market and user insights. In Europe, through the acquisition of TEKA, we have integrated resources and built complementary capabilities, advanced the full value chain strategy "In Europe, for Europe", and deepened market insights and product innovation in regions such as Americas and Asia-Pacific through multiple measures, consistently achieving market breakthroughs. In the first half of 2025, according to statistics from both internal and external agencies, several Midea-branded home appliance categories achieved market breakthroughs in multiple overseas regions. In the Americas, innovative products including OneTouch AutoFill™ Hands-free French Door Refrigerator, 50/50 Flex™ 3-Way Convertible Freezer, and AI ECOMASTER smart energy-saving series have supported Midea's sustained growth. Midea's air conditioners, refrigerators, and washing machines registered double-digit year-on-year growth rates, with residential air conditioners ranking first in South America, residential air conditioning units first again in North America, and refrigerators and washing machines steadily among top three in Brazil and Chile by sales. In Asia-Pacific, Midea has seen its refrigerators and washing machines rise to first in the industry in Malaysia, refrigerators respectively ranking first and second in Thailand and Vietnam. In Europe, the localized innovation representative product, PortaSplit split air conditioner, launched in 2024, continued strong sales in the first half of 2025. In the Middle East and Africa, in Egypt, Midea's air conditioner category has maintained industry leadership for years, with refrigerators and washing machines ranking

the industry's top three; in Saudi Arabia, Midea's large ovens and dishwashers has risen to industry first by market share, with the sales of residential air conditioners entering the industry's top three. We have continuously improved OBM product and channel positioning in Africa, with the sales of our air conditioners and washing machines surpassing a 10% market share in South Africa. Meanwhile, Midea continues to expand overseas smart home markets and enhance user experience. We have strengthened applications of AIoT technology in overseas home appliances by launching AI ECOMASTER smart energy solutions and AIDiag intelligent service solutions. In the first half of 2025, Midea's smart home app successfully garnered over 1.8 million new overseas registered users, bringing the total number of registered users to more than 9 million. Additionally, the average monthly active users experienced a significant year-on-year growth of nearly 70%.

In intensifying proprietary brand development in overseas markets, Midea has stepped up the global breakthrough of its self-owned brands by driving parallel advancements in branding, product offerings, and service quality. The Group has deepened user engagement channels at the front end of markets, expanded product-centric brand promotion, and strengthened cross-category brand awareness for whole-house appliance solutions. It further solidified partnerships with globally renowned entities such as Manchester City Football Club and its star player Erling Haaland, and sponsored sports organizations and events including the AFC Champions League Elite and Asian Cup, the CONMEBOL Sudamericana, and the Professional Women's Hockey League, effectively reaching hundreds of millions of football fans and potential appliance consumers worldwide, continuously elevating brand value, and amplifying brand visibility. Leveraging insights from its specialized brand-building model in North America, Midea has enhanced the global impact of its proprietary brands across multiple dimensions, including offline retail experiences, sales team development, social media campaigns, and integrated marketing for whole-house appliance suites. Additionally, Midea amplifies online content marketing both on and off its platforms, advances the optimization of its official website and social media matrix, refines its multi-brand portfolio, and implements comprehensive upgrades in content planning, visual presentation, and shopping experiences while establishing a centralized marketing resource pool.

Midea also expedites the expansion and refinement of its overseas channel network by analyzing country-specific channel landscapes and prioritizing a curated list of global key accounts. It has deepened collaboration with major clients across the Americas, Asia-Pacific, Europe, the Middle East, and Africa. Midea sustains efforts to enhance retail outlet development and achieve breakthroughs in specialized channels, while advancing holistic cooperation with channel partners in product placement, upgrades, terminal infrastructure, promotional campaigns, customer service, and system integration, with a view to upgrading our channel structure. Midea empowers frontend sales staff by offering them more vivid communication guidance better aligned with local consumer needs based on consumer insights and core selling points. Committed to digital transformation, Midea empowers overseas retail operations with digital tools, adding over 1,400 digitized retail locations in the first half of 2025. Digital tools are deployed to enhance traffic acquisition, conversion, user retention, among others. By promoting the application scope of our digital business assistant, we have achieved tens of thousands of monthly customer visits, elevating retail workforce efficiency and service responsiveness. Additionally, Midea has harnessed new media content marketing to strengthen product-user interactions, optimizing the quality and efficiency of content across all consumer touchpoints.

In the first half of 2025, Midea's overseas e-commerce sales revenue from self-owned brands continued a high growth trajectory, up more than 30% year-on-year. We effectively responded to trade protectionism impacts such as U.S. tariffs through refining our presence in overseas markets, enhancing full value chain profitability, and deepening channel cooperation. Additionally, we expedited advancing the channel diversification strategy while expanding e-commerce operations across Europe, Asia-Pacific, Middle East-Africa and other regions and achieving faster sales revenue growth, with over 50% year-on-year growth rates in some regions. Significant achievements have been yielded in content e-commerce. Midea partnered with thousands of influencers via leading short video platforms in North America, with related content views exceeding 100 million. We strengthened strategic platform cooperation and explored innovative models like self-built live streaming, with Midea-branded products exhibiting industry-leading sales performance in oven, pressure cooker, and other subcategories. Through AI-powered end-to-end operational empowerment, several mature AI functions were applied to fine e-commerce operations, Plan-Sales-Inventory (PSI), quality risk warnings, and new product opportunity identification.

Midea persistently refines its global service system and sharpens its service capabilities across the board, maintaining a customer-centric approach through systematic service improvements in five dimensions: spare parts delivery, customer engagement, service network, service digitization, and service technology engineering. To support its overseas OBM-first strategy, Midea allocated dedicated investments across all overseas service domains in 2024 to accelerate the development of foundational capabilities and optimize customer experiences. It continued to build a four-tier global supply chain system, establishing warehouse networks for spare parts supply chains near overseas manufacturing bases to ensure global supply availability. In 2023, regional warehouses covering the Middle East and the European Union were launched. In 2024, a regional warehouse at its Thailand manufacturing base was completed and put into use. Midea's regional warehouse in Vietnam is expected to be completed in the second half of 2025. Market-facing spare parts delivery efficiency improved by 20% year-on-year in the first half of 2025. Since implementing the cloud-based omnichannel customer engagement system Amazon Connect in 2022, Midea has iteratively upgraded its global call centers to achieve end-to-end closed-loop management from user outreach to service completion. The cloud-based transformation has reduced operational costs and improved voice call quality while utilizing Amazon Web Services (AWS) security tools to meet cross-border data compliance requirements, ensuring end-user privacy and data security. Midea has deployed its cloud call system in 18 countries and regions and introduced an overseas intelligent voice robot. Integrated with AIGC applications, this system enables voice analysis, semantic recognition, and social media connectivity, further advancing the development of a proactive and responsive global service system. Midea unwaveringly enhances its overseas after-sales service system (iService) and cloud call platform through its Digitalization 3.0 initiative, optimizing global service network and service engineering master data management to significantly improve service precision and efficiency. In the first half of 2025, the iService work order system was extended to 19 overseas subsidiaries, further elevating transparency and consistency in service management while also driving standardization of service workflows. In the first half of 2025, Midea expanded service network coverage in 2024 through multiple models, including direct-operated service centers, exclusive service centers, and dedicated service engineers, alongside empowering third-party partner service locations to improve capabilities, eventually achieving a 15% year-on-year increase in work order processing efficiency. To ensure new product launches, in 2024, Midea completed the integration of New Product Introduction (NPI) service preparation processes and IT system

functionalities, driving collaboration across the value chain. This process has been applied to 16 overseas subsidiaries. Additionally, in overseas markets including Vietnam, Thailand, and Indonesia, Midea has launched the "365-day replacement instead of repair" service model for small appliances while optimizing return and exchange experiences to further enhance customer satisfaction and brand trust.

In the first half of 2025, Japan's home appliance market saw a partial recovery, fueled by seasonal demand and energy-efficient products, yet traditional brands faced intense competition from multinational corporations. Retailers navigated challenges through store expansion, intelligent services, and proprietary brands. E-commerce penetration and rising young consumer trends are poised to reshape future landscapes. Shipments through traditional channels in Japan's white goods market declined year-on-year, with intensified price competition. Toshiba White Goods continues proactive responses, focusing on strengthening brand visibility, refining pricing strategies, improving customer-centric service experiences, and navigating market uncertainties with agility. On one front, through Midea International, Toshiba White Goods deepens synergy and cooperation with the Group and related product divisions across quality management, brand development, R&D innovation, and supply chain integration, further enhancing product quality and optimizing product development processes to guarantee new product launches and product supply. On the other front, Toshiba White Goods has outperformed the industry average by intensifying engagement with key customers, bolstering promotional campaigns across various channels, promoting new product sales, increasing exclusive models for online channels, launching a self-built e-commerce platform, and expanding engineering channels. In terms of brand development, the company has reinforced its brand ambassador strategy, laying a robust foundation for medium – and long-term growth. In the first half of 2025, Toshiba White Goods achieved over 10% year-on-year sales revenue growth in the Japanese market, increasing its aggregate market share across six major categories – refrigerators, washing machines, air conditioners, microwaves, rice cookers, and vacuum cleaners – to 16%.

(V) Driving Holistic Digital Transformation to Enable Data-Driven Operations and Platform-Based Management Across the Entire Value Chain, Thereby Sharpening Competitive Edge in the Digital Age

In terms of domestic sales, Midea consistently advances its "DTC Digital Model Innovation", "Online-Offline Integration", "Worry-Free Retail 3.0", and "Warehouse-Network Integration + Shared Inventory System". Direct access to retailers via the "Midea Cloud Sales APP" has replaced the traditional distribution system, allowing for mobile-based transactions, with a 100% online logistics service completion rate. Through integrated channel inventory, Midea has enabled a shared inventory system, with in-stock fulfillment rates above 93%, inventory turnover rates up by 10%, inventory obsolescence rates down by 14%, and inventory cycles in central warehouses shortened by an average of 13 days. Additionally, Midea has further advanced the OMO multi-platform traffic initiative, with over 20,000 stores connected to various online platforms including Meituan, Gaode, Douyin, and Xiaohongshu. Online and offline systems are integrated through the policy of "same pricing, same promotions, and same services" across all channels. Users can schedule installations at over 5,000 locations nationwide within 2 hours of placing online orders for seamless consumer experiences. Our innovative O2O model delivers full-process digital solutions. During the national appliance trade-in subsidy program, Midea encouraged the engagement of tens of thousands of domestic small and medium-sized merchants. Comprehensive

promotion of cloud warehousing, cloud delivery, cloud credit, and cloud return benefits has achieved asset-light operations for channel partners. Over 60,000 clients benefited directly. Besides, through centralized operations at the headquarters, we cut store operational costs and generated nearly 10% sales increases for stores. Through the "Midea Mini Program", we provide one-stop online solutions for user orders, installations, warranties, and consumables/accessories, delivering more efficient service experiences. Our service footprint has reached over 45 million member users and 80 million home appliances. Midea consistently improves user experiences. By supporting the development of our service capacity system, we have enabled comprehensive intelligence across service forecasting, dispatch, and scheduling, significantly improving efficiency for service locations and engineers. To guarantee service responsiveness, we have introduced "24-hour installation", "48-hour maintenance", and "120-hour returns/exchanges" models, achieving 95% completion rates with significantly enhanced user experiences.

In overseas markets, Midea consistently advances its "Digital 3.0" initiative to enhance global operational efficiency and digital transformation. Through end-to-end value chain analysis, Midea prioritizes enhancing digitalization capabilities across overseas business value chains and embraces AI technology applications, extending advanced domestic digital experiences overseas to support global expansion strategies. The Group continues to refine the iBOS overseas sales integration platform system, leveraging AI technology to establish intelligent Q&A applications that bolster work efficiency of overseas customers. We serve installation companies and staff at abroad through the Midea Club system, already achieving full-chain data integration from factories to overseas sales warehouses, installation, maintenance, and after-sales. Operational in 13 countries in the Americas, Europe, and Asia, the system has increased order entry efficiency by 85% through digitalization and AI image recognition and audit technology, while supporting overseas teams in regional market management via its barcode tracking feature. In after-sales services, to fulfill the core objectives of "full-process visualization, three delivery platforms, and four fundamental capabilities", we have refined the iService platform for full access to the service value chain. This platform leverages digital and mobile technologies to achieve dual improvements in service value and efficiency, currently available in over 20 global subsidiaries, 1,000+ overseas clients, and 5,000+ service locations. The Group embraces AI technology applications. Through pilots in multiple scenarios, such as intelligent knowledge bases and multilingual AI recognition for overseas call centers, we employ digital means for standardized management across the entire process from service requests through service waiting and implementation to service evaluation, enhancing service efficiency and responsiveness. Additionally, in the first half of 2025, Midea launched the overseas inbound logistics management system, completing rollouts and applications in Italian and German sales companies to support plan coordination, operational visualization, compliance control, and workforce efficiency improvements. We have developed an intelligent agent that counts containers for overseas sales based on operational optimization models and AIGC algorithms. It can derive optimal solutions through reasoning models and our expert knowledge base, increasing the container loading rate by approximately 2% and effectively reducing transportation costs.

On the R&D front, the Group continues driving the implementation and deepening of its "Three Generations" R&D system around the strategic pillars of "Technology Leadership" and "Global Breakthroughs". In planning, AIGC is employed to automatically generate industry trend insight reports, competitive analysis reports, and country analysis reports, increasing efficiency by 70%. In research, the technology platform model is promoted to support the transformation from technology achievements into products. In platforms, global platform module parameterization capabilities are developed. Through its match model, Midea responds swiftly to differentiated market demands, improving customer satisfaction while a 20% reduction in development projects and a 20% increase in market response speed. In development, Midea focuses on enhancing design process quality and workflow efficiency. Through improvements to our tool chain development, we have elevated development efficiency via automation and intelligence. Through the deepened "Three Generations" system, Midea has yielded an on-time project approval rate above 95% and a ramp-up rate of key projects above 71%. In overseas capability development, a full-process system for OBM products encompassing "demand-planning-development-sales" has been developed. Continuously improved product efficiency and the digital operational mechanism support this system to improve integration efficiency and Toshiba brand's product development efficiency, strengthening responsiveness to overseas markets. AIGC technology empowers key areas such as AI-TRIZ, AI translation, AI user research, AI Q&A, and AI design, yielding remarkable results in AI-enabled R&D efficiency enhancements. We have refined our ESG product carbon accounting platform to meet ESG requirements for "accounting-certification-reduction", achieving automatic product carbon footprint data acquisition and online renewable utilization rate calculations, with carbon accounting efficiency improved by over 30%. In value chain collaboration, the Group has strengthened business data synergies among R&D and marketing, quality, and manufacturing via promotion of IPDP product parameters, test progress transparency, and online new product process introduction.

On the manufacturing front, through the overseas digital 3.0 program, Midea further advances toward its presence in global digitalization, strengthening overseas manufacturing and delivery capabilities. Aligned with investment and capacity plans, we have selected appropriate digital packages and conducted consistency development in overseas new factories in Saudi Arabia, Thailand, Egypt, Brazil, and Mexico. Through Italy's Clivet project, a digital template for European manufacturing has been developed based on Europe's unique scenarios and product capabilities. The promotion of the KD2.0 deepening package has achieved synchronous domestic and overseas planning, box-level production scheduling, one-click ordering, intelligent dispatch and pickup, and automatic reserve order deductions, driving efficient synergies between overseas companies and product divisions. The refined S&OP (Sales and Operations Planning) process has enabled integration of transnational plans. Improved PSI (Plan-Sales-Inventory) simulation efficiency has significantly enhanced operational efficiency of overseas factories. Priority scheduling for OBM orders has led a 90% four-week delivery and fulfillment rate for key orders. By facilitating overseas supply chain transformation pilots, Midea achieved a 100% supplier resource sharing rate and improved cross-organizational conversion efficiency by 50%. Domestically, efforts have ramped up for the integration of Factory Agent and business sites around "intelligence-driven transformation upgrades", already empowering a dozen of business scenarios such as processes, quality, production management, and embodied intelligence. We have developed general capabilities of Factory Agent, now capable of real-time responses to knowledge data Q&A, automatic event warnings and closed-loop processing, and autonomous decision-making throughout the full business process.

The seamless collaboration between final assembly and sub-assembly production lines has elevated scheduling efficiency by 30%. Through a bi-weekly contract online mechanism, the Group has enabled automatic production-supply collaboration and stagnation management transparency. The revamped outsourcing model for bulk materials has elevated business process efficiency by 10%. Through an ESG digital management platform, Midea lifts management efficiency, optimizes information disclosure, fuels the Group's carbon reduction goals and climate risk responses, and further refines energy and carbon management, reducing energy costs by 8.3% while also supporting Midea Washing Machine Hefei Factory's successful SGS carbon neutrality certification.

In the ToB business domain, to elevate both customer value and business efficiency, Midea deepens digitalization of global value chains driven by "direct system access + AI", establishing the integrated, multi-format B2B digital marketing platform Sale Smart for efficient synergy and definitive growth. In the renewable energy and industrial technology business domain, the Group upholds a customer-centric philosophy, connecting the Sale Smart platform to core clients' systems for automatic demand acquisition, intelligent order review, and intelligent warehouse selection for shipments, while driving the sales forecast accuracy rate for HVAC appliance components to over 90% and same-day on-time delivery rate to surpass 99%. For overseas markets, multilingual capabilities are available on the Sale Smart platform alongside integrated overseas marketing solutions, effectively adapting to local differentiated demands for overseas operations and supporting overseas business expansion. In the intelligent building technology business domain, Midea deepens its channel reform and leverages the WeChat mini program to reach distributors, coupled with AI-driven lead recommendations and opportunity matching to significantly improve opportunity conversion rates while shortening customized ordering time through digital tools. For overseas markets, Midea thoroughly reviews business processes, implements the marketing business reform, and applies AI-enabled digital tools for efficiency improvements, slashing fluorine unit selection and quotation time and improving order delivery efficiency by 10%.

In operational management, focusing on business empowerment through cost optimization, efficiency enhancement, compliance, and risk control, Midea has executed digital transformation across functional support domains including finance and human resources. Through efficient value chain collaboration and operational language consistency, we have promoted holistic digitization of financial systems for newly acquired companies and new overseas entities, enabling process digitization and information transparency to facilitate efficient global business operations. By consolidating financial and tax compliance as the cornerstone of overseas expansion, we have established a global transfer pricing compliance monitoring system. Additionally, Midea's electronic invoice platform is available in several countries, such as Thailand, Malaysia, Vietnam, Mexico, and Italy, to ensure legality and security for transnational operations. Financial processes empowered by AI technology have led to intelligent contract payment risk auditing and multi-dimensional verification, increasing efficiency by 50%. Additionally, a global employee travel platform has been established to comprehensively enhance intelligence in financial management. In employee digitization, AIGC is integrated into recruitment, training, and employee service scenarios based on full lifecycle management, thereby continuously enhancing work efficiency and optimizing employee experiences. We have also established global shared centers, continuously conducting system construction and promotion to ensure overseas human resources compliance and consistency.

In terms of digital capabilities, based on principles of unified data integration, unified data common layers, unified data indicators, and unified data services, Midea has formed a unified, efficient, stable global data asset system, alongside a unified data asset platform that encompasses data asset catalogs, data indicator management, data service management, data product management, and data lineage management to continuously enhance foundational data capabilities. Our proprietary LLM-based AI intelligent query engine enables full-chain automation of "question-query-analysis-visualization", realizing various data intelligence scenarios like intelligent querying, intelligent interpretation, and intelligent analysis. Midea continues to deepen data-driven business empowerment, utilizing "Data+AI" technologies to deliver intelligent data-driven solutions that span core operational scenarios including R&D, marketing, supply chain management, overseas markets, and ToB operations. We use AI algorithms including large language models for in-depth analysis of public opinion, messages, reviews, markets, residences, and other information in different business domains. This could develop intelligent Q&A and intelligent reports, achieving intelligent innovation opportunity mining and user scenario and market space analysis to improve product planning success rates. We have built intelligent operational dispatch centers for digital factories, achieving real-time dynamic data collection, analysis, warnings, reminders, and closed loops, with a 30% year-on-year reduction in abnormal downtime. Focusing on overseas KD order processes, we have achieved fully online order processes, intelligent risk warnings, and real-time tracking closed loops, shortening domestic KD supply cycles to overseas by 20% year-on-year. Midea has driven store retail conversion improvements across diverse traffic platforms, store digitalization, and retail tool upgrades around domestic core scenarios for DTC transformation, while focusing on online scenarios to reduce costs and increase efficiency through analytical optimization of strategy execution in on-site e-commerce advertising and off-site content advertising and brand marketing. Its global Voice of Customer (VOC) has been deepened using AI technologies to develop intelligent warning and analytical summary capabilities, enabling precise identification and improvement tracking of user feedback. For overseas orders, a full-process order monitoring and warning system is in place to promptly advance order processes, supporting OBM order cycle improvements. Data on overseas orders, warehouse networks, logistics, and maps is integrated to reduce costs and improve efficiency in overseas logistics through digital site selection for overseas warehouses using various AI algorithms. Global operational dashboards are established for the ToB business. Global operational data integrated to ensure consistency, elevating both cross-regional operational analysis efficiency and decision-making quality. AI technology is also employed to optimize market intelligence analysis, opportunity mining, conversion path prediction, and channel network research.

In strengthening its digital infrastructure and information security framework, Midea refined the Global Neutral Cloud (GNC) platform with deployments in Singapore and Europe, thereby further deepening "two unifications" in digital infrastructure - "domestic-international integration and public-private cloud convergence". Through decoupling between cloud platforms and public cloud providers, Midea optimized its supply system with significant cost reduction effects. Our unified management capabilities for heterogeneous AI computing power at home and abroad and for IDC and public cloud AI computing power have led to a rising GPU utilization rate. The full-chain monitoring system integrating multiple monitoring means such as applications, logs, and hardware elevates fault location efficiency. Midea holds steadfast to advancing data platform development, with data volumes and computational tasks going up by 20%. We ramp up efforts in developing a one-stop collaborative office platform, refine AI office

capabilities, optimize overseas office experiences, and continuously implement both email security LLM and data security LLM to improve our in-depth security system. Midea has also launched a zero-trust terminal security protection system to enhance terminal security and data security capabilities. We ramp up efforts to develop our R&D effectiveness platform and elevate user experiences. We strengthen online function development for electrical control software R&D scenarios, increasing electrical control software R&D efficiency by 20%. Meanwhile, Midea explores AI agent applications in software R&D, with the launch of programmer agents and testing agents.

In advancing its Artificial Intelligence-Generated Content (AIGC) strategy, Midea accelerates comprehensive AI integration. It creates a better smart life for users and basic platforms such as computing power, algorithms, intelligent agents, knowledge bases, customer service robots for full value chain intelligence. A total of 30 vertical domain algorithm models and 145 intelligent agents have been developed, with overall efficiency improvements reaching 5 million hours. In the first half of 2025, the Midea Home APP launched its version 10.0, enabling the LLM-based Midea AI for comprehensive experience upgrades. With online customer service complaint rates decreased 32% year-on-year, device abnormal offline rates decreased 15%, and cloud service SLA availability reaching over 99.9%, the APP delivers stable and smooth user experiences. As of June 2025, Midea's IoT platform has accumulated over 120 million connected devices with monthly average online devices reaching 43 million. We continue advancing large language model and intelligent agent technology exploration and applications, empowering various intelligent products now applied to air conditioners, refrigerators, washing machines, ovens, and other products, providing users with voice control, home knowledge Q&A, scenario generation, and other services, achieving deep intelligent control for whole-home integration and comprehensive intelligent butler service experiences. By consistently exploring the application of LLM and Agent technologies, Midea empowers smart products such as air conditioners, refrigerators, washing machines, and ovens. Voice control, home-related Q&A, and scenario generation services offered to users have enabled seamless whole-house appliance integration and comprehensive intelligent housekeeper services. Through a voice interaction chain based on Meiyan LLM and DeepSeekR1, Midea comprehensively enhances both voice device control generalization capabilities and home knowledge reasoning capabilities, initially achieving natural home conversation experiences. Intelligent agent technology is employed for home scenario generation and conversational home information acquisition, alongside the launch of the Midea Home APP, offering users scenario-based and proactive home experiences. In addition, committed to research on cutting-edge technologies such as AI LLMs and embodied intelligence, Midea has contributed multiple professional papers at international conferences in AI and related fields including the International Conference on Acoustics, Speech, and Signal Processing (ICASSP), the International Speech Communication Association (Interspeech), the Association for Computational Linguistics (ACL), the International Conference on Intelligent Robots and Systems (IROS), and the International Conference on Computer and Communications Management (ICCCM), continuously exploring robot development directions in home and industrial applications.

(VI) Launching Diversified Brand and Product Portfolios Based on User Tiering, and Promoting Core Values of these Brands to Empower Retail Sales and User Operation

In the first half of 2025, Midea continued to promote the "COLMO+TOSHIBA" dual high-end brand strategy, with the overall retail sales of the dual high-end brands seeing a year-on-year growth of over 60%. The COLMO brand positions itself at the forefront of AI-powered home appliances, offering elite users a comprehensive suite of premium smart life solutions around "smart interaction", "smart evolution" and "smart care". In terms of products, through continuous iterations in design, functionality, and intelligence, COLMO products creates sustained lifestyle value and progressive experiences. In the first half of 2025, COLMO launched its TURING 2.0 Refrigerator 708, earning the 2025 German iF Design Award and certification from the 2025 China Refrigerator Industry Symposium thanks to its pioneering 700L+ ultra-large capacity with zero built-in technology. The COLMO EVO 2.0 debuted as the industry's first maternal and infant-grade residential central air conditioner, addressing premium users' year-round health requirements through full-space health protection, continuous full-space cleanliness, and an AI-driven climate butler. The slim integrated washer-dryer-care machine COLMO TURING 2.0 was launched as the first home appliance with AI Agent, available for intelligent voice control and new washing and care experiences. The COLMO EVO Gas Water Heater X5 incorporates cutting-edge technologies including 20L water capacity, AI-pressurized waterfall bathing, and ultra-fast zero cold water delivery, providing users with the ultimate innovative experience. The COLMO EVO fully automatic Italian coffee machine received the German Red Dot Design Award for its industry-first patented anti-residue pure extraction technology. On the branding front, dual communication pillars, namely luxury residences and technologies, around the COLMO TURING2.0 suite's new technology luxury are focused to reach core premium groups prioritizing quality. Through marketing and co-branding with celebrity users, fashion media, luxury residence designers, non-traditional commercial elites, and leading technology KOLs, COLMO establishes a brand image as a premium experience provider and AI-driven player. Additionally, via online advertising and cooperation with potential celebrity users around collections and main products in various categories, COLMO accumulates product reputation and brand awareness, achieving a 110% year-on-year growth in crowd assets and a 80% increase in overall search volume. Through its "traffic acquisition via OMO + online and offline cross-industry collaboration", COLMO drives both enhanced traffic flow and sales conversion. Through cross-industry partnerships, COLMO innovatively combines home appliances with scenarios to reach high-end customers, driving simultaneous growth in brand visibility and sales performance. In sales channels, COLMO holds steadfast in independent brand development. As of June 2025, COLMO has established over 1,700 brand stores in more than 280 cities nationwide, while also continuously enhancing full-chain retail efficiency via short chain transformation and simplified hierarchy for channels. In terms of services, as of the end of June 2025, COLMO's registered membership has approached 3 million users. An expert-level service system is also in place to consistently enhance premium user experiences across the entire home appliance lifecycle via full-chain 1V1 butler service, 24-hour customer support, one-stop custom "measurement & installation & renovation" solutions, and dedicated COLMO engineer teams. Additionally, COLMO introduces 365-day replacement-over-repair services for performance failures, complemented by free door-to-door measurement and old-for-new removal and installation services, advancing toward proactive service transformation.

The Toshiba brand continues to consolidate its positioning as "making artistic home appliances", committed to creating a breakthrough artistic lifestyle for consumers with its inherited exquisite aesthetics. As a globally renowned home appliance brand with a century of history, Toshiba has emerged as a new choice for high-end consumer groups in the domestic market. In terms of products, Toshiba launched its Pearl Series home appliances, satisfying quality lifestyle enthusiasts' demand for premium home appliances, with exceptional market performance across diverse categories. In the first half of 2025, Toshiba's retail scale of refrigerators increased by 50% year-on-year, and its domestic market share ranked first among Japanese brands. The retail sales of washing machines increased by 60%, with its zero built-in series growing by an impressive 150% year-on-year. Toshiba-branded dishwashers claimed the top position among domestic Japanese brand built-in dishwashers, with retail sales growing nearly 90% year-on-year during the "618" shopping festival. The retail sales of Toshiba-branded microwaves expanded over 60% year-on-year, with premium flagship combination products ranking first industry-wide in sales performance. In terms of branding, Toshiba has accumulated nearly 300 million 5A audiences on Douyin, while ranking among the top joint venture brands on Xiaohongshu by comprehensive search of core categories. By organizing nearly 1,200 offline activities, from digital awareness to terminal empowerment, Toshiba has conveyed the new idea of artistic home appliances. In terms of sales channels, in domestic China, Toshiba completed the cooperation with over 300 brand operators, built over 600 brand stores and over 1,200 brand halls, to promote the realisation of a final unified terminal image and complete the building of the national retail system. Through advertising on diverse traffic platforms such as Douyin, Meituan, Gaode Maps, Baidu Maps, and Xiaohongshu, in-store transactions totaled RMB180 million, cumulatively generating over 1.4 million business opportunities.

WAHIN positions itself as a brand of "young, high-tech and trendy appliances", and aspires to create a trendy home for users with the philosophy of "Trendy Designs, Practical Functions and Fun Interactions". With keen insight into young generation's demands for home appliance, it focuses on product performance R&D, and trendy and interactive design. In the first half of 2025, WAHIN continued to made effort in marketing targeted at the youth and carried out various cross-industry collaboration. With integrated platform resources, the "WAHIN Air Conditioner Wish+" Factory and "WAHIN Air Conditioner Zero Error" campaigns were organized with millions of young participants, rapidly achieving breakthrough marketing success among the young generation. To promote its new central air conditioners, WAHIN partnered with renowned Bilibili creator Bi Dao to create an innovative launch event combining CEO IP to achieve integrated branding, marketing effects, and sales channels. During the "618" graduation period in 2025, WAHIN partnered with Tmall Campus to create the "Voice of Undergraduates" music festival for graduates, entering prestigious universities including Tsinghua University to provide better services and choices for young people's new life. In the first half of 2025, WAHIN's online sales grew over 25% year-on-year, with over 1.2 billion UVs and over 30 million user interactions in its marketing efforts. Steadfast in a user-first philosophy, WAHIN specializes in creating bestsellers to achieve integrated branding, marketing effects, and sales channels.

(VII) Leveraging the Power of Technological Innovation to Enhance HVAC & Home Appliance Components, Green Energy and Green Transportation, and Exploring the Industry Growth Opportunities to Provide Green, Efficient and Intelligent Products and Technology Solutions for Customers across the World

Midea Energy Solutions and Industrial Technology prioritizes offering globally leading renewable energy solutions as well as core components across HVAC & home appliances, new energy vehicles, robotics, and other sectors. Through cutting-edge technology, superior quality, and exceptional service, it delivers green, efficient, and intelligent products and technical solutions. Based on the solid root technology system, a technology matrix composed of thermal management technology, drive control technology, energy storage technology, power and electronic technology has been expanded to form a complete industrial chain layout and product matrix. Efforts have also been invested in implementing its globalization strategy, with remarkable breakthroughs in overseas markets.

By maintaining the focus on the field of HVAC & home appliance components, Midea Energy Solutions and Industrial Technology continued to consolidate its leading position in the industry. Midea Energy Solutions and Industrial Technology has released a number of innovative products and solutions, earning widespread trust from global customers and high market recognition: i) GMCC's 16-20kW R290 variable frequency rotary compressor received the Heat Pump Product Core Award at the 2025 China International Trade Fair for Heating, Ventilation, Air-Conditioning, Sanitation & Home Comfort System (ISH China & CIHE), with its heat pump-specific variable frequency scroll compressor meeting Level 1 Energy Efficiency under China's New National Standard; ii) both GMCC's R32 refrigerant 150CC variable frequency scroll compressor and Welling's high-quality, high-efficiency EC fan component for heat pumps won the "2025 HPE China Heating Exhibition Product Innovation Award"; iii) both GMCC's scroll fixed-speed compressor for freezing and refrigeration and Welling's ECM motor for commercial air conditioners earned the "2025 AWE Award for Core Components"; iv) MR's main control MCUMR88F001 received the "2025 China Home Appliance Industry Chain Golden Nail Award"; v) GMCC's 12-18kW wide-frequency (8-160Hz) variable frequency rotary compressor for commercial air conditioners, GMCC's 16-20kW R290 variable frequency rotary compressor for heat pump heating, and Welling's modular IPM high-efficiency silent motor for residential air conditioners won the "Innovation Product Award" at the 36th China Refrigeration Exhibition; and vi) Welling's BLDC washing machine motor and intelligent controller, ECM brushless DC motor, and high-efficiency miniaturized ferrite motor received the "Gold US Good Design Award", "Silver MUSE Design Award", and "Silver NY Product Design Awards" respectively. Midea Energy Solutions and Industrial Technology received a number of awards in the industry, including: i) the "High Torque Density High-Efficiency Ferrite Motor System and Its Low-Carbon Manufacturing Key Technology Research and Industrialization" and "Variable Frequency Scroll Compressor Wide-Frequency Key Technology Research and Application Based on Efficiency Enhancement and Quality Improvement" projects won the first prize and the second prize at the 2024 China Light Industry Federation Science and Technology Awards, respectively; ii) the jointly developed "Key Technology for High-Efficiency High Torque Density Motor and Its System" won the "Second Prize of Invention and Entrepreneurship Award from China Association of Inventions"; and iii) the "Research and Industrialization of Key Technology for Low-Noise High-Efficiency Air Conditioning Variable Frequency Compressor" project won the first prize for scientific progress at the 2024 Guangdong Mechanical Engineering Society. In the first half of 2025, Midea Energy Solutions and Industrial Technology lodged 690 patent applications, was granted

over 3,200 invention patents accumulatively, participated in the formulation of 13 national standards, and led the revision of the national standard Electrically driven compressor assembly for automobile air conditioning (GB/T22068-2025). In the first half of 2025, China's first international standard verification laboratory for compressors, the ISO/TC86/S4C Standard Verification Joint Laboratory, was founded, aiming to drive the industry's contribution to breakthroughs in international standards and support Chinese technology in leading global refrigeration industry transformation. The GMCC Intelligent Laboratory, representing industry-benchmark R&D testing standards, was also successfully unveiled. According to data from ChinaIOL.com, in the first half of 2025, the global market share for residential AC compressors continued to rank first. Scroll compressors exceeded 10% domestic market share, and efforts ramped up in acquiring overseas high-end customers for rotary compressors. Its refrigerator compressors secured a top sales share in the global market, while the global sales share for residential AC motors and laundry appliances motors maintained the leading position in the industry. Midea Energy Solutions and Industrial Technology has firmly invested in digital and intelligent upgrade. It has high-end intelligent manufacturing base project in Thailand to serve premium customers across the globe and continued investments in its India manufacturing base, with annual capacity exceeding 5 million units, consistently reaching key overseas markets and key customers. Two variable frequency production lines at Hefei's new refrigerator compressor base achieved mass production, adding 7.5 million units of annual capacity. Additionally, Midea Energy Solutions and Industrial Technology continued to invest more in R&D of chip products and technologies, with self-developed chip shipments exceeding 22 million in the first half of 2025.

In new energy field, in response to the rapid growth of the renewable energy industry, Midea Energy Solutions and Industrial Technology focused on providing comprehensive, effective and integrated green energy solutions throughout the entire energy value chain, such as large-scale energy storage, commercial and industrial energy storage, residential energy storage, smart grids, and distributed photovoltaics. CLOU Electronics has transformed from project-driven to forming a channel ecosystem, establishing a comprehensive channel network for commercial, industrial, and large-scale energy storage. On the product front, the Aqua-E series for commercial and industrial energy storage and the liquid-cooled containerized energy storage system Aqua-C series (AC-DC integrated units) were launched. They appeared at renowned international exhibitions in countries such as Indonesia, South Africa, the United States, Germany, and Spain, showcasing core technological achievements of this energy storage system series. CLOU Electronics also continuously enhances product safety. The white paper on its ThermoFlux active ventilation explosion-proof system was released in June 2025, demonstrating its effectiveness in fire retardant analysis (FRA) and large-scale fire testing (LSFT). On the market front, CLOU Electronics was listed in the 11th "International Reputation Brands" ranking and the Global Tier 1 Energy Storage Manufacturers published by BloombergNEF. CLOU Electronics secured the "CGN New Energy 10.5GWh Energy Storage System Framework Procurement" project at home and energy storage projects from countries such as Germany, Poland, Greece, North Macedonia, and Malaysia, engaging in energy storage for both grids and commercial/industrial users. On the manufacturing front, its Indonesia manufacturing base project achieved significant progress, strengthening global supply chain capabilities.

Hiconics has accelerated the development of residential energy storage, photovoltaic inverters and related power electronic products, continued technological innovation, improved product portfolios, in order to meet the diversified needs of customers. In the first half of 2025, Hiconics drove overseas business development of residential energy storage business through OBM and OEM. The company fortifies cooperation with German residential energy storage brands and developing markets including Italy to promote the construction of forward warehouses in Europe and significantly improve sampling and delivery efficiency, while developing Midea branded residential energy storage business in Australia and other emerging markets. Additionally, Hiconics ventured into new sectors. Boasting an aggregation platform for virtual power plants and a power trading team, the company has secured electricity sales qualifications in multiple provinces, transitioning from construction-focused to operation-focused. Its residential photovoltaic EPC marketing network has expanded to include 22 provinces, with continuously improving market penetration and channel reach. As of June 2025, Hiconics has achieved a combined grid-integrated capacity above 3GW from its photovoltaic power stations. Additionally, its subsidiary Hefei Midea Hiconics Photovoltaic Technology Co., Ltd. received the "2025 APVIA Asia Photovoltaic & Energy Storage Awards" from the Asia Photovoltaic Industry Association (APVIA). On the product front, Hiconics continuously expands its photovoltaic grid-integrated inverter product lineup, including the launch of 20kW-40kW photovoltaic inverters. At 2025 SNEC, its second generation of M-Ecolux Villa, a green power solution, was released, later receiving domestic CGC certification and Germany's iF and Red Dot Design Awards. To date, the M-Ecolux Villa business has been available in 70 key cities. Its self-developed high-voltage variable frequency drive officially passed China National Nuclear Corporation's supervision and acceptance, and was shipped to the circulating water pump project site for Units 3 and 4 at Xudabao Nuclear Power Station, becoming the first domestic variable frequency drive applied to commercial nuclear reactor circulating water pumps. Additionally, HC2000, a new generation of four-quadrant high voltage variable frequency drive, was put into operation at Shanxi Coking Coal Group, functioning as a replicable benchmark solution for green upgrades in high-energy-consumption industries.

In terms of core components for new energy vehicles, in the first half of 2025, Midea Energy Solutions and Industrial Technology's electric vehicle compressors secured a market share surpassing 5%. The market share of its compressors and EPS motors also kept rising, with cumulative shipments exceeding 1 million units. Midea Energy Solutions and Industrial Technology boasts a customer base comprising both emerging and traditional mainstream auto manufacturers. Mainstream products such as thermal management received project designations from renowned North American automakers and will be delivered within 2025. Additionally, its first vehicle-mounted and pre-installed refrigerator compressors, DE14M and DE17M, became operational and available in the market. Midea Energy Solutions and Industrial Technology launched its disruptively innovative fourth-generation water pump technology, featuring advantages such as compact lightweight design, low cost, and ease of assembly. In 2025, the Mexico manufacturing base project for automotive components to locally serve key accounts in North America, thereby further bolstering market competitiveness.

In terms of core components for robots, Midea Energy Solutions and Industrial Technology prioritizes deeper collaborations with key accounts, further enhancing delivery quality and efficiency. In the first half of 2025, shipments exceeded 30,000 units, exhibiting a significant year-on-year growth. Priority is given to humanoid robot core components and harmonic reducers. Further, Midea Energy Solutions and Industrial Technology has been ramping up R&D investments in high-precision, high-reliability joint modules as well as bionic hands (dexterous hands) with highly sophisticated operational capabilities.

(VIII) Seizing Market Opportunities Amid Domestic and International Circulations, Responding to China's "Carbon Peaking and Carbon Neutrality" Goals, Advancing Technological Innovations and Business Model Upgrades, and Providing Customers with Full-Stack Solutions for Intelligent Buildings

Having transformed from a commercial air conditioning product supplier to an integrated solution service provider for intelligent building ecosystems, Midea Intelligent Building Technology is engaged in HVAC, elevators, building intelligence, and energy management. Through the digital platform iBUILDING, it integrates software and hardware devices and solutions for buildings and offers full-stack solutions for intelligent buildings, delivering better scenario experiences, optimized energy strategies, and more reliable space services. According to the data from ChinaIOL.com, in the first half of 2025, Midea maintained industry leadership in the domestic commercial variable refrigerant flow (VRF) market with a share exceeding 28%. As reported on aircon.com, Midea's centrifugal chiller units account for over 15% of the market sales, ranking first in the industry; Midea's centrifugal chiller unit shipments increased by over 65% year-on-year, with magnetic levitation centrifugal chiller unit shipments increasing by over 130% year-on-year; Additionally, WINONE Elevator's shipments grew by over 40% year-over-year, leading the domestic freight elevator industry segment for three consecutive years. According to the research data from Shangpu Group, WINONE's cargo elevators ranked first in sales volume in the domestic cargo elevator industry from January 2024 to March 2025.

In the first half of 2025, Midea Intelligent Building Technology continued transformation of its ToB business. Through a close grasp of segment development trends and a focus on high-growth industries, Midea Intelligent Building Technology registered revenue growth in domestic infrastructure, public utilities, commercial services, and industrial and agricultural production sectors. In particular, industry benchmark projects have been developed through collaborations with top clients such as Lens Technology, Alibaba Cloud, Huawei, and Gotion High-tech in advanced manufacturing, data centers, and new energy segments.

First, Midea Intelligent Building Technology responds actively to the national strategy for comprehensive transformation from controlling the total amount and intensity of energy consumption to those of carbon emissions, and requirements in energy-saving and carbon-reduction action plans. Placing low-carbon development at the core of its business, Midea Intelligent Building Technology prioritizes the promotion of integrated solutions for software and hardware in efficient refrigeration systems, supports urban renewal and green upgrades of aging buildings and factories, and reduces energy consumption and carbon emissions throughout building lifecycles. As of June 2025, over 300 high-efficiency equipment rooms have been delivered annually, with estimated energy savings and carbon reduction effects equivalent to eliminating 197,000 tons of carbon dioxide emissions. Second, through the digital building service

platform iBUILDING and related tools, Midea Intelligent Building Technology provides digital and intelligent services for users. For example, the i-butler intelligent O&M system supports over 200 New Oriental campuses nationwide in intelligent upgrades, improving energy management and equipment O&M capabilities for their air conditioning systems. Midea Intelligent Building Technology delivers maintenance services for central air conditioning and water systems across nearly 300 Wanda and Powerlong commercial plazas nationwide, further promoting energy-saving and emission reduction in combination with energy efficiency consulting services and energy-saving applications. Third, Midea Intelligent Building Technology deepens direct access to key accounts and the DTC strategy to broaden the scope of cooperation that includes joint research and creation with clients. For example, it has achieved short supply chain transformation with H World Group to improve efficiency, promoted digital infrastructure transformation with Shentong Metro Group to pioneer new management models for metro equipment and facilities. It has also collaborated with a leading Internet company to develop a naturally cooled magnetic levitation chiller and ancillary wind wall, providing a green and efficient hybrid air-cooled and liquid-cooled solution for medium-to-high density artificial intelligence data centers. This solution enables energy-saving operation throughout the year across multiple time periods, significantly reducing PUE, and supporting the low-carbon development of artificial intelligence data centers.

In terms of M&A integration, Midea finalized its acquisition of ARBONIA Climate, the climate division of the Swiss-listed ARBONIA AG, in February 2025, strengthening Midea Intelligent Building Technology's presence in the European market. The company began integrating ARBONIA Climate's manufacturing systems, simplifying the manufacturing network and enhancing internal coordination to continuously optimize and expand its presence in European manufacturing. In the first half of 2025, Midea merged Clivet's air conditioning business with the newly acquired ARBONIA Climate to establish MBT Climate, dedicated to responding faster to European market demands and providing localized products, services, and solutions through consolidated superior resources. At the end of 2024, Midea signed an equity subscription agreement with Toshiba Elevator and Building Systems Corporation to acquire the shares of Toshiba Elevator (China) Co., Ltd. and Toshiba Elevator (Shenyang) Co., Ltd. (collectively, "Toshiba Elevator China"). In the first half of 2025, Toshiba Elevator benefited Midea's development in elevator business in terms of brand, channel, product and technology. On the market front, Toshiba Elevator's internal business collaboration accelerated within the division, with a focus on urban benchmark projects, driving comprehensive building transformations. Thanks to terminal image upgrades, Midea's brand awareness has been elevated across the board. On the product front, Toshiba Elevator has upgraded passenger elevators with digital technology at the core, allowing for more comprehensive safety protection, easier maintenance, and better experiences.

Regarding product innovation, at the 4th Midea Building Tech. TRUE Conference in 2025, Midea Intelligent Building Technology unveiled five solutions across four core business segments: HVAC, Smart Elevator, Building Automation, and Energy Management. Midea launched the MDV9 Unbounded VRF Unit featuring seven-star electric control matrix technology. In terms of performance, MDV9 realizes a maximum coverage of 310° for the entire G-type heat exchanger series, 32% increased heat exchange area, 30% reduced electric control volume, and industry-leading IP68+He electric control protection. In terms of reliability, equipped with the first full-series open-door panels and external wiring in the industry, MDV9 can complete electric control box replacement in 15 minutes, while supporting multiple

protections like AC/DC hybrid intelligent distribution with zero-line-free design through three-phase load balance. In terms of energy-saving, its standard built-in electric meters across all series and real-time energy consumption monitoring through standard cellular + i-butler can complete photovoltaic access transformation in one hour without energy storage or equipment replacement. Midea released its new "Magnetic Levitation +X" product strategy, extending from refrigeration to industrial energy supply via "Magnetic Levitation +X" technology. The strategy focuses on three units: natural cooling magnetic suspension centrifuges, ultra-high temperature magnetic suspension steam compressors, and magnetic suspension air compressors, transforming the reliable, omnipotent, efficient magnetic levitation technology into a truly visible, trustworthy solution. To navigate challenges such as elastic changes in air-liquid ratios and surging power consumption in traditional cooling schemes, Midea launched the industry's first air-liquid homologous "full-time natural cooling magnetic suspension centrifugal chiller", enabling elastic air-liquid cooling capacity distribution for smooth capacity expansion. With annual power savings of 470,000 kWh and reduce occupied area by 70%, it can be used immediately on delivery. In the context of high industrial energy consumption and "carbon peaking and carbon neutrality" goals, Midea's magnetic suspension steam compressor breaks through traditional heating efficiency boundaries, enabling stable steam supply at 150°C+ to eliminate overheating concerns. This creates integrated heat pump solutions across all temperature ranges, transforming industrial wastewater into "invisible energy stations". Midea's magnetic suspension air compressor redefines oil-free compressed air preparation technology. It cuts energy consumption by 20% through efficient operation and lifecycle maintenance costs by 90%, reinventing the "profit engine" with compressed air. Midea's German subsidiary Kermi released the new "HVAC + E Solution for Smart Buildings". Centered on the HEMS (Home Energy Management System) controller, the solution integrates core components including high-efficiency heat pumps, radiators, floor heating, fresh air systems, heat storage modules, and energy storage batteries, creating an integrated, intelligent residential indoor environment and energy system to achieve centralized and intelligent management of residential energy systems. As a key overseas brand of Midea Intelligent Building Technology, Kermi will further strengthen Midea's global competitiveness in the smart building sector. WINONE Elevator released LINVOL's new generation of residential elevator drive technology and WINONE's all-scenario cargo elevator solutions. LINVOL's new generation of residential elevator drive technology features steel core service life of over 36 million times, laser absolute position ranging, and electronic safety brakes for real-time position monitoring and emergency braking responses. Integrated functions include elevator ride control, lighting control, and one-button call for help, with comprehensive improvements in four dimensions: safety and reliability, comfort, architectural applicability, and user experiences. WINONE's cargo elevators continuously push load boundaries with the launch of 50-ton heavy-duty cargo elevators featuring 3.5×20×3.5m super-large lift cars accommodating up to 30 vehicles. Its 8:1 traction system meets customized traction requirements, adaptable to various construction scenarios. With ten-linkage safety systems and progressive braking, impact forces on elevators are reduced by 30%. After being acquired by Midea, Toshiba Elevator China released a new exclusively designed villa elevator. This rhyme-themed product perfectly integrates Italian aesthetics with Toshiba's precision technology, delivering unprecedented lifting experiences for residential spaces. As Midea's high-end elevator brand, Toshiba Elevator will continue its deep integration of technical expertise and channel resources, dedicated to delivering premium users with more comfortable and intelligent vertical transportation solutions.

Additionally, in the first half of 2025, Midea actively participated in international exhibitions including the U.S. International Air-Conditioning, Heating, Refrigerating Exposition (AHR Expo) and the Germany Internationale Sanitär – und Heizungsmesse (ISH), launching multi-scenario HVAC solutions including commercial heat pumps, Mthermal, R454B refrigerant compact VRF, Nature ultra-silent heat pump, and R1234ze electromechanical integrated magnetic levitation units. In June, MBT Climate hosted the European Water Engine Ecological Summit in Athens, releasing its "Water System Zero Carbon Technology Matrix" to accelerate the energy-saving program for buildings in Europe through a full-chain solution.

With respect to market expansion, in the domestic market, as of June 2025, Midea Intelligent Building Technology has added over 3,000 first and second-tier customers, while also broadening the scope of ecological cooperation through channel empowerment. In July, it hosted the 4th Midea Building Tech. TRUE Conference themed "TRUE Evolution: Smart Building, Green Future". Overseas, phased progress was made in Southeast Asia, adding 150 new channel clients and successfully completing benchmark projects such as the large-scale supermarket Berjaya Time Square in downtown Kuala Lumpur, Malaysia. Midea Intelligent Building Technology's elevator business has also expanded to over 70 countries and regions, obtaining CE certification from the EU and EAC certification from the Eurasian Economic Union for all product categories. In the first half of 2025, Midea Intelligent Building Technology continued to engage in benchmark projects in various industries. Through the high-efficiency equipment room transformation project at Shanghai Public Health Clinical Center (Public Health Clinical Center Affiliated to Fudan University), Midea Intelligent Building Technology has improved the Energy Efficiency Ratio (EER) to 5.3 and energy-saving rate to over 40%, with annual carbon emissions down by nearly 1,500 tons, significantly improving energy efficiency and promoting green development in medical institutions. In the T2 water cooling storage system for Fuzhou Changle International Airport, five high-voltage frequency conversion centrifuges feature dual-mode intelligent switching for large temperature differential operation. The cold source system achieves an annual EER exceeding 5.0, providing passengers with safe and comfortable travel experiences. The excellent performance and reliable quality of new refrigerant (R1234ze) all-in-one magnetic levitation units contribute to Midea Intelligent Building Technology's securing the largest centralized refrigeration project order from Singapore's government housing group (Tengga Town Phase II), with total cooling capacity reaching 2,750 cooling tons. Midea's green magnetic levitation technology solutions are advancing toward higher-end and broader markets. Midea won its first large-scale water chiller project "Gotion High-Tech Factory in Chicago Manteno" from the U.S. market, providing various solutions and services including water-cooled centrifuges, commercial heat pumps, and jet units. WINONE Elevator provides a 50-ton freight elevator system for the Nansha International Supply Chain Base Project of Guangdong American Rubber Products Co., Ltd. As one of the world's largest cargo elevator projects, it can realize direct container transportation upstairs, facilitating logistics upgrades in industrial parks. LINVOL Elevator secured the first Australian government project, the "Australian Tram Station Project", utilizing pre-installed structures for factory-completed installation and debugging to significantly reduce on-site labor costs.

Regarding technological innovation and intelligent manufacturing, in the first half of 2025, Midea Intelligent Building Technology continuously strengthened R&D input and made remarkable results. For example, the Key Technology and Application of Corrosion-resistant High-efficiency Aluminum Heat Exchanger Based on New Rare Earth Aluminum Alloy" project and the "Development and Application of Key Technology of Wide Temperature Range Intelligent Operation Multi-connected Air-conditioning (Heat Pump) Unit" project was recognized by experts from the China Refrigeration and Air-Conditioning Industry Association as reaching the international leading level. The Space Horizon Series, Heyou Hospital IOC, and Clivet R290 EDGE PRO series received the 2025 German iF Design Awards, further demonstrating Midea Intelligent Building Technology's continuous innovation capabilities. The "Multi-connected Power Precise Regulation and Energy-saving Operation Technology Based on Load Tracking" became among the first recipients of China's low-carbon technology evaluation certificate at the EE & IES 2025, fully reflecting Midea's leading position in the green and smart building sector. In the first half of 2025, the World Economic Forum (WEF) announced a new list of Lighthouses. Midea Intelligent Building Technology Chongqing Factory won the title of "End-to-End Lighthouse" with its excellent intelligent manufacturing capabilities and green industrial practices. It is the first full-process AI-enabled lighthouse in the field of commercial air conditioning chiller unit in the world, representing Midea's leading position in the sector of intelligent manufacturing. The intelligent manufacturing application case at WINONE Elevator's production site received the "2024 China Intelligent Production Outstanding Application Award" at the "14th China Intelligent Manufacturing Forum". At the "2025 Elevator After Market Summit and Brand Selection Award Ceremony", LINVOL Elevator ranked among the "Top Ten Industry Brands" and received the "Renovation Pioneer" title.

(IX) Strengthening Innovation in Robotics Product Development, Promoting High-Performance Operations in the Whole Value Chain and Integration in the Industrial Chain, as well as accelerating Development of the Robotics Business for China's Market

KUKA, a subsidiary of Midea, is a world-renowned robotics manufacturer. Relying on its industry-leading motion algorithms, KUKA can ensure the superior motion performance of robotics products throughout their life cycle, and its mature design philosophy continuously gives rise to new products able to lead the market. In the first half of 2025, KUKA continued efforts in technological innovation and product development, launching new products exhibiting better performance that target specific market segments. As demand for precision assembly continues to grow in high-end manufacturing fields such as consumer electronics, semiconductors, healthcare, and automotive parts, KUKA has rolled out the Autonomous Mobile Robot (AMR) KMR iisy CR, specifically designed for cleanroom applications in semiconductor and electronics sectors. Boasting a payload capacity of 11 kg or 15 kg, this product has received certification from the Fraunhofer Institute and complies with DIN EN ISO 14644-1 international standards, able to satisfy the stringent cleanliness requirements in semiconductor and electronics manufacturing. KUKA's newly launched series palletizing robots, KR FORTEC PA and KR FORTEC ultra PA, feature a refined heavy-duty robot product portfolio capable of efficiently executing various palletizing tasks. Through modular design, the interoperability of components across different robot series can be realized to reduce storage costs for parts. With a payload capacity of up to 500 kg, KR FORTEC PA has a wider range of motion, along with enhanced flexibility and performance thanks to streamlined design. Its high load capacity and low energy consumption can significantly reduce total cost of ownership (TCO). The heavy-

duty robot KR FORTEC ultra PA features a payload capacity of up to 800 kg, applicable to industries including construction and food & beverage. Its dual-linked arm design reduces weight while increasing rigidity and precision. In May 2025, the automated pharmacy storage system BoxPicker, innovatively developed by Swisslog Healthcare under KUKA, won the Best Hospital Technology Implementation Award from MedTech Breakthrough Awards, demonstrating Swisslog Healthcare's innovation capabilities in the field of global medical technology. The BoxPicker system effectively improves workflow efficiency and automates pharmaceutical storage and retrieval processes. Additionally, at automatica 2025, KUKA showcased how its latest technological achievements make robotics and automation more accessible under the theme "Making Automation Simpler", including the new heavy-duty KR TITAN ultra robot with a payload capacity of up to 1,500kg, the new operating system iiQKA.OS2, the related engineering suite iiQWorks, and the new controller KR C5.

KUKA has also been actively expanding applications of digitalization and AI in industrial manufacturing. Since KUKA Digital, a new digital business segment, was established in 2024, KUKA has been realizing end-to-end digitalized production, from 3D simulation through connectivity and data analysis to the use of artificial intelligence, dedicated to supporting customers' comprehensive digitalization. To enhance digital manufacturing capabilities, KUKA launched an engineering suite, iiQWorks. Its core software platform supports full automation, achieving seamless data integration between planning and production phases. Through digital twin technology, robot collaboration becomes simpler and faster. At the same time, offline programming and virtual commissioning functions provide innovative automation solutions meeting Industry 4.0 requirements. The KUKA iiQKA.OS2 operating system is a virtual robot controller used for future production, featuring scalability and customization. It includes a complete Virtual Robot Controller (VRC) with AI capabilities. In compliance with ISO 10218:2025, the new international safety standard for industrial robots, this operating system possesses cybersecurity capabilities to support digital manufacturing. Through a web-based user interface, robot controllers become more easier to operate than ever before. In terms of external partnerships, to satisfy the manufacturing industry's increasingly growing demand for robots and integrated automation solutions, KUKA included Dassault Systèmes into its industrial software digital ecosystem mosaixx launched in 2024, enabling easy access to the 3DEXPERIENCE platform and related apps of Dassault Systèmes for customers. Through expanded customer applications of virtual twin technology and enhanced collaboration capabilities, Dassault Systèmes and the newly established KUKA Digital can better empower their customers. Device Insight, KUKA's IoT and data analytics company, established strategic partnerships with Korean AI startup Makina Rocks to accelerate the application of AI-driven solutions in manufacturing, establishing a new benchmark for industrial digitalization that facilitates enterprises' intelligent transformation. KUKA also cooperated with Siemens to expand its software interface iiQKA.mxAutomation, achieving compatibility with SRCI standard extensions. This interface is also compatible with iiQKA.OS2's KR C5 controller, integrating industrial robots into manufacturing more flexibly. Besides, robots of various brands can be integrated into the PLC environment in a standardized manner, further expanding and optimizing the application of automation solutions.

With regard to market development, in March 2025, KUKA partnered with Areas, Spain's leading multinational travel catering company, to establish the world's first AI-integrated robot restaurant SELF at Josep Tarradellas Barcelona Airport. Marking significant advancement of AI and robotics technology in the catering sector, this restaurant manages and delivers dining orders through KUKA robots and advanced AI machine vision technology. In May 2025, KUKA's Swisslog assisted Medline in completing its automated storage system, AutoStore, in Colorado, USA. Medline operates over 20 AutoStore systems throughout the U.S., with 1,900 robots supporting high-throughput warehousing demands, capable of next-day delivery to 95% of customers. As an experienced AutoStore integrator, Swisslog possesses capabilities for configuring, deploying, optimizing, and supporting large complex systems, having completed hundreds of projects over the past decade.

According to data from the National Bureau of Statistics of China, industrial robot production in domestic China reached 369,000 units in the first half of 2025, marking a 35.6% year-on-year growth. Since the Implementation Plan for the "Robots +" Application Action was issued by 17 departments including the Ministry of Industry and Information Technology in 2023, the Ministry of Industry and Information Technology has been promoting and accelerating implementation of the "Robots +" Application Action. Overseas, the U.S. began increasing support for domestic supply chains after the launch of its National Strategy for Advanced Manufacturing. The EU's Carbon Border Adjustment Mechanism (CBAM) would further promote green, smart manufacturing and incorporate the application of industrial robots in the list of sustainable technologies. As manufacturing capacity shifts to Southeast Asia, the region emerges as a new market for industrial robots.

In the first half of 2025, KUKA China continued leading the development of industrial automation innovation, consolidating its leading position in the global robotics market through product upgrades, technology innovation, and ecosystem development. On the market front, according to statistics from MIR, KUKA industrial robots' domestic market share steadily increased to 9.4% in the first half of 2025. KUKA China achieved growth in both revenue and order volume in the first half of 2025, with a significant increase in the proportion of overseas business; Additionally, KUKA has actively assisted Midea Group in enhancing its smart manufacturing capabilities. By the end of June 2025, the robot density at Midea had reached nearly 650 units per 10,000 employees, and it plans to further increase investments to enhance its smart manufacturing capabilities in the future. On the product front, the entirely upgraded heavy-duty robot series KR FORTEC-2 adopts lightweight, modular design to deliver better performance and cost-effectiveness, filling market gaps of its previous version. The KR4 AGILUS series adds 500mm and 600mm models with broader operational coverage, alongside a 30% faster speed and a 28% occupation reduction. Their omnidirectional installation design demonstrates excellent flexible production capabilities in industries such as consumer electronics and automotive electronics. Saving 15% space through innovative hollow design, the KR CYBERTECH-3 series boasts ±0.03mm repeat location accuracy, with a protection rating elevated to IP54 (body) and IP67 (arm). The KR IONTEC-2 cleanroom version optimizes structural rigidity, enhances cycle efficiency, and complies with ISO Class 4 cleanliness standards, serving as a better solution for high-end manufacturing fields such as semiconductors and medical devices. Additionally, KUKA China upholds a customer-centric philosophy, dedicated to simpler production, delivery, and O&M for users. KUKA China has expanded its product R&D into the "Robots +" field. Capable of withstanding extreme conditions from -30°C to 1,500°C, its groundbreaking high-energy cable package can significantly improve production line deployment efficiency combined with 3D

simulation installations and 24-hour rapid solution output. KUKA China actively collaborates with multiple AI companies, implementing generative AI technology throughout the process from R&D to O&M. In the first half of 2025, two intelligent systems were launched, including its industrial-grade AI assistant "Mini KUKA" available for software-hardware collaboration through comprehensive upgrades. Compatible with mobile devices, this AI assistant integrates over 3,000 technical case libraries to support real-time online collaboration among thousands of engineers. Through digital twin technology, production line commissioning cycles are shortened, significantly reducing barriers to automation application. "Mini KUKA" also garnered widespread recognition at Automatica2025, CIMT2025, and 2025SNEC. The intelligent O&M platform KUKA Connect integrates the predictive maintenance feature, providing early warnings of potential failures through real-time equipment data analysis, reducing unplanned downtime, and ensuring production continuity.

(X) Built up presence in the smart logistics sector by focusing on a supply chain service model of "full-chain + production logistics, nationwide inventory management, and integrated delivery and installation", providing leading end-to-end integrated intelligent supply chain solutions

As a technology-driven supply chain management arm under Midea Group, Annto is committed to delivering integrated end-to-end and digital-intelligent supply chain solutions by deepening the "1+3" supply chain service model, helping corporate clients reduce costs and improve efficiency and enhancing the service experience of individual users, persistently advancing institutional reforms, leveraging logistics to support commerce, and driving digital technology innovation.

Specializing in industry-specific supply chain services, Annto upholds a "customer-centric" business philosophy. By providing clients with end-to-end digital-intelligent system solutions spanning production logistics from raw materials to finished products, online-offline shared inventory management, and unified delivery-installation services, Annto assists enterprises in driving channel transformation and optimizing supply chain efficiency to sharpen competitive edge. Committed to supporting new growth through supply chain innovation, the company facilitates clients' optimization of retail transformation and expansion of multi-category operations. Channel partners and retailer customers are supported for logistics digitalization and logistics efficiency enhancement, thereby improving operational efficiency of channel goods to achieve high-quality growth and sustainable development. Building upon the industry-leading channel transformation expertise of top-tier enterprise clients like Midea and an increasingly sophisticated domestic intelligent supply chain warehouse network, Annto has served thousands of brand clients and distributors across industries including FMCG, personal care, beverages, alcohol, food, home appliances, furniture, distribution channels and e-commerce platforms, with its market share and brand visibility steadily strengthening.

In the digital domain, Annto consistently strengthens its digital capability development, utilizing "big data + AI" to achieve business cost reduction, efficiency enhancement, and operational quality improvement. Through its "1+3" end-to-end digital-intelligent supply chain solutions, the company has comprehensively upgraded "production logistics", "shared inventory management", and "integrated delivery and installation" services. Through a one-stop "consulting + digital products + logistics operations" service, Annto offers custom solutions for diverse clients across various industries and scenarios from supply chain planning, programming, and logistics fulfillment and delivery, empowering their digital transformation and upgrading.

In production logistics, building on its long-honed digital capabilities from "lighthouse factories" and manufacturing-end warehousing-distribution expertise, Annto has expanded into smart equipment, planning-design innovation, supply chain sharing platforms, and modern logistics industrial park-based five-tier logistics services. In the first half of 2025, Annto expanded overseas supply chain solutions, offering services like distribution centers, cross-border logistics, consolidation centers, and intelligent equipment, and other services to help Chinese manufacturing's supply chain go global. On the product front, Annto continues developing nine standardized scenario-based products, such as Vendor Managed Inventory (VMI), in-production logistics, Central Distribution Centers (CDC), milk-run logistics, componentization, intelligent equipment, overseas supply chain operations, innovative supply chains, and industrial park planning. Operationally, Annto's sound systems for project research, operation acceptance, and improvement upgrades ensure stable and continuously improving project performance. Digitally, Annto has introduced three product series: Smart Logistics E-SOS, Smart Manufacturing E-MOM, and Smart Equipment E-EOS, shaping the triple foundational pillars of "product + operations + digitalization" to achieve comprehensive, full-scenario service capabilities from supplier components to brand finished products.

On the trunking (line-haul transportation) front, anchored in the route-based operational model, Annto utilizes national trunk/LTL networks established through Midea business as its strategic carrier to efficiently aggregate full-domain cargo flow traffic and precisely develop route cost structure optimization capabilities. Annto advances comprehensive online and SaaS implementation to achieve digital closed-loop management of operation systems. Strategic priority is given to optimizing vehicle operational efficiency. Based on deep insights into route scenarios, Annto integrates market signals with institutional constraints to enable efficient and precise allocation of transportation capacity supply structures.

On the warehousing front, centered on warehouse network optimization, lean management, and automatic efficiency improvement, Annto implements core initiatives such as mobile operations across all scenarios, digital warehouse-distribution coordination, and lean efficiency management to enhance storage productivity and cost-effectiveness. By digitizing production workflows, business processes, and management systems while deploying IoT-enabled smart park applications, Annto has built a digital service platform with smart warehousing capabilities. This end-to-end system spans from regional distribution centers to manufacturing base warehouses, establishing an industry-leading operational architecture that delivers full-scenario, integrated warehousing solutions.

On the urban distribution front, Annto advances operational transformations focusing on warehouse network planning, traffic consolidation, route optimization, and transport capacity innovation. These efforts have elevated digital management capabilities and last-mile delivery networks, achieving same-day/next-day fulfillment for over 85% of orders and 98%+ next-day delivery compliance. The comprehensive implementation of intelligent truck dispatch algorithm has culminated in a 98%+ adoption rate, while pilots for unmanned automated truck dispatching at central hubs have increased the load rate, optimized delivery paths, and improved cost effectiveness.

On the front of last-mile services, Annto has upgraded the "Annto Home Delivery" delivery and installation service platform, establishing an enterprise version of customer after-sales workbench for small business clients that enables online registration, self-service ordering, batch ordering, and wallet recharge to improve customer order management efficiency. The Annto Home Delivery website is available for autonomous real-time order progress queries and one-click order reminders, while simultaneously launching digital management platform tools developed for new energy charging pile services. Also, Annto has strengthened its integrated delivery and installation capabilities To Consumer (ToC), facilitating enterprise-customer connections. Building upon terminal service capabilities, it advances both dealer and direct-managed engineer models. Through ToC direct distribution with direct management of trucks/drivers, Annto has achieved service upgrades. Annto applies AI technology throughout service chains. Orders are automatically matched and assigned to optimal door-to-door time upon acceptance in the AI intelligent appointment system, with its algorithm-based dispatch engine precisely scheduling delivery and installation engineers. During fulfillment stages, intelligent route planning tools dynamically optimize engineer itineraries to ensure efficient service delivery. As of June 2025, through a refined terminal service network structure, Annto has partnered with over 3,500 domestic service locations, supported by an significantly expanded workforce of over 70,000 delivery and installation service team members, piloting a "direct management, direct dispatch, and direct payment" model among engineers. Annto offers more cost-effective, convenient, efficient solutions around services including integrated delivery-installation for appliances, three/five guarantees for furniture, survey-installation services for new energy products, and multi-category maintenance solutions.

(XI) Deepening long-term incentives and safeguarding shareholder rights

In the first half of 2025, Midea continued to promote the alignment of the responsibilities of its core management team with the Company's long-term growth value, further improving its long-term incentive mechanisms. The Company has launched nine Stock Option Incentive Schemes, seven Restricted Share Incentive Schemes, 16 Stock Ownership Schemes, and one H Share Incentive Scheme, establishing an effective mechanism to align the interests of senior management, core personnel, and all shareholders. The Company is committed to protecting shareholder rights and ensuring a stable dividend policy. Since its overall listing in 2013, Midea Group has distributed cash dividends totaling over RMB134 billion, sharing the Company's growth with all shareholders. While maintaining stable dividend distributions, the Company has continuously implemented a series of share repurchase plans. In the first half of 2025, the Company launched two A-share repurchase plans. Among them, shares repurchased under the RMB1.5 – 3.0 billion repurchase plan will be used for share incentive schemes and stock ownership schemes, while more than 70% of the shares repurchased under the RMB5.0 – 10.0 billion repurchase plan will be used for cancellation to reduce registered capital and increase the Company's earnings per share. As of the end of the Reporting Period, more than RMB2.4 billion in aggregate has been repurchased under the two repurchase plans.

III. CORE COMPETITIVENESS ANALYSIS

With the following core competitive edges, Midea is able to fully grasp development opportunities and achieve sustained growth.

(I) A leading global technology company in smart home and commercial and industrial solutions

As a leading global technology company in smart home and commercial and industrial solutions, Midea provides services to customers in over 200 countries and regions and takes leading position in various markets, including household appliances and their key components, commercial air conditioners, robotics, and automation. In the first half of 2025, Midea Group's revenue reached RMB252.3 billion, marking its tenth consecutive year on the Fortune Global 500 list, demonstrating its global leadership and outstanding performance. Midea persists in consolidating its market leadership in the global home appliance industry. According to statistical data from Euromonitor, based on sales volume in 2024, Midea is the world's largest home appliance supplier. Currently, Midea has an extensive brand matrix targeting high-end, mass-market, and young consumer segments, and provides various smart home appliance products. In the first half of 2025, Midea-branded products ranked first in home appliance sales on major online platforms such as JD.com, Tmall, Douyin, and Pinduoduo. At the same time, Midea-branded products also ranked first in home appliance sales in major offline channels such as key accounts, distributors, and e-commerce in lower-tier markets. Furthermore, Midea has become a sizable provider of commercial and industrial solutions, leading the way in multiple markets. According to the data from ChinaIOL.com, in the first half of 2025, Midea ranked first in the global market in sales of residential AC compressors, residential AC motors, and laundry appliances motors, while its global market share in refrigerator compressors also ranked among the top in the industry. According to the data from ChinaIOL.com, in the first half of 2025, Midea maintained industry leadership in the domestic commercial variable refrigerant flow (VRF) market with a share exceeding 28%. As reported on aircon.com, Midea's centrifugal chiller units account for over 15% of the domestic market sales, ranking first in the industry. Additionally, By virtue of its leading technical expertise and brand reputation, WINONE Elevator has dominated the cargo elevator segment for three consecutive years. Midea's subsidiary, KUKA Group, is one of the "Top Four" global industrial robot companies. According to MIR statistics, in the first half of 2025, KUKA's industrial robot sales share in the domestic China market steadily increased to 9.4%.

(II) World-leading research and development capabilities for sustainable innovation

Midea possesses leading research and development capabilities and is committed to allocating significant resources to R&D efforts. From 2022 to 2024, the total R&D investment exceeded RMB43 billion. The R&D spending amounted to RMB8.8 billion in the first half of 2025, representing a year-on-year increase of more than 14%. As of June 2025, Midea had over 23,000 R&D personnel worldwide, accounting for over 50% of its non-production staff. In 2024, the US business patent database (IFI Claims) released its "2023 Global 250: The World's Largest Patent Holders" list, which ranked Midea eighth globally in terms of patent families, and first among privately-owned companies in China.

Midea has established and continues to enhance its R&D system, including research units and teams within the Corporate Research Centre (CRC) and various business divisions. Based on research on technology, users, and markets, Midea has adopted a "Three Generations" R&D model and continuously optimised the "Four-Tier R&D System". This system relies on the CRC for cutting-edge, basic, and common technologies, while business divisions focus on product technologies, collectively constructing world-class R&D capabilities. Midea strengthens the operation mechanism of the "Three-Tier Technical Committee System", as well as drives the exploration of cutting-edge technologies, breakthroughs in core technologies, and the layout of technology commercialisation projects. It also promotes the alignment of technology strategies with medium and long-term product planning, driving growth through the dual-wheel propulsion of technology and products. The building of a global R&D network has been accelerated. The Group has set up a total of 38 R&D centers in 12 countries. With the "2+4+N" global R&D network, it has gained the advantage of scale in R&D across the world. Domestically, Midea Global Innovation Center in Shunde District, Foshan City and Midea Global Innovation Center in Shanghai are the cores of Midea's R&D arm. Internationally, Midea America Research Center, Midea Germany Research Center, Midea Japan Research Center and Midea Italy Research Center are the primary overseas hubs. Additionally, Midea is advancing the localization of user research, product support, and technological innovation at its overseas R&D centers through a cost-plus-incentive (CPI) model. This strategy makes use of the regional technological advantages, integrates global R&D resources, and builds complementary global R&D capabilities. By driving talent density and depth through the strategy of "Technology Leadership", Midea relies on its overseas R&D centers' local advantages to attract top-tier industry leaders and high-end talent across various technological fields, thereby building a strong talent pool for Midea Group.

While strengthening its global R&D network, Midea also works on constructing an open platform of innovative ecosystems. Through deepening the implementation of technology projects to integrate quality technological resources across the world, a global innovation system has been put in place. By way of integrating various resources of large companies, technology companies, universities, research institutes and innovation consulting agencies, a technology ecosystem has been put in place and continuously expanded, which has access to enormous resources for technological innovation. Additionally, a scientist system has been established with seven academician workstations/workshops and over 20 academicians on multiple projects in areas such as green and low-carbon, health, thermotics, and intelligent technologies, as well as emerging industries including robotics and healthcare. In terms of basic research, the Group cooperates with top-tier domestic and foreign scientific research institutions, such as the UC Berkeley, MIT, UIUC, HKUST, University of Maryland, The University of Sheffield, Tsinghua University, Shanghai Jiao Tong University, Zhejiang University, the Chinese Academy of Sciences, Harbin Institute of Technology, Xi'an Jiaotong University, Huazhong University of Science and Technology and South China University of Technology, in order to establish joint labs for deepening technological cooperation. The Group also upgrades and makes innovations on cooperation models by carrying out strategic cooperation with tech companies such as BASF, Honeywell, 3M, SCHOTT, Tencent, Baidu, and Huawei to build a global innovation ecosystem through multiple channels. Midea continues to achieve major technological breakthroughs and product innovations through R&D investment, and its R&D achievements continue to optimise its product portfolio and refine its brand image, and it also contributes to the technological progress of the industry.

(III) High-performance operations and digitisation throughout the value chain

Every operational link of enterprises, including supply chain, manufacturing, sales, and product development, faces intricate processes and vast scales. Every year, Midea procures raw materials and components worth hundreds of billions of RMB from over 5,000 suppliers and sells products across more than 200 categories to tens of thousands of small and medium-sized retailers and other customers. Therefore, digitisation is crucial for the Company's operations. The Company continues to increase its investment to promote digital transformation and upgrading. In 2024, its investment in digitalization and AI reached RMB2.7 billion.

In terms of the supply chain, Midea's Integrated Supply Chain (ISC) management system sets an example of excellent supply chain management operations. It provides a vital system architecture for efficiently fulfilling customer orders and managing global supply chains, achieving intelligent replenishment and faster inventory turnover, and enhancing the collaborative efficiency of production, supply, and sales throughout the value chain. The ISC management system enables seamless connection with suppliers and automation of the procurement process based on sales and inventory data. Supported by an efficient supply chain and big data, inventory building and replenishment of the entire warehouse product portfolio can be achieved in an efficient manner, greatly improving production efficiency.

With respect to intelligent manufacturing, leveraging digital technologies, Midea is committed to building high-quality, flexible, green and efficient factories. Six factories have been recognised as "Lighthouse Factories" by the World Economic Forum, representing significantly improved production efficiency. After digital transformation, the factory in Chongqing of Midea Intelligent Building Technology, the world's first Lighthouse Factory in the central air conditioning chiller field that has all processes empowered by AI, has increased production efficiency by 53%, reduced maintenance by 31%, shortened cycle time by 32%, and lowered single-unit manufacturing cost by 36%. The experience of Lighthouse Factories is rapidly promoted across multiple production bases globally. Midea's intelligent manufacturing capabilities combined with efficient supply chains enable a rapid response to customer demands, aligning production with customer needs, increasing production efficiency, and reducing inventory.

In terms of market channels, Midea leverages digital technologies to directly connect with an extensive network of small and medium-sized retailers, continuously optimising sales channel networks. Through the "Midea Cloud Sales" platform, small and medium-sized retailers can directly order products, promoting the sales of core products and new products. Midea continues to enhance the functionality of "Midea Cloud Sales" and constructs the "Midea Cloud Sales+" ecosystem covering all tiers of markets. As a core competitive edge, Midea possesses an exclusive store system that covers extensive markets. And it stays steadfast in promoting the enhancement and transformation of the exclusive store system in service, operation, and comprehensive retailing, among other capabilities.

In terms of product development, Midea improves its product development capabilities through digitisation. By establishing a digital product planning platform, Midea rapidly translates technology into products that meet customer needs. It keeps advancing platform modularisation to increase the accuracy of product planning. During the period from 2021 to 2024, the project development cycle (calculated based on the average time from project initiation to completion) has been shortened by approximately 30%. Leveraging its comprehensive product portfolio and considerable economies of scale, combined with a digital consumer engagement model, Midea continuously enhances user research and insight capabilities to assist in formulating efficient research and development strategies and developing products and solutions that meet market demands.

High-performance operations and economies of scale throughout the value chain have brought operational efficiency advantages that are difficult to replicate. Midea's "T+3" model, supported by comprehensive digitisation, efficient supply chain management, and production and sales channel operations, has led to improvements in multiple efficiency indicators year by year. For example, the average cycle time from order placement to delivery in the domestic market has been shortened from 21 days in 2021 to around 11 days in 2025, significantly lower than the industry average.

(IV) A comprehensive and continuously deepening global network

In the domestic market, with its continuous efforts over the years, Midea has formed a multi-channel network which has a complete business layout and covers a wide range of areas, thus meeting the purchase needs of online and offline consumers for household appliances. Midea continues to improve its offline business layout around user needs, and has created a full ecosystem network layout of comprehensive household appliance stores, specialty stores of self-owned products, traditional retailers and e-commerce franchise stores, covering the entire market from first-tier cities to townships. It also provides professional scenario-based solutions for corporate customers. Particularly, Midea boasts a unique exclusive shop system in the industry with tens of thousands of outlets, where various needs of users from new decoration to updates can be met in pre-decoration stores, flagship stores, professional stores, combo stores and other stores. Midea continuously provides industry-leading digital platform services to retail stores. It also focuses on expanding and constructing premium brand stores for COLMO and Toshiba. Centred around "smart suite operation" and "entire-house renovation solutions", Midea actively cooperates with home decoration, furniture, building materials, and design channels, seeking to capture front-end traffic. With exclusive stores as the core, the Company builds a "Midea Cloud Sales+" ecosystem covering markets at all tiers, establishes an exclusive store system with core competitiveness for various markets, as well as firmly promotes and transforms the exclusive store service, operation, and all-product-category retailing capabilities, among others. In addition, Midea is also accelerating the development of new channels such as Pinduoduo, Douyin, Kuaishou, and Xiaohongshu. These efforts, together with membership operation, product suite promotion and intelligent transformation, can drive sales and user growth.

In overseas markets, Midea has put in place a global network for research and development, manufacturing, and marketing, representing the capability for global development. With 22 overseas research and development centres in 11 countries, Midea integrates global R&D resources to build complementary advantages in global technological research and development. Among the 63 major production bases globally, 41 are located overseas. As such, Midea is able to realise global production and delivery, seizing growth opportunities in overseas markets. Overseas sales contribute to over 40% of Midea's total sales, with products exported to over 200 countries and regions worldwide. In many overseas markets, online and offline sales networks have been established, with approximately 5,500 after-sales service outlets. Continuously deepening the application of digital sales platforms in overseas markets, over 25,000 overseas retailers have joined Midea's overseas sales platform. By the end of June 2025, Midea has over 40,000 overseas employees. Midea also continuously deepens and expands its global business network through strategic acquisitions and joint ventures. The rapid growth of Midea's overseas original brand manufacture (OBM) business is evident, with OBM revenue reaching over 45% of overseas revenue of smart home in the first half of 2025. Mainly featuring Toshiba, Midea, and Comfee brands, OBM products have demonstrated strong competitiveness in numerous overseas markets. Additionally, TLSC achieved a turnaround from loss to profit within approximately three years after the acquisition, showcasing Midea's capabilities in global business integration and global brand management.

(V) Sustained growth powered by the business of commercial and industrial solutions

Midea has established a rapidly growing business of commercial and industrial solutions. Revenue from this business as a percentage of total revenue has increased from 18.5% in 2020 to 25.5% in 2024, with revenue from the said business exceeding RMB100 billion for the first time in 2024. Commercial and industrial solutions have become one of the main engines driving the continuous growth in Midea's business.

Midea Energy Solutions and Industrial Technology, with technology as the core driver, focuses on new energy solutions and core components in HVAC and home appliances, new energy vehicles, and robotics. With a rich brand portfolio, it continues to deepen cooperation with customers in high-growth areas such as consumer appliances, industrial automation, photovoltaic energy storage, and intelligent transportation, among others. It provides global pan-industrial customers with green, efficient and intelligent products and technological solutions. The business group continues to increase investment in key and cutting-edge technologies. Through the acquisition of new energy companies – CLOU Electronics and Hiconics, it has entered the energy storage industry with tremendous market potential.

Midea Intelligent Building Technology offers integrated solutions for intelligent buildings in various fields, including infrastructure, utilities, commercial services, and industrial and agricultural production. Its comprehensive smart solutions mainly cover smart low-carbon solutions, smart rail transit, smart hospitals, and smart parks. With the digital platform iBUILDING at its core, it empowers building equipment and enhances the operational and management efficiency of building facilities. It has successfully provided solutions for landmark projects such as the Lens Technology (Vietnam) Project, the Venezuela Metro Renovation Project, Lanzhou Zhongchuan International Airport, and the Alibaba Global Headquarters Building.

With KUKA Group at its core, in the robotics and automation systems business, as one of the world-renowned providers of intelligent robotic automation solutions, KUKA provides comprehensive products, system integration, and services to customers in various industries such as automobile, electronics, consumer goods, logistics/e-commerce, healthcare, and more. KUKA continues to consolidate and enhance its market leadership in the field of robotics and automation solutions. In the first half of 2025, following the recovery of its revenue, KUKA Group has recorded outstanding performance in China, with revenue contribution from KUKA China reaching nearly 30% for the same period.

Midea possesses diversified commercial and industrial solutions, providing integrated solutions to clients across multiple industries. In horizontal expansion, it consistently enriches product categories, expands scale, and enhances efficiency advantages. In vertical expansion, it continuously develops and iterates compressors, motors, and other key industrial components, and enters cutting-edge technology fields through acquisitions, such as industrial robots and green energy. Through both horizontal and vertical expansions, Midea creates industrial synergies, laying a solid foundation and injecting strong momentum for the sustained growth of its business of commercial and industrial solutions.

(VI) Advanced corporate governance and values

Midea is built to grow on the back of progressiveness of corporate governance, updated values, and the growth of management's mental model. Midea's corporate governance emphasises the shared responsibilities, rights and obligations, striving to establish an internal entrepreneurial group and fully inspire entrepreneurial spirit. Midea has long been committed to creating maximum value for employees, customers, shareholders, and society. To recognise employee contributions and acknowledge performance, Midea has established a multi-tiered long-term incentive mechanism primarily based on stock incentives. As of the end of June 2025, Midea has launched nine Stock Option Incentive Plans, seven Restricted Share Incentive Schemes, 16 Stock Ownership Schemes, and one H Share Incentive Scheme for its management teams and key employees at different levels. Midea is committed to providing the best experience for customers, striving to deeply understand their needs and preferences, and optimising product development and business models accordingly. Over the years, Midea's product portfolio has continuously expanded to meet diverse customer needs. The trust and support from shareholders are crucial to Midea's development. Midea is dedicated to creating value for shareholders and sharing growth with them. Since its listing in 2013, Midea has paid out cumulative cash dividend exceeding RMB134 billion, and as of 30 June 2025, has implemented share repurchases totalling over RMB29.6 billion. Midea attaches great importance to environmental and social responsibility, striving for sustainable development. In recognition of its excellent performance in energy conservation and emission reduction, it has been included in the 2025 Fortune China ESG Impact List, marking its third consecutive year on the list, successfully selected for S&P Global's Sustainability Yearbook (China Edition) 2025, and upgraded to A-level in the newly announced 2025 MSCI ESG rating.

IV. FUTURE PROSPECTS OF THE COMPANY

(I) Development strategies of the Company

Midea adheres to the strategic focus of "Technology Leadership, Direct to Users, Digitization & Intelligence Driven, and Global Impact", focuses on "Comprehensive Digitalization and Comprehensive Intellectualization", drives balanced development of To Consumer (ToC) and To Business (ToB) businesses under the guidance of the strategic focus, as well as builds a complementary cycle among diverse industries. The Company drives profitability improvement through the enhancement of product strength and core technologies in the ToC end, providing strategic support for the transformation of the ToB business. Also, it continues to strengthen its globalisation capability, striving to transform from a China-based company to a global one. While maintaining its superiority in efficiency, the Company drives growth through innovation and builds product and technological advantages. Midea is built to grow on the back of progressiveness of corporate governance, updated values, and the growth of management's mental model. Midea will continuously improve the governance mechanism by empowering responsibilities, rights and obligations, clarify decentralization and authorization, constantly refine the agent mechanism, optimize the incentive and constraint system, encourage entrepreneurship and boost organizational vitality, and establish a flat and agile organization and optimization process. It will also adhere to the values of long-termism and altruism, truly put employees, users, customers and partners at the center of all things, and improve the EHS governance and ESG rating. Additionally, the Management will endeavor to achieve all-round growth both spiritually and intellectually. Meanwhile, Midea will continue to improve the talent structure, build diverse teams that are inclusive and collaborative, and create a simple, straightforward, flat and equal environment. In the meantime, it will constantly improve consistency management across the Group, so as to achieve consistent operations, corporate culture and values and philosophies, which will ensure the sustained and steady development of the Company.

With strategic certainty, Midea is well prepared for uncertainties in the future. It firmly upgrades its business models, with a core focus on incremental development through the Chinese Market DTC reform, the Overseas OBM Priority strategy, and ToB business breakthroughs. The Company also explores new approaches to continuously drive cost reduction and efficiency improvement through the combination of the through-value-chain, no-breakpoint, seamless, and people-never-see-people digitalisation capabilities and lean management. It is also important to insist on structural upgrading, with a core focus on providing high-quality, differentiated products. The Company continues to invest in and improve the "Three Generations" R&D system to increase added value and profitability of products, better support technological research and development and structural upgrading, and continue to invest in the future in order to achieve stable and sustained high-quality growth. In addition, Midea insists on business upgrading. By further increasing investment in the ToB business, continuously improving product strength, realising value chain autonomy, grasping opportunities to quickly seize market share, the Company fully fires up the "Second Growth Engine". With the customer-oriented principle as the root of corporate innovation and reform, the Company accelerates DTC breakthroughs. Grasping capital flow, cargo flow, information flow and other information of the whole value chain through direct contact with customers/users, the Company is able to deepen the implementation of an online system for policies and visualisation of the whole order process. By doing so, it can gather retail data in real time, and acquire first-hand information on customer needs for its reform and innovation. Further, the Company shortens

the factory-to-user process through the development of online capabilities and further online-offline integration, so that the products and services can be delivered to the users at the lowest cost and the fastest speed.

In the field of robotics, the Company's development strategy will focus on the following three areas: first, the intelligentization of industrial robots, by the deep integration of AI technology and robotics technology, such as expanding new scenarios and applications in areas like vision-position fusion perception, data-driven skill learning, and industrial AI agents; second, the robotization of home appliances, primarily by integrating core technological elements from the AI and robotics fields into home appliance products, such as in "vertical domain models + edge intelligence," "active perception + intelligent interaction," and "robot-inspired structural innovations" to achieve scenario intelligence, spatial intelligence, and active intelligence; third, the value-driven development of humanoid robots, focusing on R&D layout in core technological fields of humanoid robots, and matching different forms of humanoid robots with specific application scenarios, so as to explore potential application scenarios that can be implemented and scaled up in industrial, commercial, and residential settings.

(II) Operational focus in the second half of 2025

The second half of 2025 will still present multiple challenges, requiring continuous self-reflection, disruption, innovation, and transformation. In the face of sluggish consumer demand and price competition in the domestic market, we shall resolutely adjust its focus to efficiency enhancement and fully tap into the cost reduction potential. Confronting persistent fluctuations in overseas markets, we shall proactively pursue market share growth, firmly adhere to the OBM Priority strategy, increase resource investment and deployment, and continuously explore new markets. In the ToB business sector, it will accelerate the development of core industries. Specifically, Energy Solutions and Industrial Technology will continue to focus on businesses related to promising green energy solutions and core components. Robotics & Automation will steadfastly drive reforms to lower structural costs and advance the development of its business in China, enhancing competitiveness in products, costs, and efficiency. Intelligent Building Technology will accelerate the establishment of a second core market in Europe and strengthen its efforts in expanding solutions, heating, elevators, and other businesses.

In the second half of 2025, Midea will, based on its four core strategic pillars centered on technology leadership, adhere to the core business philosophy of "simplification for growth and self-disruption to confront challenges" to ensure the achievement of annual targets. First, it will focus on reducing structural costs and persist in promoting efficiency improvements across the entire value chain. By taking multiple measures such as deeply exploring supply chain cost potential, reducing manufacturing costs, increasing inventory turnover, tapping into marketing expense efficiencies, and continuously optimizing organizational structure, it will comprehensively enhance cost efficiency. Second, the key to driving growth through simplification is simplification itself, and simplification is for the sake of growth. By simplifying business structures, organizational frameworks, product categories, and work models, it will drive growth in core ToC businesses through transformative innovation, providing support for the development of ToB businesses and creating a relay of growth points. Third, it will remain committed to the DTC model transformation. In the future, different online and offline channels will accelerate their integration, thus it must thoroughly transform offline operations using online methods. On the planning side, it will reform the

product planning model, streamline the number of SKUs, and achieve end-to-end management of user demand from insight to product launch. On the product side, it will focus on the user, enhancing product experience and perceived value, while continuing to strengthen technological innovation in its products. On the experience side, it will be able to promptly address user issues, centering its pre-sales, in-sales, and after-sales services around the user and ensuring their rights are protected. On the R&D side, it will establish a team of leading technology talents and carry out differentiated and original R&D project planning.

Key tasks for the second half of 2025 include:

(1) Technology leadership

Midea will implement its strategy of technology leadership, continuously refine the "Three Generations" R&D system, and promote the digitalization and coherence of its evaluation framework. By strengthening pioneering research technology conversion, differentiating product portfolio and breakthroughs, the Company aims to build a leading product matrix that supports the sustained enhancement of brand value. Midea will reinforce the TP3 framework within its research organizations, establish a scientist talent system, and actively recruit global research leaders and PhD-level experts, ensuring full coverage of top-tier talent in core technology domains. The Company is committed to improving the talent structure of its research organizations and increasing the proportion of PhDs. Simultaneously, it will optimize R&D project planning, forming a matrix of frontier technology, core breakthroughs, and technology commercialization projects to accelerate research outcomes and enhance product competitiveness. The Company will continue to enhance its global R&D network and further strengthen its overseas R&D capabilities. It will accelerate product localization in key countries and regions by optimizing overseas user research teams and expanding proprietary brand R&D teams, implementing localized R&D in overseas markets and actively participating in the formulation and revision of international standards. To refine the "Technology Leadership" framework, Midea will focus on optimizing the layout and quality of R&D projects and will fully promote the use of AI to empower R&D, enhancing both innovation and efficiency. The Company will also adhere to platform-based and modular R&D, balancing front-end differentiation with back-end standardization to improve product development quality and efficiency. Additionally, Midea will strengthen user co-creation and refine its internal and public product testing mechanisms to increase user satisfaction.

(2) Operational efficiency improvement

Midea will keep a high-quality development direction and stick to organic, sustained and effective growth. In the process of implementing new strategies to boost new growth, the key lies in improving operational efficiency. Therefore, Midea will optimize the delivery cycle, enhance the inventory turnover, and implement the shared inventory system. Being customer-oriented, Midea will strive to be "Direct to Users" through user research, user insight, product plan transforming and user operation. Midea will promote business model reform and high performance operations in the whole value chain in every link from product planning to after-sales service, so as to increase efficiency in the whole value chain and the data-driven efficiency. Channel reform will be firmly pushed forward for the front-end market. In order to win in competition, it is important

to develop high-end products to refine the product mix. Midea will plan for, establish and refine business middle platforms, especially data and technology middle platforms. In the meantime, it will maintain overall consistency by sticking to "One Midea, One System, One Standard". In face of common challenges such as fluctuations in exchange rates and prices of bulk raw materials, as well as sourcing management in supply chain, Midea will firmly promote its internal coordination and sharing mechanism and keep perfecting the relevant solutions. It will also maintain effective investments, control strictly non-operating expenses, increase labor productivity, improve human resource allocation efficiency, promote lean management and provide fresh impetus for continual growth through relentless innovation.

(3) Domestic DTC transformation

In 2025, Midea will focus on five key priorities in the domestic market: "delighting users, revitalizing the brand, driving transformation, expanding product offerings, and strengthening retail operations". Retail-Focused Growth: Midea aims to achieve breakthroughs in new e-commerce models, increasing the share of self-operated online sales. The Company will integrate online and offline product offerings through O2O (online-to-offline) models to enhance inventory turnover efficiency. Additionally, Midea will accelerate traffic acquisition, continuously optimize and expand its offline retail network, and implement a seamless online-to-offline marketing strategy to enhance advertising efficiency across all channels.

Business Transformation: Midea will fully implement shared cloud warehousing and empowerment, advancing to Cloud Warehouse 3.0 to enhance customer benefits and satisfaction through cloud-based credit and return services. The Company will adopt a unified inventory approach across all sales channels while further streamlining SKU offerings to improve sales efficiency. Additionally, Midea will simplify digital tools for customers and users, ensuring a seamless user journey and strengthening customer benefits. The Company will also continuously integrate Midea Cloud Sales to optimize customer and user management. To enhance user rights and experiences, Midea will deepen specialized services, including hassle-free returns and exchanges, home appliance concierge services, and Midea Fan 2.0, further upgrading user benefits and fully enhancing user experience.

Retail Channel: With "Mall" stores as the vanguard of retail transformation, Midea will establish standardized processes for store expansion and operation, leading the upgrade of the offline flagship store system and building the Midea quasi-self-operated store system 1.0. The Company will complete the construction of "Mall" store positions and assign dedicated store managers. Through standardized operational actions such as in-store 5S optimization, Mall traffic attraction, interactive experiences, multi-platform and matrix account operations outside the store, instant retail, and community outreach, Midea will build an integrated online-offline traffic acquisition and conversion system to precisely reach user groups. Leveraging digital empowerment, Midea will create a talent team capable of undertaking store operations and management through specialized training programs.

User Services: Midea will enhance service network efficiency through logistics capacity modeling, significantly increasing on-time fulfillment rates, and providing rapid service to users, thereby comprehensively improving the user experience. The Company will further enhance the technical capabilities of service engineers to resolve user issues on the first visit. Midea will also continuously optimize the product return and exchange experience from a user perspective, implementing service efficiency improvements for returns and exchanges.

(4) Overseas OBM priority

Regarding the overseas market, Midea will continue to drive the expansion and deep penetration of its overseas business, further identifying untapped markets and planning strategic entries into new regions. The Company will expand its network of overseas subsidiaries and refine operations in key markets to enhance localized management and growth. In overseas manufacturing, Midea will accelerate the advancement of its overseas manufacturing layout and the optimization of its global supply chain system. The Company will build a collaborative supply chain system between domestic and overseas factories, implement a unified global production capacity plan, and enforce a "Regional-to-Regional" model. It will also promote the expansion of product lines at existing overseas manufacturing bases and the development of new manufacturing bases in new regions, continuously enhancing localized production and delivery capabilities. On the brand marketing front, Midea will strengthen brand building and enhance marketing capabilities. It will establish influencer marketing strategies, optimize digital media placements, and cultivate new social media engagement capabilities. Midea will also enhance ToC retail activation, collaborating with business units to improve product promotion and in-store branding. In the realm of sports marketing, the Company will explore sponsorship opportunities for regionally and globally influential sporting events to amplify brand presence. On the channel development front, Midea will leverage digital applications to enhance channel efficiency and customer relationship management, integrating market data to establish a commercial intelligence system. The Company will strengthen key customer operations and compile a list of global key customers. Furthermore, Midea will advance channel visibility, increasing sales and distribution data coverage by digitizing offline data and establishing real-time data dashboards to support business decision-making.

Midea will enhance its overseas infrastructure capabilities. In terms of the overseas service system, the Company will improve spare parts supply chains and contact centers to optimize the service network. It will establish a global after-sales spare parts management system with scientific forecasting and automated monitoring, improving the supply efficiency of spare parts from regional warehouses to market endpoints. The global cloud customer service system and iService after-sales system will be expanded to cover more countries and regions, thereby advancing the standardized operations and performance metrics for customer contact centers. The Company will continue to build and expand exclusive authorized service outlets to enhance service response speed. Additionally, it will refine the end-to-end new product service introduction process, delivery quality, and Design for Serviceability (DFS) rules and quantitative models. In terms of organizational talent, Midea will build robust organizational mechanisms and employer branding, strengthening the global consistency of its employer brand. Based on its OBM Priority strategy, the Company will

build a global OBM talent supply chain, aligning talent standards, talent review and assessment, and talent development. Furthermore, Midea will strengthen management consistency and digital construction, while accommodating country-specific characteristics, standardize processes, and advance HR digitalization. In the digital domain, Midea will empower overseas employees with digital tools to enhance global collaboration. It will refine overseas e-commerce operations, implement digital supply chain strategies, and leverage AI to boost analytical and operational efficiency. The Company will improve end-to-end order visibility, continue to build overseas sales and operations planning (S&OP) capabilities, and optimize OBM order fulfillment data. It will also use digital tools to drive service upgrades and cost efficiency. In risk management, Midea will enhance its risk control capabilities by implementing a comprehensive risk management framework, ensuring coordinated efforts between headquarters and regional offices to foster a culture of teamwork and compliance. The Company will thoroughly review business processes, identify risk and control points at each stage, and develop and refine internal control systems. It will utilize information technology to monitor operations in real time, monitor and warn potential risks to ensure timely identification and resolution of issues.

(5) Brand diversification

In 2025, Midea will continue to deepen the implementation of its dual high-end brands strategy, further strengthening the dual-engine power of COLMO and Toshiba brands. The COLMO brand will advance the combination of territory retail and precision distribution, continue to expand brand store construction, deepen cloud warehouse transformation, while focusing on crowd assets, layout sales accounts, and achieve online and offline full-domain operations. COLMO will further evolve around products and user experience, launching more product series to enhance its position in the high-end market, and build a diversified portfolio of high-end products around the comprehensive smart air and water heating solutions for the whole house. In the field of comprehensive smart home, based on its self-developed large language model capabilities, COLMO will provide users with more complete, reliable, and intelligent smart home appliances and integrated home solutions. To further enhance the brand store image and experience, COLMO will provide one-stop purchase through entire-house smart home appliance solution design services, and enhance user repurchase and recommendation rates through integrated delivery and installation, 1V1 manager services, appliance cleaning, and other premium membership benefits and services. Toshiba will continue to expand its retail network, enhancing brand awareness and reputation to meet customer needs. The brand will drive continuous product innovation, improving product quality and performance to cater to diverse customer demands while refining its product portfolio to further capture the high-end market. Additionally, Toshiba will continuously enhance channel integration capabilities, leveraging new retail models such as OMO and O2O to integrate online and offline channels. This approach will empower branded stores by generating sustained in-store traffic. Moreover, Toshiba will place greater emphasis on customer service excellence, improve membership benefits and service system to strengthen user engagement and brand loyalty. WAHIN will continue to focus on user-centric, product-driven, and experience-led innovation, expanding into a diverse range of product categories while delivering superior performance. The brand aims to create intelligent, comfortable, and seamlessly connected smart living experiences for consumers. WAHIN will also

pursue innovative marketing strategies, targeting trendsetting young consumers through diverse cross-industry collaborations. To further enhance conversion efficiency, the brand will optimize the sales funnel, maintaining a synergistic approach between brand building and sales performance. It will also reinforce the "Social + Content + E-commerce" model to drive sales growth.

(6) Digitization & Intelligence Driven

Midea will continue to drive its "Digitization & Intelligence Driven" strategy, focusing on key digital transformation initiatives, including Digitalization 3.0, DTC transformation, ToB business platforms, and user operations. Domestically, Midea will continue to drive its DTC transformation, enabling multi-channel, multi-dimensional, multi-role, and multi-terminal online business data integration and tiered data sharing. This will provide precise and efficient data empowerment to frontline sales teams, merchants, and stores, facilitating the Company's retail digitalization transformation goals. In terms of marketing and growth, Midea will deeply integrate online and offline channels, implement 360° user operations, optimize product portfolio structures, and enhance hassle-free return and exchange policies. By leveraging AIGC-driven intelligent scenarios, Midea will support the retail targets of its core product structure, and improve content operation efficiency. Midea will further accelerate its transition toward digitalization and intelligence, utilizing data as the core driver to optimize business processes and enhance operational efficiency. In the second half of 2025, Midea's data-driven initiatives will focus on "Data + AI" breakthroughs in AIGC, international expansion, and DTC transformation, reinforcing its vision of a fully digitalized Midea.

(7) New energy and industrial technology

Midea will drive incremental growth in new energy and industrial technology businesses, continuously expanding its business boundaries and accelerating its growth trajectory. In the HVAC and home appliance components sector, the Company will increase R&D investment, optimize product mix, and continuously enhance profitability and scale. It will solidify the market competitiveness of its core product categories and achieve breakthroughs in new products and technologies, providing customers with green, efficient, and low-noise products and technological solutions. Midea will accelerate the pace of its global expansion. In the second half of 2025, it will commence construction of the Thailand manufacturing base, continue investing in the India manufacturing base, and drive the completion and commissioning of the Brazil manufacturing base.

In the green energy sector, CLOU Electronics will accelerate its global market expansion, expediting the construction of its Indonesia energy storage manufacturing base and the delivery of its Chile project, while deepening its presence in South America, Europe, the Middle East, and Africa. It will also advance the application of its power trading platform, responding to the national policy of full coverage in the spot power market, and promoting its EMS cloud-edge-end integrated solution. Hiconics Eco-energy will continue to develop new customers in Europe and Australia, while actively exploring breakthrough opportunities in emerging markets such as Asia, Africa, and Latin America. It will also refine the layout of the residential PV market, strengthen operational capabilities, enhance online and offline promotion of its "M-Ecolux Villa" products, and accelerate the market application of its virtual power plant aggregation platform.

In the new energy vehicle core components sector, the Company will increase investment in product technology to achieve new breakthroughs in component products, continuously expand its market and acquire new clients for thermal management modules. The Company aims to secure breakthroughs in domestic economy vehicle projects and overseas mainstream automaker collaborations, and to promote the mass production of cooperative projects with well-known European automotive companies. Midea will continue to develop new compressor products in the thermal management field and enhance its in-house manufacturing capabilities for key components to provide customers with lightweight, compact, and cost-effective product solutions. The Company will also continuously enhance its global manufacturing capabilities for thermal management, compressors, and EPS motors, and promote the official launch of its Mexico manufacturing base to build up its overseas supply chain capabilities.

In the robotics core components sector, Midea will increase R&D efforts for technological breakthroughs and market investment, enhancing its cost competitiveness. It will develop clients for heavy-duty servo motors and increase internal product supply. The Company will also accelerate the expansion of external clients for harmonic reducers, achieve cost reductions for harmonic products, and enhance its differentiated competitiveness. Additionally, Midea will focus on the development of the humanoid robot field, addressing key technological bottlenecks in the industrialization of humanoid robot joint modules to improve motion performance, environmental adaptability, and operational precision.

(8) Smart building technology

In the second half of 2025, we will further focus on the four main business lines of smart building technology, continue to strengthen mature industries such as VRF systems, rapidly promote emerging industries focusing on centrifugal machines and elevator businesses, vigorously develop incubation industries focusing on air compressors and high-temperature heat pumps, and continuously expand into the aftermarket service sector for building technology, mainly including maintenance and renovation services. For overseas markets, by merging the Italian Clivet air conditioning business with the newly acquired ARBONIA Climate to form MBT Climate, we integrated superior resources to respond more swiftly to European market demands and provide localized products, services, and solutions, thereby enhancing overseas market competitiveness and establishing a second major presence in Europe. In terms of technological innovation and product development, we will focus on key product technology areas such as centrifugal machines, elevators, magnetic levitation, and high-temperature heat pumps, continuing to increase R&D investments to drive market breakthroughs.

(9) Robotics and Automation

In the second half of 2025, KUKA will focus on enhancing its core competitiveness and meeting diverse market demands. On the manufacturing front, it will optimize production processes at key manufacturing bases to improve efficiency and quality for stable production increases, while deepening supply chain cooperation to ensure a stable supply of raw materials and core components. On the R&D front, it will increase investment in cutting-edge technologies, promoting

the deep integration of new technologies like AI with robotics applications to enhance product intelligence and autonomous decision-making capabilities, and optimizing core operating systems and related technologies to provide superior control solutions. On the product front, it will continue to refine its robot product matrix based on market demand, launching new products and supporting components for multiple industries, while continuously optimizing the performance and cost of existing products to enhance competitiveness. On the market front, it will strengthen brand promotion activities, leverage the resource advantages of Midea Group to expand into the global market, focus on acquiring new customers, deepen cooperation with key clients by providing customized services, and establish a closed-loop feedback mechanism to optimize products and services. Additionally, KUKA will promote the implementation of green manufacturing concepts, while strengthening talent cultivation and team building to enhance innovation and operational capabilities, building an efficient and collaborative system to support continuous breakthroughs in domestic and international markets.

(III) Risks faced by the Company and countermeasures

1. Risk of macro economy fluctuation

The market demand for the Company's smart home products like air conditioners, refrigerators, and washing machines, new energy solutions, core components for HVAC & home appliances and new energy vehicles, HVAC and elevator equipment, and industrial robotics, among other products, can be easily affected by the economic situation and macro control. If the global economy encounters a heavy hit and consumer demand slows down in growth, the growth of the industries in which the Company operates, may slow down accordingly, and as a result, this may affect the product sales of Midea Group.

2. Risks in the price fluctuation of production factors

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

3. Risk in global asset allocation and overseas market expansion

Internationalization development and global breakthroughs are long-term strategic goals of the Company. The Company has built joint-venture manufacturing bases in many countries around the world. Progress has been made regarding the Company's overseas operations and new business expansion. However, its efforts in global resource integration may not be able to produce expected synergies; and in overseas market expansion, there are still unpredictable risks such as local political and economic situations, significant changes in law and regulation systems, and sharp increases in production costs.

4. **Risk in foreign exchange losses caused by exchange rate fluctuation**

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

5. **Market risks brought by trade frictions and tariff barriers**

   Due to the rise of "deglobalization" and trade protectionism, China will see more uncertainties in export in 2025. The trade barriers and frictions of some major markets will affect the export business in the short run, as well as marketing planning and investment in the medium and long run. Political and compliance risks are rising in international trade. These can mainly be seen on compulsory safety certificates, international standards and requirements, and product quality and management systems certification, energy-saving requirements, the call for increasingly strict environmental protection requirements, as well as with rigorous requirements for recycling household appliances waste. Trade frictions caused by anti-dumping, imposing additional tariffs and other measures implemented by some countries and regions aggravate the burden in costs and expenses for enterprises, and have brought about new challenges to market planning and business expansion for enterprises.

   In face of the complicated and changeable environment and risks at home and abroad, Midea will strictly follow the Company Law, the Securities Law, and relevant laws and rules of the China Securities Regulatory Commission, the SZSE, and the Hong Kong Stock Exchange, keep improving its governance structure for better compliance, and reinforce its internal control system so as to effectively prevent and control various risks and ensure its sustained, steady and healthy development.

The table below sets forth the absolute amounts from the Company's interim condensed consolidated statement of profit or loss for the six months ended 30 June 2025 and 2024:

	For the Six Months Ended 30 June	
	2025	2024
	RMB million	RMB million
	(Unaudited)	(Unaudited)
		(Restated)
Revenue	**252,331**	218,122
Cost of revenue	**(188,058)**	(161,108)
Gross profit	**64,273**	57,014
Selling and marketing expenses	**(23,053)**	(19,978)
General and administrative expenses	**(7,590)**	(6,965)
Research and development expenses	**(8,767)**	(7,663)
Net impairment losses on financial assets and contract assets	**(356)**	(35)
Other income	**5,420**	4,427
Other gains/(losses), net	**2,439**	(1,611)
Operating profit	**32,366**	25,189
Finance income	**451**	697
Finance costs	**(1,943)**	(866)
Finance costs, net	**(1,492)**	(169)
Share of profit of associates and joint ventures, net	**469**	432
Profit before income tax	**31,343**	25,452
Income tax expense	**(4,696)**	(4,310)
Profit for the year	**26,647**	21,142
Attributable to:		
Owners of the Company	**26,014**	20,804

REVENUE

The table below sets forth the absolute amounts and percentages of the Company's revenue by business for the six months ended 30 June 2025 and 2024:

	For the Six Months Ended 30 June				
	2025		2024		**Change**
	RMB million (Unaudited)	**% of Revenue**	RMB million (Unaudited)	% of Revenue	**%**
Smart Home Solutions	**167,201**	**66.3%**	147,554	67.6%	13.3%
Energy Solutions and Industrial Technology	**21,959**	**8.7%**	17,074	7.8%	28.6%
Intelligent Building Technology	**19,511**	**7.7%**	15,711	7.2%	24.2%
Robotics & Automation	**15,073**	**6.0%**	13,914	6.4%	8.3%
Other businesses	**7,995**	**3.2%**	6,730	3.1%	18.8%
Commercial & Industrial Solutions	**64,538**	**25.6%**	53,429	24.5%	20.8%
Others	**20,592**	**8.2%**	17,139	7.9%	20.1%
Total	**252,331**	**100.0%**	218,122	100.0%	15.7%

In the first half of 2025, the Company achieved revenue of RMB252.3 billion, representing a year-on-year growth of 15.7%, of which revenue from Smart Home Solutions amounted to RMB167.2 billion, representing a year-on-year increase of 13.3%; revenue from Commercial & Industrial Solutions reached RMB64.5 billion, representing a year-on-year increase of 20.8%; and revenue from raw materials sales and other businesses amounted to RMB20.6 billion, representing a year-on-year increase of 20.1%.

From a business segment perspective, Smart Home Solutions recorded revenue of RMB167.2 billion, representing a year-on-year growth of 13.3%, primarily driven by: (1) Consistently augmenting investment in research and development to ensure the effective implementation of its "Three Generations" R&D mode, and continuously developing differentiated and innovative products to drive structural upgrades and foster high-quality growth across the global market; (2) In the domestic market, achieving new growth through steadfast DTC transformation, leveraging online methods to enhance offline channels with a focus on building retail capabilities, and advancing digital business model innovation to achieve upgrades in operational efficiency and user experience, and capitalizing on the national "trade-in" policy incentives to further boost sales growth; (3) In the overseas market, steadfastly prioritizing Overseas OBM Priority strategy, further expanding and deeply penetrating overseas business, and refining operations in key markets to continuously improve our overseas manufacturing, R&D, brand, channel, and service ecosystems; (4) Continuously advancing the "COLMO + Toshiba" dual high-end brand strategy, with a year-on-year growth of more than 60% in the overall retail sales for these two brands in the first half of 2025.

Energy Solutions & Industrial Technology achieved revenue of RMB22.0 billion, representing a year-on-year growth of 28.6%, primarily driven by: (1) Deepening expertise in HVAC & home appliances components to further solidify our industry-leading position, and launching multiple new products and solutions, thereby earning trust and recognition of global customers and the market; (2) Driving continuous technological innovation within the new energy sector, with a focus on providing comprehensive and effective green energy solutions spanning the entire energy value chain, including large-scale energy storage, commercial and industrial energy storage, residential energy storage, smart grids, and distributed photovoltaic systems, thereby securing project orders both domestically and internationally; (3) In the core components sector for new energy vehicles, continuously expanding market presence and secure new orders, resulting in a consistent increase in market share for products, such as electric vehicle compressors and EPS motors.

Intelligent Building Technology recorded revenue of RMB19.5 billion, representing a year-on-year growth of 24.2%, primarily driven by: (1) Closely monitoring development trends across various market segments with a focus on high-growth industries, resulting in revenue growth in infrastructure, public utilities, commercial services, and industrial & agricultural production in domestic market; (2) Integrating and optimizing the advantageous resources of our acquired entities, establishing MBT Climate to respond more rapidly to European market demands, and providing localized product services and solutions to enhance our competitiveness in overseas markets; (3) Driving product innovation by launching several new solutions that cover our core business segments, including HVAC, smart elevators, building automation, and energy management; (4) Continuing to expand market reach and optimize channel layout, resulting in a steady increase in both our domestic and international customer base, and expansion of elevator business into over 70 countries and regions worldwide.

Robotics & Automation recorded revenue of RMB15.1 billion, representing a year-on-year growth of 8.3%, primarily driven by: (1) Pursuing continuous product innovation, and introducing a range of new, higher-performance products targeted at high-end manufacturing sectors such as consumer electronics, semiconductors, medical devices, and automotive components; (2) Actively expanding the application of digitalization and AI in industrial manufacturing. In 2024, KUKA established a new digital business unit KUKA Digital to continuously advance comprehensive digital production solutions, spanning from 3D simulation, connectivity, and data analytics to the application of artificial intelligence; (3) Remaining firmly committed to localization strategy for the Chinese market, and consistently driving product upgrades, technological innovation, and ecosystem development, resulting in a steady increase in sales volume and market share for industrial robots within the domestic market.

From a regional contribution perspective, for the six months ended 30 June 2025, revenue from Mainland China amounted to RMB145.1 billion, representing a year-on-year increase of 14.2%; revenue from other countries or regions amounted to RMB107.2 billion, reflecting a year-on-year increase of 17.7%.

	For the Six Months Ended 30 June				
	2025		2024		
	Amount RMB million (Unaudited)	**% of Total revenue**	Amount RMB million (Unaudited)	% of Total revenue	**Change**
Mainland China	**145,139**	**57.5%**	127,046	58.2%	14.2%
Other countries or regions	**107,192**	**42.5%**	91,076	41.8%	17.7%
Total	**252,331**	**100.0%**	218,122	100.0%	15.7%

GROSS PROFIT AND GROSS PROFIT MARGIN

The table below sets forth the absolute gross profit amounts and gross profit margins of the Company for the six months ended 30 June 2025 and 2024 by business:

	For the Six Months Ended 30 June			
	2025		2024	
	Gross profit RMB million (Unaudited)	**Gross profit margin**	Gross profit RMB million (Unaudited) (Restated)	**Gross profit margin**
Smart Home Solutions	**47,679**	**28.5%**	43,321	29.4%
Energy Solutions and Industrial Technology	**3,717**	**16.9%**	3,087	18.1%
Intelligent Building Technology	**5,723**	**29.3%**	4,572	29.1%
Robotics & Automation	**3,431**	**22.8%**	3,318	23.8%
Other businesses	**843**	**10.5%**	812	12.1%
Commercial & Industrial Solutions	**13,714**	**21.2%**	11,789	22.1%
Others	**2,880**	**14.0%**	1,904	11.1%
Total	**64,273**	**25.5%**	57,014	26.1%

In the first half of 2025, the Company recorded gross profit margin of 25.5%, representing a year-on-year decrease of 0.6%, primarily driven by: (1) Slowdown in the pace of product structural upgrades, and a degree of decline in the industry's average selling price for categories such as air conditioners, due to the intensified competitive pressures in the domestic home appliance industry in the first half of 2025, despite the continuation of "national subsidy" policies; (2) The increase in revenue contribution from the Commercial & Industrial Solutions (ToB) business to 25.6% (24.5% in the first half of 2024), which lowered the Group's overall gross profit margin as the gross profit margin of the ToB business is lower than that of the Smart Home Solutions.

SELLING AND MARKETING EXPENSES

In the first half of 2025, the Company's selling and marketing expenses amounted to RMB23.1 billion, representing a year-on-year increase of 15.5%. This increase was primarily due to increased advertising and promotional expenses incurred by the Company as it continued to strengthen its brand building, promoted its "Direct to Users" strategy to reach consumers more deeply, and actively expanded its overseas channels by integrating global resources. The percentage of selling and marketing expenses was 9.2%, remaining flat from the same period of the last year.

GENERAL AND ADMINISTRATIVE EXPENSES

In the first half of 2025, the Company's general and administrative expenses amounted to RMB7.6 billion, representing a year-on-year increase of 8.6%. This increase was primarily due to an increase in administrative personnel salary expenses and an increase in IT system expenses resulting from the Company's digitalization. The percentage of general and administrative expenses was 3.0%, representing a year-on-year decrease of 0.2%. The decrease in the expense ratio was mainly attributable to improved management efficiency of the Company.

RESEARCH AND DEVELOPMENT EXPENSES

In the first half of 2025, the Company's research and development expenses amounted to RMB8.8 billion, representing a year-on-year increase of 14.3%, primarily due to an increase in the salaries and benefits expenses of the Company's R&D personnel, as well as increases in various technical development costs incurred in the process of developing new products, new technologies, and new processes. The percentage of research and development expenses was 3.5%, remaining flat from the same period of the last year.

OTHER INCOME

The Company's other income increased from RMB4.4 billion in the first half of 2024 to RMB5.4 billion in the first half of 2025, mainly due to the increase in interest income received from financial assets measured at amortised cost invested by the Company.

OTHER GAINS/(LOSSES), NET

The Company's other gains/(losses) improved from a loss of RMB1.6 billion in the first half of 2024 to a gain of RMB2.4 billion in the first half of 2025, primarily due to an increase in net exchange gains arising from foreign exchange fluctuations on currency monetary items held by the Company and certain subsidiaries, partially offset by the decrease in the fair value of financial assets driven by fluctuations in the fair value of the Company's derivative instruments and certain equity holdings.

FINANCE COSTS, NET

The Company's net finance costs increased from RMB0.2 billion in the first half of 2024 to RMB1.5 billion in the first half of 2025. Of which: (1) the finance income declined from RMB0.7 billion in the first half of 2024 to RMB0.5 billion in the first half of 2025, mainly due to adjustments in the Company's cash at banks and in hand structure in response to market interest rate dynamics, resulting in a reduction in financial assets held for cash management purposes in in the first half of 2025, leading to a decrease in interest income of bank deposit; (2) finance costs increased from RMB0.9 billion in the first half of 2024 to RMB1.9 billion in the first half of 2025, mainly due to the impact of market exchange rate fluctuations on foreign currency loans, which reduced from exchange gains of RMB0.2 billion in the first half of 2024 to exchange losses of RMB0.8 billion in the first half of 2025.

PROFIT FOR THE YEAR

The Company's profit for the year increased from RMB21.1 billion in the first half of 2024 to RMB26.6 billion in the first half of 2025, representing a year-on-year growth of 26.0%. The profit margin for the year improved from 9.7% in the first half of 2024 to 10.6% in the first half of 2025, as the Company increased its investment in product research and development and innovation and enhanced profitability by improving operational efficiency across the full value chain.

FINANCIAL POSITION

The table below sets forth the absolute amounts from the Company's interim condensed consolidated statement of financial position as of 30 June 2025 and 31 December 2024:

	30 June 2025 RMB million (Unaudited)	31 December 2024 RMB million
Total non-current assets	**219,864**	215,288
Total current assets	**418,170**	389,064
Total assets	**638,034**	604,352
Total non-current liabilities	**26,033**	24,865
Total current liabilities	**382,577**	351,820
Total liabilities	**408,610**	376,685
Equity attributable to owners of the Company	**216,110**	216,750
Net assets	**229,424**	227,667

The Company's total non-current assets increased from RMB215.3 billion as of 31 December 2024 to RMB219.9 billion as of 30 June 2025, primarily due to the increase in property, plant and equipment and intangible assets of the Company as a result of acquisition of subsidiaries in the first half of 2025, partially offset by the decrease in other financial assets at amortized cost.

The Company's total current assets increased from RMB389.1 billion as of 31 December 2024 to RMB418.2 billion as of 30 June 2025, mainly due to the increase in the Company's trade and note receivables at amortized cost and other financial assets at amortized cost, partially offset by the decrease in inventories.

The Company's total non-current liabilities increased from RMB24.9 billion as of 31 December 2024 to RMB26.0 billion as of 30 June 2025, primarily due to the increase in deferred tax liabilities and long-term employee benefits payable resulting from the acquisition of subsidiaries in the first half of 2025, partially offset by the decrease in long-term borrowings.

The Company's total current liabilities increased from RMB351.8 billion as of 31 December 2024 to RMB382.6 billion as of 30 June 2025, mainly due to an increase in trade and note payables and short-term borrowings of the Company.

The Company's net assets increased from RMB227.7 billion as of 31 December 2024 to RMB229.4 billion as of 30 June 2025, mainly due to the increase in the Company's net profit and the increase in net assets resulting from shareholders' investment, partially offset by the increase in profit distribution.

CASH FLOW

The table below sets forth the absolute amounts from the Company's interim condensed consolidated statement of cash flows for the six months ended 30 June 2025 and 2024:

	For the Six Months Ended 30 June	
	2025	2024
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Net cash generated from operating activities	**37,281**	33,488
Net cash generated from/(used in) investing activities	**7,550**	(20,636)
Net cash used in financing activities	**(19,113)**	(20,977)
Net increase/(decrease) in cash and cash equivalents	**25,718**	(8,125)
Cash and cash equivalents at beginning of the year	**55,119**	59,887
Exchange gains/(losses) on cash and cash equivalents	**829**	(262)
Cash and cash equivalents at end of the year	**81,666**	51,500

In the first half of 2025, the Company's net cash generated from operating activities amounted to RMB37.3 billion. The difference between the net cash generated from operating activities and the profit before tax of RMB31.3 billion was primarily due to: (1) certain adjustments, mainly including depreciation and amortization of non-current assets amounting to RMB4.3 billion; (2) changes in working capital, mainly including an increase of RMB11.8 billion in trade and note payables and an increase of RMB10.0 billion in other payables and accruals, and a decrease of RMB13.7 billion in inventory, partially offset by an increase of RMB15.6 billion in trade and note receivables, a decrease of RMB10.5 billion in contract liabilities and payment of income tax of RMB5.4 billion.

In the first half of 2025, the Company's net cash generated from investing activities amounted to RMB7.6 billion, primarily due to net cash received from disposal of financial assets of RMB13.6 billion (proceeds from the disposal of financial assets and interest received less payments for financial asset purchases), as well as a net payment of RMB3.1 billion for the purchase of property, plant, and equipment, intangible assets, and other non-current assets and the net cash outflow of RMB5.6 billion due to the purchase of subsidiaries.

In the first half of 2025, the Company's net cash used in financing activities amounted to RMB19.1 billion, mainly due to dividend distribution to shareholders of RMB24.4 billion and repayment of borrowings of RMB43.6 billion, partially offset by borrowing proceeds of RMB50.3 billion.

WORKING CAPITAL AND FINANCIAL RESOURCES

The Company maintains sufficient cash and cash equivalents to ensure capital flexibility. The Company's cash and cash equivalents mainly comprise cash at banks, cash in hand, and short-term bank deposits with initial terms within three months. The table below sets forth the absolute amounts of cash and cash equivalents of the Company as of 30 June 2025 and 31 December 2024:

	30 June 2025 RMB million (Unaudited)	31 December 2024 RMB million
Cash at banks and in hand	**69,351**	52,852
Short-term bank deposits with initial terms within three months	**11,909**	1,901
Other deposits at financial institutions	**406**	366
Total	**81,666**	55,119

The Company's cash and cash equivalents increased from RMB55.1 billion as of 31 December 2024 to RMB81.7 billion as of 30 June 2025. This increase was mainly due to the Company's adjustment of its cash at banks and in hand structure, leading to an increase in short-term bank deposits.

The Company obtains financing based on market interest rates and its capital operation plans. The Company's bank loans and bonds are sourced from commercial banks and financial institutions in Mainland China and other countries or regions. The table below sets forth the absolute amounts of bank loans and debentures as of 30 June 2025 and 31 December 2024:

	30 June 2025 RMB million (Unaudited)	31 December 2024 RMB million
Bank loans	**8,984**	10,492
Debentures	**3,253**	3,267
Subtotal of non-current	**12,237**	13,759
Bank loans	**80,779**	69,549
Subtotal of current	**80,779**	69,549
Total	**93,016**	83,308

The Company's non-current borrowings decreased from RMB13.8 billion as of 31 December 2024 to RMB12.2 billion as of 30 June 2025, primarily due to prepayment of long-term loans.

The Company's current borrowings increased from RMB69.5 billion as of 31 December 2024 to RMB80.8 billion as of 30 June 2025, mainly due to commercial bank financing obtained to support the Company's operations, partially offset by the repayment of maturing borrowings.

The Company expects that there will be no material changes in the financing available to support its operations in the future.

The Company maintains a prudent capital ratio to support its business and manages its asset structure through asset-liability ratio. The table below sets forth the absolute amounts of total assets, total liabilities, and the asset-liability ratio as of 30 June 2025 and 31 December 2024:

	30 June 2025 (Unaudited)	31 December 2024
Total assets (RMB million)	**638,034**	604,352
Total liabilities (RMB million)	**408,610**	376,685
Asset-liability ratio	**64.0%**	62.3%

The Company's asset-liability ratio, defined as the proportion of total liabilities to total assets, increased from 62.3% as of 31 December 2024 to 64.0% as of 30 June 2025. This increase was primarily due to the changes in the structure of assets and liabilities of the Company as a result of the acquisition of subsidiaries during the Reporting Period.

The Company maintains a healthy cash flow level. As of 30 June 2025, monetary assets accounted for more than 50% of the Company's total current assets. Considering the Company's available financial resources, including cash and cash equivalents, available bank financing, cash flows from operating activities, and net proceeds from global offerings, the Company has sufficient working capital to operate for at least the next 12 months.

CAPITAL EXPENDITURE

The Company's capital expenditures consist of houses and buildings, overseas land, machinery and equipment, transportation vehicles, electronic equipment and others, construction in progress, leasehold improvements and land use rights. The Company's capital expenditure (excluding corporate mergers) increased from RMB4.1 billion in the first half of 2024 to RMB5.3 billion in the first half of 2025, mainly due to increased investment in the construction of global production bases and R&D centers, the restructuring of smart manufacturing capabilities, and the iterative upgrading of IT systems.

CONTINGENT LIABILITIES

As of 30 June 2025, save as the information disclosed in Note 40 to the interim condensed consolidated financial information, the Company has no other material contingent liabilities.

CAPITAL COMMITMENT

As of 30 June 2025, the Company has capital commitments contracted, but not provided for of RMB6.9 billion (31 December 2024: RMB11.3 billion). It is mainly due to the fact that some investment commitments have been reflected in the interim condensed consolidated statement of financial position in the first half year.

PLEDGED ASSETS

As of 30 June 2025, the net carrying amount of pledged or mortgaged assets to draw bank acceptance bills and secure bank borrowings of the Company amounted to RMB30.2 billion. These pledged assets primarily comprise fixed-income financial products, trade and note receivables, as well as certain property, plant, and equipment, leased land, and land use rights.

OFF-BALANCE SHEET ARRANGEMENTS

As of 30 June 2025, the Company had no material off-balance sheet arrangements.

FOREIGN EXCHANGE RISK

The Company operates globally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the respective functional currency of our subsidiaries.

The Company employs natural hedging strategies for currency settlement, including the use of various derivative instruments (primarily including forwards, options, and futures contracts), entering into forward foreign exchange hedging contracts, and managing the scale of foreign currency assets and liabilities to minimize foreign exchange risk and mitigate the impact of exchange rate fluctuations on operating results.

USE OF PROCEEDS

During the Reporting Period, the Company had no utilization of proceeds raised from A Shares offerings.

The utilization of proceeds from the H-share offering of the Company during the Reporting Period is as follows:

Pursuant to the approval granted by the China Securities Regulatory Commission (CSRC) in the Approval Document [2024] No. 1518, titled "Notice of Filing for the Overseas Issuance and Listing of Midea Group Co., Ltd.", issued on 23 July 2024, the Company completed the issuance of H Shares and listed them on the Main Board of the Hong Kong Stock Exchange on 17 September 2024. The Hong Kong public offering and international placement resulted in the issuance of a total of 565,955,300 H shares with a par value of RMB1.00 per share, at an issue price of HK$54.80 per share. Subsequently, on 25 September 2024, the Company exercised the over-allotment option and issued an additional 84,893,200 H shares with a par value of RMB1.00 per share at an issue price of HK$54.80 per share. The Company issued a total of 650,848,500 H shares in this offering, raising gross proceeds of HK$35,666 million (approximately RMB32,399 million), with net proceeds of approximately RMB32,146 million (approximately RMB49.39 per share) after deducting issuance costs incurred directly by issuing new shares.

According to the Company's H Share prospectus, the net proceeds from this H Share offering are allocated as follows: approximately 20% for worldwide research and development efforts, approximately 35% for continual investment in upgrading the intelligent manufacturing system and supply chain management, approximately 35% for enhancing global distribution channels and sales network as well as increasing overseas sales of proprietary brands, and approximately 10% for working capital and general corporate purposes. There have been no changes to the intended use of proceeds as disclosed in the H Share prospectus.

As of 30 June 2025, details of the utilization of proceeds from the H Share offering are as follows:

Item	Planned net proceeds utilization	Net amount unutilized as of 1 January 2025	Net amount utilized during the Reporting Period	Remaining balance as of 30 June 2025	Expected timeline for utilization of unutilized net proceeds (Note)
(i) Worldwide research and development efforts	Approximately 20% (RMB6,429.2 million)	RMB4,728.0 million	**RMB2,962.6 million**	**RMB1,765.4 million**	Before 31 December 2026
(ii) Upgrading of intelligent manufacturing system and supply chain management	Approximately 35% (RMB11,251.1 million)	RMB10,023.9 million	**RMB3,128.1 million**	**RMB6,895.8 million**	Before 31 December 2027
(iii) Enhancement of global distribution channels and sales network, and expansion of overseas sales of proprietary brands	Approximately 35% (RMB11,251.1 million)	RMB10,648.9 million	**RMB7,973.4 million**	**RMB2,675.5 million**	Before 31 December 2027
(iv) Working capital and general corporate purposes	Approximately 10% (RMB3,214.6 million)	0	**N/A**	**N/A**	N/A
Total	RMB32,146.0 million	RMB25,400.8 million	**RMB14,064.1 million**	**RMB11,336.7 million**	N/A

REPORT OF THE DIRECTORS

The underlying sections in this interim report mentioned herein form part of this Report of the Directors.

PRINCIPAL ACTIVITIES

Midea is a world-leading technology group comprising the Smart Home, Energy Solutions & Industrial Technology, Intelligent Building Technology, Robotics & Automation, Healthcare and smart logistics, among others. A business matrix has been built up, which attaches equal importance to ToC and ToB and provides not only various products and services under smart home for consumers, but also dynamic commercial and industrial solutions for corporate customers.

For further description and analysis of these activities including description of the Group's response to major risks and uncertainties and forecast for the future development of the Group's business are set out in the section headed "Management Discussion and Analysis" of this interim report.

Save as disclosed above, there was no significant change in the nature of the principal activities of the Group during the Reporting Period.

DIVIDEND

At the annual general meeting held on 30 May 2025, the Shareholders of the Company approved the payment of a final dividend for the year ended 31 December 2024 of RMB35 per 10 shares (paid in RMB to A Shareholders of the Company and in Hong Kong dollars to H Share Shareholders; the actual amount of the dividend paid in Hong Kong dollars was converted to Hong Kong dollars at the average benchmark exchange rate of RMB to Hong Kong dollars published by the People's Bank of China for the five business days preceding 30 May 2025 (i.e. the date of the annual general meeting), which was RMB0.917508 to HK$1.00, resulting in a dividend of HK$38.1468 per 10 H shares (tax inclusive)). The dividend was paid on 22 July 2025 to H Share Shareholders registered in the Company's H Share register on 10 June 2025.

The Board proposes to distribute the interim dividend for the six months ended 30 June 2025 (the "Interim Dividend") in cash, with a distribution of RMB5 per 10 Shares. The proposed distribution of the Interim Dividend is subject to the approval of the Shareholders at the Company's forthcoming extraordinary general meeting and will be paid in Hong Kong dollars for dividend entitlement of H Shares. The treasury shares of the Company will not be entitled to the distribution of the Interim Dividend.

During the Reporting Period, there was no arrangement under which any Shareholders had waived or agreed to waive any dividend.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

PURCHASE OF A SHARES

The Company held the sixth meeting of the fifth session of the Board on 28 March 2025 and the 2024 Annual General Meeting held on 30 May 2025 to consider and approve the plan for the repurchase of the Company's A Shares by way of centralized bidding, agreeing that the Company may repurchase part of its A Shares in issue through centralized bidding for the purpose of cancelling and reducing registered capital in accordance with laws and implementing its share incentive plan and/or employee stock ownership schemes; the Company held the seventh meeting of the fifth session of the Board on 8 April 2025 to consider and approve the plan for the repurchase of the Company's A Shares by way of centralized bidding, agreeing that the Company may repurchase part of its A Shares in issue through centralized bidding for the purpose of implementing its share incentive plan and/or employee stock ownership schemes.

During the Reporting Period, the Company repurchased part of the A Shares issued in the PRC on SZSE in accordance with the aforesaid repurchase plan by way of centralized bidding. The summary of such transactions is as follows:

Month	Number of A shares repurchased	Price Paid Per Share Highest (RMB)	Price Paid Per Share Lowest (RMB)	Aggregate price paid (RMB, exclusive of transaction cost)
April 2025	7,741,439	75.02	69.50	553,526,207
May 2025	4,447,379	80.44	74.71	346,414,176
June 2025	21,835,796	77.00	70.87	1,582,640,401
Total	34,024,614	–	–	2,482,580,784

Repurchase and Cancellation of Restricted A Shares

During the Reporting Period, the Company had repurchased and cancelled certain restricted A Shares (the "Repurchase and Cancellation") granted to certain participants (the "Repurchase Participants") under the rules for the Restricted Share Incentive Schemes. None of the Repurchase Participants was a connected person of the Company. A special resolution in relation to the Repurchase and Cancellation was submitted to the extraordinary general meeting for consideration and approval. The summary of the Repurchase and Cancellation is set out below:

In May 2025, the Company, in accordance with the rules of the 2021, 2022 and 2023 Restricted Share Incentive Schemes, repurchased and canceled an aggregate of 1,493,543 restricted A Shares granted to certain participants under such schemes, with a total consideration of RMB35,429,185.75. The repurchase prices under the 2021, 2022 and 2023 Restricted Share Incentive Schemes were RMB32.75 per share, RMB20.97 per share and RMB22.89 per share, respectively.

As of the end of the Reporting Period, 51,386,099 A Share ordinary shares (treasury shares) were held in the Company's special securities account for repurchase. These treasury shares are used for reducing registered capital through legal cancellation and Share Option Incentive Plans and/or Stock Ownership Schemes. During the Reporting Period, the Company did not sell its treasury shares on the market.

Save as disclosed above, the Company and its subsidiaries did not repurchase, redeem or sell any listed securities (including treasury shares) of the Company during the Reporting Period.

Issue of Equity Securities

During the Reporting Period, a total of 22,782,484 A Shares were registered and increased by the participants under the A Share Option Incentive Plan of the Company at their own discretion.

Save as disclosed above, the Company had not issued any equity securities (including securities convertible into equity securities) or sold treasury shares for cash during the Reporting Period.

EVENTS AFTER THE REPORTING PERIOD

Save as the aforementioned dividend distribution, the Company did not have other material subsequent events since the end of the Reporting Period.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving high corporate governance standards. Save as disclosed in this report, the Company has complied with all of the applicable code provisions as set out in part 2 of the CG Code during the Reporting Period.

DIRECTORS AND CHIEF EXECUTIVE OFFICER

Pursuant to code provision C.2.1 of the CG Code, companies listed on the Hong Kong Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. We do not have a separate chairman and chief executive officer and Mr. Fang Hongbo currently performs the above two roles. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within our Group and can provide more effective and efficient overall strategic planning for our Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired, and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company if and when it is appropriate taking into account the circumstances of our Group as a whole.

CHANGE OF DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S INFORMATION

Reference is made to the announcement of the Company dated 28 March 2025. Mr. Fu Yongjun has tendered his resignation as an executive Director with effect from 28 March 2025, but will continue to serve as a vice president of the Group after his resignation as an executive Director.

Reference is made to the announcement of the Company dated 30 May 2025, from the end of the Company's employees' representative meeting held on 30 May 2025, Dr. Zhang Tian was appointed as an employee representative Director of the fifth session of the Board. Dr. Zhang will not receive any remuneration from her appointment as an employee representative Director.

Save as disclosed above, during the Reporting Period and up to the date of this report, there is no material change in information of Directors and chief executive officer required to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules.

CHANGE OF JOINT COMPANY SECRETARY

Reference is made to the announcement of the Company dated 28 March 2025, Mr. Jiang Peng has tendered his resignation as a joint company secretary with effect from 28 March 2025, but will continue to hold other positions within the Group after his resignation as the joint company secretary. On the even date, Ms. Gao Shu has been appointed as a joint company secretary with effect from 28 March 2025.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Reference is made to the announcements of the Company dated 29 April 2025 and 30 May 2025, the Shareholders approved the amendments to the Articles of Association at the annual general meeting of the Company held on 30 May 2025.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Hong Kong Listing Rules. Specific enquiry has been made to all the Directors, and the Directors have confirmed that they have complied with the Model Code during the Reporting Period.

AUDIT COMMITTEE

We have established the audit committee (the "Audit Committee") with written terms of reference in compliance with Rule 3.21 of the Hong Kong Listing Rules and the CG Code, and the Audit Committee comprises four independent non-executive Directors.

The Audit Committee has reviewed with the management of the Company the accounting standards and practices adopted by the Group and discussed the auditing, risk management, internal control, and financial reporting matters, including review of the unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2025.

RELATIONS WITH EMPLOYEES AND REMUNERATION POLICY

The total number of employees of the Group increased by 0.05% from 198,432 as of 31 December 2024 to 198,533 as of 30 June 2025.

The remuneration of Directors and senior management is proposed by the Board Remuneration Committee and approved by the Board, and implemented after the deliberation of general meeting.

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

The Company has been committed to creating a corporate culture that encourages lifelong learning, and establishing a sound talent training system to help our employees to realize their potential and improve their professional and integrated skills. Our professional online learning platform, M-Learning, empowers the growth of our employees through unique courses and practical trainings. Meanwhile, though building an offline three-tier empowerment system, linking the Group-business units-departments, we can help employees to comprehensively develop the job knowledge and skills required at each stage, maintain the balance of personal development and corporate needs, and support the learning and growth of all Midea employees.

SHARE SCHEMES

The Company currently has four types of share schemes, namely A Share Option Incentive Plans ("Stock Option Incentive Plans"), Restricted A Share Incentive Schemes ("Restricted Share Incentive Schemes") (collectively, the "Share Incentive Plans"), A Share Stock Ownership Schemes ("Stock Ownership Schemes") and H Share Incentive Schemes.

(I) Stock Option Incentive Plans

During the Reporting Period, the existing Stock Option Incentive Plans of the Company include the Fifth Stock Option Incentive Plan, the Sixth Stock Option Incentive Plan, the Eighth Stock Option Incentive Plan and the Ninth Stock Option Incentive Plan. Given no further share options will be granted under the aforesaid Stock Option Incentive Plans upon the listing of the H Shares of the Company, the terms of these Stock Option Incentive Plans are not subject to the provisions of Chapter 17 of the Hong Kong Listing Rules.

1. **Purpose**

The purpose of the Stock Option Incentive Plans is to improve our Group's corporate governance structure and incentive mechanism and incentivize our Group's management and key employees to achieve a sustained and healthy development of our Group in order to align the interests of the Shareholders with the interests of our Group and employees and realize our Group's long-term objectives.

2. **Participants**

The participants of the Stock Option Incentive Plans include key technical personnel and mid-level management members in our Group's research and development, production and quality control departments, overseas personnel, young management members and technology talent. The scope of participants does not include independent Directors and Shareholders or actual controllers who individually or collectively hold 5% or more of the shares of our Company and their spouses, parents and children.

3. **Maximum number of options that can be granted**

The shares underlying the options to be granted under the Stock Option Incentive Plans are A Shares to be issued by our Company to the selected participants. Each option granted represents the right to purchase one A Share within the exercise period at the exercise price. Pursuant to each of the Stock Option Incentive Plans, the maximum number of A Shares which may be issued upon the grant of options and as a percentage of the Company's issued Shares (excluding treasury shares) as of the Latest Practicable Date are as follows:

Stock Option Incentive Plan	The maximum number of A Shares which may be issued upon the grant of options and as a percentage of the Company's issued Shares (excluding treasury shares) as of the Latest Practicable Date
Fifth Stock Option Incentive Plan	62,080,000(0.82%)
Sixth Stock Option Incentive Plan	47,240,000(0.62%)
Eighth Stock Option Incentive Plan	82,480,000(1.09%)
Ninth Stock Option Incentive Plan	109,074,000(1.44%)

As of the Latest Practicable Date, the maximum number of A Shares which may be issued under each of the Stock Option Incentive Plans and as a percentage of the Company's issued Shares (excluding treasury shares) are as follows:

Stock Option Incentive Plan	The maximum number of A Shares which may be issued and as a percentage of the Company's issued Shares (excluding treasury shares) as of the Latest Practicable Date
Fifth Stock Option Incentive Plan	0(0%)
Sixth Stock Option Incentive Plan	0(0%)
Eighth Stock Option Incentive Plan	18,922,393(0.25%)
Ninth Stock Option Incentive Plan	47,644,779(0.63%)

4. Maximum entitlement of participants

The shares of the Company granted to any participant under all effective Stock Option Incentive Plans shall not exceed 1% of the total share capital of the Company.

5. Vesting and exercise arrangements

The vesting and exercise arrangements of the granted options are as follows:

(a) The Fifth Stock Option Incentive Plan and the Sixth Stock Option Incentive Plan: 25% of the options may be exercised in tranches during each of the four exercise periods commencing on the first trading day after the expiry of 24 months from the date of grant and ending on the last trading day of 72 months from the date of grant; and

(b) The Eighth Stock Option Incentive Plan and the Ninth Stock Option Incentive Plan: 30% or 40% may be exercised in tranches during each of the three exercise periods commencing on the first trading day after the expiry of 24 months from the date of grant and ending on the last trading day of 60 months from the date of grant.

6. Consideration for granted options

No consideration was paid/payable for the options granted under the Stock Option Incentive Plans.

7. Determination of exercise price

The exercise price of options granted under each Stock Option Incentive Plan shall be the higher of the following prices:

(a) The Fifth and the Sixth Stock Option Incentive Plans: the higher of (i) the average trading price of the Shares on the trading day before the announcement of the draft scheme; (ii) the average trading price of the Shares during the 20 trading days before the announcement of the draft scheme; (iii) the average trading price of the Shares during the 60 trading days before the announcement of the draft scheme; and (iv) the average trading price of the Shares during the 120 trading days before the announcement of the draft scheme; and

(b) The Eighth and the Ninth Stock Option Incentive Plans: the higher of (i) the average trading price of the Shares on the trading day before the announcement of the draft scheme; and (ii) the average trading price of the Shares during the 20 trading days before the announcement of the draft scheme.

The exercise price of the options granted will be adjusted upon the occurrence of certain events, including dividend distribution, capitalisation of capital reserves, distribution of stock dividends, subdivision or reduction of shares, issuance of additional shares, etc.

8. Changes in the exercise of options during the Reporting Period and scheme life

	1 January 2025[3]				30 June 2025[1][3]					
Name and category of participants	Number of options outstanding (units)	Exercise price (RMB/share)[2]	Exercised during the Reporting Period (units)	Cancelled during the Reporting Period (units)	Lapsed during the Reporting Period (units)	Number of options outstanding (units)	Exercise price (RMB/share)[2]	Weighted average closing price of the relevant shares immediately before the exercise date (RMB/share)	Date of grant	Scheme validity period
Director										
ZHANG Tian – the Eighth Stock Option Incentive Plan	6,000	74.26	0	0	0	6,000	70.78	N/A	2021.6.4	2021.6.4 – 2026.6.3
ZHANG Tian – the Ninth Stock Option Incentive Plan	15,750	49.13	0	0	0	15,750	45.65	N/A	2022.6.8	2022.6.8 – 2027.6.7
Other employees										
The Fifth Stock Option Incentive Plan – Reserved Grants	115,200	35.56	80,200	0	35,000	0	N/A	72.85	2019.3.11	2019.3.11 – 2025.3.10
The Sixth Stock Option Incentive Plan	2,024,910	42.56	2,024,910	0	0	0	N/A	74.41	2019.5.30	2019.5.30 – 2025.5.29
The Eighth Stock Option Incentive Plan	38,279,261	74.26	13,399,850	4,356,326	807,077	19,716,008	70.78	77.91	2021.6.4	2021.6.4 – 2026.6.3
The Ninth Stock Option Incentive Plan	71,422,456	49.13	7,277,524	7,845,429	36,000	56,263,503	45.65	75.01	2022.6.8	2022.6.8 – 2027.6.7

Notes:

(1) During the reporting period, no options were granted under any Stock Option Incentive Plan of the Company.

(2) Pursuant to the provisions of the Stock Option Incentive Plan regarding the adjustment of the exercise price of the granted options, the exercise price prior to the ex-dividend date of the profit distribution of the Company's A-shares on 12 June 2025 will be the same as that of 1 January 2025, and the exercise price after 12 June 2025 will be the same as that of 30 June 2025.

(3) The vesting and exercise arrangements of the options granted are as follows:

(a) The Fifth Stock Option Incentive Plan and the Sixth Stock Option Incentive Plan: 25% of the options may be exercised in tranches during each of the four exercise periods commencing on the first trading day after the expiry of 24 months from the date of grant and ending on the last trading day of 72 months from the date of grant; and

(b) The Eighth Stock Option Incentive Plan and the Ninth Stock Option Incentive Plan: 30% or 40% may be exercised in tranches during each of the three exercise periods commencing on the first trading day after the expiry of 24 months from the date of grant and ending on the last trading day of 60 months from the date of grant.

(II) Restricted Share Incentive Scheme

During the Reporting Period, the Company's existing Restricted Share Incentive Schemes included the 2021 Restricted Share Incentive Scheme, the 2022 Restricted Share Incentive Scheme and the 2023 Restricted Share Incentive Scheme. Given that no further restricted shares will be granted under the above Restricted Share Incentive Schemes after the listing of the Company's H Shares, the terms of such Restricted Share Incentive Schemes are not subject to the provisions of Chapter 17 of the Hong Kong Listing Rules.

1. Purpose

The purpose of the Restricted Share Incentive Schemes is to improve the Group's corporate governance structure and incentive mechanism and incentivize the Group's management and key employees to achieve a sustained and healthy development of the Group to align the interests of the Shareholders with the interests of the Group and employees in order to realize the Group's long-term objectives.

2. Participants

Participants of the Restricted Share Incentive Schemes include the Company's core research and development talents and core personnel who are primarily responsible for the operating results of the Company or a division. The scope of participants does not include independent Directors and Shareholders or actual controllers who individually or collectively hold 5% or more of the shares of our Company and their spouses, parents and children.

3. Source and maximum number of shares

The shares covered by the 2021 Restricted Share Incentive Scheme, the 2022 Restricted Share Incentive Scheme and the 2023 Restricted Share Incentive Scheme are A Shares purchased by the Company from the secondary market. The maximum number of restricted Shares that may be granted under each of the Restricted Share Incentive Schemes and as a percentage of the Company's Shares in issue (excluding treasury shares) as of the Latest Practicable Date are set out below:

Restricted Share Incentive Scheme	Maximum number of restricted shares that may be granted and as a percentage of the Company's shares in issue (excluding treasury shares) as of the Latest Practicable Date
2021 Restricted Share Incentive Scheme	10,570,000(0.14%)
2022 Restricted Share Incentive Scheme	12,630,000(0.17%)
2023 Restricted Share Incentive Scheme	18,375,000(0.24%)

As of the Latest Practicable Date, the number of outstanding restricted Shares granted under each of the Restricted Share Incentive Schemes and as a percentage of the Company's Shares in issue (excluding treasury shares) are as follows:

Restricted Share Incentive Scheme	Number of restricted shares outstanding and as a percentage of the Company's shares in issue (excluding treasury shares) as of the Latest Practicable Date
2021 Restricted Share Incentive Scheme	192,600(0.003%)
2022 Restricted Share Incentive Scheme	3,710,800(0.05%)
2023 Restricted Share Incentive Scheme	5,411,661(0.07%)

4. Maximum entitlement of participants

The aggregate number of Shares of the Company granted to any participant through all Restricted Share Incentive Schemes within the validity period shall not exceed 1% of the total share capital of the Company.

5. Sale restriction and vesting arrangements

A Restricted Share Incentive Schemes shall be effective from the date of completion of the grant of restricted Shares until the date on which the restricted Shares granted are no longer restricted or have been repurchased and cancelled, provided that the duration of the scheme shall not exceed 48 months or 60 months, as the case may be. Restricted Shares are subject to a 12-month or 24-month restriction period, which commences on the date of grant of the restricted Shares to the participants. During the restriction period, the restricted Shares may not be transferred, used as collaterals or to repay debts. Restricted Shares may only be unlocked upon fulfilment of the conditions set out in the scheme. The vesting arrangements of the restricted Shares are as follows:

(a) 2021 and 2022 Restricted Share Incentive Schemes: 30% or 40% of the restricted Shares may be unlocked in tranches during each of the three unlocking periods commencing on the first trading day after 24 months from the date of grant and ending on the last trading day after 60 months from the date of grant; and

(b) 2023 Restricted Share Incentive Scheme: 30% or 40% of the restricted Shares may be unlocked in tranches during each of the three unlocking periods commencing on the first trading day after 12 months from the date of grant and ending on the last trading day after 48 months from the date of grant.

6. Consideration for the grant of restricted Shares

Upon the grant of restricted Shares, the participants shall pay the funds for the subscription of restricted Shares to the designated account of the Company in accordance with the grant price, which shall be confirmed by a certified public accountant; otherwise, it shall be deemed that the participants have given up the subscription of the restricted Shares granted to them.

No consideration was paid/required to be paid by the participants on the unlocking of restricted Shares under the Restricted Share Incentive Schemes.

7. Determination of grant price

The grant price of each restricted Share shall not be lower than the nominal value of each Share and, in principle, shall not be lower than the following prices specified in the scheme:

2021, 2022 and 2023 Restricted Share Incentive Schemes: the higher of (i) 50% of the average trading price of the Shares on the trading day before the announcement of the draft scheme; and (ii) 50% of the average trading price of the Shares during the 20 trading days before the announcement of the draft scheme.

The grant prices of restricted Shares will be adjusted upon the occurrence of certain events during the period from the date of the announcement of the draft scheme to the date on which registration is completed with respect to the grant of restricted Shares to the participants, including dividend distribution, capitalisation of capital reserves, distribution of stock dividends, subdivision or reduction of shares, issuance of additional shares, etc.

8. Changes in the number of restricted Shares during the Reporting Period and validity period of the Restricted Share Incentive Schemes

Name and category of the participant [2]	Number restricted Shares as of 1 January 2025 (share)[3][4]	Vested during the Reporting Period (share)[3]	Cancelled during the Reporting Period (share)	Number of restricted Shares as of 30 June 2025 (share)[3][5]	Grant price (RMB/share)	Weighted average closing price of relevant Shares immediately before the vesting date (RMB/share)	Date of grant	Validity period of the Scheme
Non-director employee								
2021 Restricted Share Incentive Scheme	2,734,620	0	258,668	2,475,952	39.92	N/A	2021.6.4	2021.6.4 – 2026.6.3
2022 Restricted Share Incentive Scheme	6,911,000	0	681,500	6,229,500	26.47	N/A	2022.6.8	2022.6.8 – 2027.6.7
2023 Restricted Share Incentive Scheme	10,782,875	0	553,375	10,229,500	25.89	N/A	2023.6.20	2023.6.20 – 2027.6.19

Notes:

(1) The restricted Shares under the 2018 and 2019 Restricted Share Incentive Scheme have been unlocked or cancelled in 2024. There were no such restricted Shares surviving under the Restricted Share Incentive Scheme, and there was no change during the Reporting Period.

(2) No restricted Shares have been granted to Directors pursuant to the 2021, 2022 and 2023 Restricted Share Incentive Plans.

(3) The vesting arrangements of the restricted Shares are as follows:

(a) 2021 and 2022 Restricted Share Incentive Schemes: the Shares may be unlocked in tranches of 30% or 40% in each of the three unlocking periods that occur between the first trading date after the 24-month anniversary from the date of grant and the last trading day up to the 60-month anniversary of the date of grant; and

(b) 2023 Restricted Share Incentive Scheme: the Shares may be unlocked in tranches of 30% or 40% in each of the three unlocking periods that occur between the first trading date after the 12-month anniversary from the date of grant and the last trading day up to the 48-month anniversary of the date of grant.

(4) No consideration is paid/payable by the participants with respect to the unlocking of restricted Shares under any Restricted Shares Incentive Scheme.

(5) During the Reporting Period, the Company has not granted restricted Shares under any Restricted Shares Incentive Scheme, and no restricted Shares lapsed.

(III) The Stock Ownership Schemes

During the Reporting Period, the Company's subsisting Stock Ownership Schemes include the Fifth Business Partner Stock Ownership Schemes under the Core Management Team Stock Ownership Scheme (the "Fifth Business Partner Stock Ownership Schemes"), the Eighth Global Partner Stock Ownership Schemes under the Core Management Team Stock Ownership Scheme (the "Eighth Global Partner Stock Ownership Scheme"), the 2023 Stock Ownership Scheme, the 2024 Stock Ownership Scheme and the 2025 Stock Ownership Scheme (collectively the "Stock Ownership Schemes"). As the Stock Ownership Schemes do not involve the issuance of new Shares by the Company, the terms of such schemes are not subject to the provisions of Chapter 17 of the Hong Kong Listing Rules.

1. Purposes

The Stock Ownership Schemes aim to continuously enhance corporate governance, improve governance mechanisms, and increase the overall value of the Company; foster an internal group of entrepreneurs, further unleash the self-motivation and creativity of the core management team, while attracting, incentivizing, and retaining key management and technical personnel critical to the Company's future development; uphold the "partnership" philosophy to ensure strong alignment between the core management team and the Company's growth value, thereby fostering a sense of mission and responsibility; establish and refine a benefit-sharing mechanism between employees and Shareholders to align the interests of the Company, its Shareholders, and employees; maintain and improve a future-oriented overall compensation structure, advocate a value-driven performance culture, and facilitate long-term incentives and constraints for the core management team, ensuring the achievement of the Company's strategic development and operational objectives.

2. Participants

The participants of the Stock Ownership Schemes include the core management, key technical personnel and senior management of the Company as set out in the schemes.

3. **Maximum number of A Shares available to be held under the Stock Ownership Schemes**

The maximum number of A Shares available to be held under each of the Stock Ownership Schemes as well as their percentage of the Company's issued Shares (excluding treasury shares) as of the Latest Practicable Date are as follows:

Stock Ownership Scheme	Maximum number of A Shares available to be held and as a percentage of the Company's issued Shares (excluding treasury shares) as of the Latest Practicable Date
Fifth Business Partner Stock Ownership Scheme	2,826,759(0.04%)
Eighth Global Partner Stock Ownership Scheme	3,770,433(0.05%)
2023 Stock Ownership Scheme	9,946,276(0.13%)
2024 Stock Ownership Scheme	20,106,662(0.26%)
2025 Stock Ownership Scheme	17,361,485(0.23%)

As of the Latest Practicable Date, the number of A Shares held under each of the Stock Ownership Schemes, and that as a percentage of the Company's issued Shares (excluding treasury shares) are as follows:

Stock Ownership Scheme	Number of A Shares held and as a percentage of the Company's issued Shares (excluding treasury shares) as of the Latest Practicable Date
Fifth Business Partner Stock Ownership Scheme	2,826,759(0.04%)
Eighth Global Partner Stock Ownership Scheme	3,770,433(0.05%)
2023 Stock Ownership Scheme	6,207,876(0.08%)
2024 Stock Ownership Scheme	20,106,662(0.26%)
2025 Stock Ownership Scheme	0(0%)

4. Maximum entitlement for Participants

The total number of Shares corresponding to the equity interest granted to any participant of the Stock Ownership Schemes shall not in aggregate exceed 1% of the total share capital of the Company.

5. Lock-up and vesting arrangement

The lock-up period for A Shares held under the Stock Ownership Scheme shall be 12 months (the Fifth Business Partner Stock Ownership Schemes, the Eighth Global Partner Stock Ownership Schemes, and the 2023 Stock Ownership Scheme) or 24 months (the 2024 Stock Ownership Scheme, and the 2025 Stock Ownership Scheme) commencing from the date of the announcement in relation to the completion of transferring the repurchased underlying Shares from the Company's special securities account for repurchase.

Upon expiration of the above lock-up period, subject to the achievement of performance targets and individual evaluation results, the corresponding portion of the A Shares (together with dividends) held by the Participants under the Stock Ownership Scheme shall be divided into three tranches for vesting at the ratios of 40%, 30% and 30%, and the vested A Shares shall be disposed of by the management committee of the scheme, with proceeds from such disposal distributed among the participants on a pro-rata basis.

6. Consideration for entitlement

No consideration for the entitlement granted or vested under the Stock Ownership Schemes shall be paid by a participant of such schemes. The source of funds for the Stock Ownership Schemes is the special fund set aside by the Company for such schemes and part of the performance bonuses for senior management. The Company has not provided any financial assistance or loan guarantee to the participants, nor were leveraged funds involved. No third party provided incentives, subsidies, or backstop arrangements for employees to participate in the Stock Ownership Schemes.

7. Changes in the number of A Shares during the Reporting Period and validity period of the Stock Ownership Schemes

Name of Stock Ownership Scheme[1]	Name and category of the participant[2]	Number of A Shares held as of 1 January 2025 (share)[3][4]	Granted during the Reporting Period (share)[3][4]	Vested during Reporting Period (share)[4]	Lapsed during Reporting Period (share)	Number of A Shares held as of 30 June 2025 (share)[3][4][5]	Weighted average closing price of relevant Shares immediately before the vesting date (RMB/share)	Date of grant	Validity period of the Scheme
Fifth Business Partner Stock Ownership Scheme	Non-director employee	534,995	0	0	0	534,995	N/A	2022.7.29	2022.7.29-2027.7.28
Eighth Global Partner Stock Ownership Scheme	Director-Fang Hongbo	337,953	0	0	0	337,953	N/A	2022.7.21	2022.7.21-2027.7.20
	Director-Wang Jianguo	47,975	0	0	0	47,975	N/A	2022.7.21	2022.7.21-2027.7.20
	Director-Gu Yanmin	47,975	0	0	0	47,975	N/A	2022.7.21	2022.7.21-2027.7.20
	Director-Guan Jinwei	52,238	0	0	0	52,238	N/A	2022.7.21	2022.7.21-2027.7.20
	Director-Fu Yongjun (resigned)	68,230	0	0	0	68,230	N/A	2022.7.21	2022.7.21-2027.7.20
	Non-director employee	359,274	0	0	0	359,274	N/A	2022.7.21	2022.7.21-2027.7.20
2023 Stock Ownership Scheme	Director-Fang Hongbo	575,806	0	0	0	575,806	N/A	2023.7.25	2023.7.25-2027.7.24
	Director-Wang Jianguo	114,105	0	0	0	114,105	N/A	2023.7.25	2023.7.25-2027.7.24
	Director-Gu Yanmin	84,522	0	0	0	84,522	N/A	2023.7.25	2023.7.25-2027.7.24
	Director-Guan Jinwei	132,066	0	0	0	132,066	N/A	2023.7.25	2023.7.25-2027.7.24
	Director-Fu Yongjun (resigned)	119,810	0	0	0	119,810	N/A	2023.7.25	2023.7.25-2027.7.24
	Non-director employee	4,588,214	0	0	0	4,588,214	N/A	2023.7.25	2023.7.25-2027.7.24

Name of Stock Ownership Scheme[1]	Name and category of the participant[2]	Number of A Shares held as of 1 January 2025 (share)[3][4]	Granted during the Reporting Period (share)[3][4]	Vested during Reporting Period (share)[4]	Lapsed during Reporting Period (share)	Number of A Shares held as of 30 June 2025 (share)[3][4][5]	Weighted average closing price of relevant Shares immediately before the vesting date (RMB/share)	Date of grant	Validity period of the Scheme
2024 Stock Ownership Scheme	Director-Fang Hongbo	1,848,609	0	0	0	1,848,609	N/A	2024.6.25	2024.6.25-2029.6.24
	Director-Wang Jianguo	234,595	0	0	0	234,595	N/A	2024.6.25	2024.6.25-2029.6.24
	Director-Gu Yanmin	172,037	0	0	0	172,037	N/A	2024.6.25	2024.6.25-2029.6.24
	Director-Guan Jinwei	367,532	0	0	0	367,532	N/A	2024.6.25	2024.6.25-2029.6.24
	Director – Zhang Tian	18,000	0	0	0	18,000	N/A	2024.6.25	2024.6.25-2029.6.24
	Director-Fu Yongjun (resigned)	351,892	0	0	0	351,892	N/A	2024.6.25	2024.6.25-2029.6.24
	Non-director employee	17,113,997	0	0	0	17,113,997	N/A	2024.6.25	2024.6.25-2029.6.24
2025 Stock Ownership Scheme[6]	Director-Fang Hongbo	0	0	0	0	0	N/A	Not granted	N/A
	Director-Wang Jianguo	0	0	0	0	0	N/A	Not granted	N/A
	Director-Gu Yanmin	0	0	0	0	0	N/A	Not granted	N/A
	Director-Guan Jinwei	0	0	0	0	0	N/A	Not granted	N/A
	Non-director employee	0	0	0	0	0	N/A	Not granted	N/A

Notes:

(1) The underlying A Shares under the Fourth Business Partner Stock Ownership Scheme and the Seventh Global Partner Stock Ownership Scheme have all vested or lapsed in 2024, and there are no A Shares subsisting under these stock ownership schemes or any changes thereof during the Reporting Period.

(2) There are no directors among the participants in the Fifth Business Partner Stock Ownership Scheme. Mr. Fu Yongjun has resigned as an executive director of the Company with effect from 28 March 2025. His shareholding and changes during the reporting period are not included in the relevant data for "non-director employees" under the Eighth Global Partner Stock Ownership Scheme, the 2023 Stock Ownership Scheme, and the 2024 Stock Ownership Scheme.

(3) No consideration shall be paid by a participant of the Stock Ownership Schemes for the grant or vesting of benefits under such schemes.

(4) Sale restriction and vesting arrangements of Stock Ownership Scheme are as follows: The Stock Ownership Scheme shall be subject to a lock-up period of 12 months (the Fifth Business Partner Stock Ownership Schemes, the Eighth Global Partner Stock Ownership Schemes, and the 2023 Stock Ownership Scheme) or 24 months (the 2024 Stock Ownership Scheme, and the 2025 Stock Ownership Scheme) commencing from the date of the announcement in relation to the completion of transferring the repurchased underlying Shares from the Company's special securities account for repurchase. Upon expiration of the above lock-up period, subject to the achievement of performance targets and individual evaluation results, the corresponding portion of the A Shares (together with dividends) held by the Participants under the Stock Ownership Scheme shall be divided into three tranches for vesting at the ratios of 40%, 30% and 30%, and the vested A Shares shall be disposed of by the Scheme Management Committee, with proceeds from such disposal distributed among the Participants on a pro rata basis.

(5) The Stock Ownership Schemes do not involve cancellation of A Shares held.

(6) The indicators of the Company's performance appraisal under the 2025 Stock Ownership Scheme are, the weighted average ROE in 2025, 2026 and 2027 is not less than 18%, and the weighted average ROE in 2028 is not less than 17.5%, during the vesting assessment period (the above indicators include the impact of capital operation matters disclosed to date, excluding the impact of mergers and acquisitions and capital operations occurred in the assessment year on the assessment indicators), and the corresponding target share quota is determined according to the assessment results of the individuals and units where the holders belong during the vesting assessment period. The assessment indicators for the holder's workplace combine both responsibility-based indicators and long-term strategic indicators.

If the performance appraisal indicators of the Company in each period of the vesting assessment period under this Scheme are achieved, and the individual performance appraisal results of the holder in the vesting assessment period are Grade B or above, and given the annual comprehensive evaluation of the vesting assessment period at the unit level is "excellent", then the holder is entitled to all the equities in the underlying shares attributable to the holder under the Stock Ownership Schemes in this period according to the above rules; if the annual comprehensive evaluation of the vesting assessment period at the unit level is "good", the holder is entitled to 90% of the equities in the underlying shares attributable to the holder under the Stock Ownership Schemes in this period, and the other 10% of the underlying target share interests are entitled to the Company; if the annual comprehensive evaluation of the vesting assessment period at the unit level is "pass", the holder is entitled to 80% of the equities in the underlying shares attributable to the holder under the Stock Ownership Schemes in this period, and the other 20% of the underlying target share interests are entitled to the Company; if the annual comprehensive evaluation of the vesting assessment period at the unit level is "fail", the holder is not entitled to the equities in the underlying shares attributable to the holder under the Stock Ownership Schemes in this period.

If the individual performance appraisal result of the holder does not reach Grade B during the vesting assessment period, the holder is not entitled to the equities in the underlying shares attributable to the holder under the Stock Ownership Schemes in this period.

If all of the performance appraisal indicators of the Company in each period of the vesting assessment period are not fulfilled, all the underlying equity rights under the Stock Ownership Schemes shall be owned by the Company, and all holders are not entitled to the underlying equity rights under the Stock Ownership Schemes.

During the Reporting Period, no shares have been granted under the 2025 Stock Ownership Scheme (namely no repurchased underlying Shares have been transferred from the Company's special securities account for repurchase). The valid period of the Scheme shall be five years commencing from the date on which the Scheme is considered and approved at the general meeting of the Company, and the Company's announces the transfer of the underlying shares to the Stock Ownership Scheme.

(IV) H Share Award Scheme

The Company adopted the H Share Share Award Scheme (the "(H Share) Share Award Scheme") on 30 May 2025. The terms of the (H Share) Share Award Scheme are governed by Chapter 17 of the Hong Kong Listing Rules.

1. Purposes

The purpose of the (H Share) Share Award Scheme is to (1) further stimulate the self-motivation and creativity of key talents, constantly improve the Company's governance standard, and attract, motivate and retain core talents who post a significant influence on the future development of the Company, and (2) inspire a sense of mission and responsibility within the Company, advocate a performance culture that orients to value creation, establish and improve a mechanism for sharing benefits between employees and owners, so as to align the interests of the Company, shareholders and employees, and to ensure achieving the Company's development strategies and business objectives.

2. Participants

The participants of the (H Share) Award Scheme include any individual who is an employee or a director (including executive and non-executive directors) of our Group ("Participants").

3. Maximum number of H Shares available to be granted

The shares involved under the (H Share) Share Award Scheme are the shares granted by the Company to the selected Participants, including (1) new H Shares allotted and issued by the Company, and (2) H Shares repurchased and held by the Company. The number of H Shares available to be granted under the Scheme is capped at 10,000,000 Shares, representing 0.13% of the Company's issued shares (excluding the treasury shares) as of the Latest Practicable Date. The number of H Shares available to be granted as of the Latest Practicable Date is 8,756,900 Shares, representing 0.12% of the Company's issued shares (excluding the treasury shares).

4. Maximum entitlement for Participants

The total number of Shares obtained by any participant from all of such share incentive schemes within valid period shall not in aggregate exceed 1% of the total share capital of the Company.

5. Lock-up and vesting arrangement

The lock-up and vesting arrangement for the award shares granted under the (H Share) Share Award Scheme are as follows:

The lock-up period for the award shares shall be 24 months commencing from the date of grant. Upon expiration of the lock-up period, such award shares shall be divided into three tranches for vesting in 2027, 2028 and 2029 at the ratios of 40%, 30% and 30%, respectively.

6. Consideration for entitlement

No consideration for the entitlement granted or vested under the (H Share) Share Award Scheme shall be paid by a participant of such schemes.

7. Term of the (H Share) Share Award Scheme

The (H Share) Share Award Scheme will be valid and effective for the period commencing on 30 May 2025 and expiring on the tenth anniversary thereof, or such earlier date as the (H Share) Share Award Scheme is terminated (the "Term"), after which no further H Share awards shall be offered or granted but the provisions of the (H Share) Share Award Scheme will remain in full force and effect in all other respects and H Share awards granted during the Term shall continue to be valid in accordance with their terms of grant after the end of the Term.

8. Changes of the (H Share) Share Award Scheme during the Reporting Period and validity period of the Scheme

Name and category of the Participant[1]	Number of awarded shares on 1 January 2025 (share)	Granted during the period (share)[2]	Vested during the period (share)[3][5]	Lapsed during the period (share)[4]	Number of awarded shares on 30 June 2025 (share)	Weighted average closing price of relevant Shares immediately before the vesting date (HK$/share)	Date of grant	Validity period of the Scheme
Non-director employee	0	1,243,100	0	0	1,243,100	N/A	2025.6.12	2025.5.30-2035.5.29

Notes:

(1) No awarded share were granted to Directors, chief executives or substantial shareholders, or to their respective contacts, under the (H Share) Share Award Scheme during the Reporting Period.

(2) No consideration shall be paid by a participant of the (H Share) Share Award Scheme for the grant or vesting of benefits under such schemes.

(3) The lock-up and vesting arrangements for the awarded shares granted under the (H Share) Share Award Scheme are as follows: the lock-up period of the Awarded Shares shall be 24 months from the date of grant, and the Awarded Shares shall be vested in three tranches at the ratios of 40%, 30% and 30% in 2027, 2028 and 2029, respectively, upon expiry of the lock-up period.

(4) The (H Share) Share Award Scheme does not involve cancellation of H Shares held.

(5) The awards shall be subject to the assessment targets at three levels: the Group, the grantee's workplace and the grantee's individual performance.

Indicators for corresponding workplace level: The unlocking ratio is determined according to the overall fulfillment assessment grade based on the responsibility-based and strategic indicators: 100% to be vested for outstanding assessment grade; 90% to be vested for good assessment grade; 80% to be vested for qualified assessment grade; vesting to be cancelled for poor assessment grade.

40% for the first vesting in 2027: first vesting period of the performance assessment for 2025-2026. Group level: assessment of weighted average return on equity (ROE) for 2025-2026 (not less than 18%); work place level: assessment of responsibility-based indicators and long-term strategic indicators for 2025-2026; individual level: Grade B or above for 2026.

30% for the second vesting in 2028: second vesting period of the performance assessment for 2027. Group level: ROE for 2027 (not less than 18%); Work place level: assessment of responsibility-based indicators and long-term strategic indicators for 2027; individual level: Grade B or above for 2027.

30% for the third vesting in 2029: third vesting period of the performance assessment for 2028. Group level: ROE for 2028 (not less than 17.5%); Work place level: assessment of responsibility-based indicators and long-term strategic indicators for 2028; individual level: Grade B or above for 2028.

ROE indicators under the assessments shall include the impacts of disclosed capital operation events as of now, but exclude the impacts of merger and acquisition and capital operation events occurred during the assessment year on assessment indicators. Should any performance target is not achieved in whole or in part during the assessment period, all or a corresponding portion of the awarded shares proposed to be vested for such period shall be cancelled.

SUBSTANTIAL SHAREHOLDER AND OTHER INDIVIDUALS' INTEREST AND SHORT POSITION IN SHARES AND UNDERLYING SHARES

As of 30 June 2025, the Company was aware of the following individuals who had an interest or short position, which were required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or interests or short positions as recorded in the register required to be kept by the Company under Section 336 of SFO, or, directly or indirectly, be interested in 5% or more of the nominal value of any class of our Company's share capital.

Name of shareholder	Nature of interest	Class of Share	Number of Shares directly or indirectly held/ Nature of Shares Held	Percentage of the respective type of shares[3]	Percentage of the total issued share capital[3]
Midea Holding	Beneficial owner	A Shares	2,169,178,713 (Long position)	30.92%	28.30%
Mr. He Xiangjian[1]	Interest in controlled corporations	A Shares	2,169,178,713 (Long position)	30.92%	28.30%
	Beneficial owner	A Shares	31,909,643 (Long position)	0.45%	0.42%
China International Capital Corporation (International) Limited	Interest in controlled corporations	H Shares	59,788,729 (Long position)	9.19%	0.78%
			85,534,400 (Short position)	13.14%	1.12%
China International Capital Corporation Hong Kong Securities Limited	Underwriter	H Shares	59,147,529 (Long position)	9.09%	0.77%
			84,893,200 (Short position)	13.04%	1.11%
China COSCO SHIPPING Corporation Limited[2]	Interest in controlled corporations	H Shares	40,008,200 (Long position)	6.15%	0.52%
China Ocean Shipping Company Limited[2]	Interest in controlled corporations	H Shares	40,008,200 (Long position)	6.15%	0.52%
COSCO SHIPPING Holdings Co., Ltd.[2]	Interest in controlled corporations	H Shares	40,008,200 (Long position)	6.15%	0.52%
COSCO SHIPPING Holdings (Hong Kong) Limited[2]	Beneficial owner	H Shares	40,008,200 (Long position)	6.15%	0.52%
HHLR Advisors, Ltd.	Investment manager	H Shares	170,500,000 (Long position)	26.20%	2.22%
HHLR Fund, L.P.	Beneficial owner	H Shares	89,670,500 (Long position)	13.78%	1.17%
HHLR CF, L.P.	Beneficial owner	H Shares	49,322,300 (Long position)	7.58%	0.64%
HSBC Holdings plc	Person having a security interest in shares	H Shares	33,011,162 (Long position)	5.07%	0.43%
			6,343,565 (Short position)	0.97%	0.08%

Notes:

(1) Mr. He is interested in approximately 94.55% of Midea Holding and is deemed to be interested in all the A Shares held by Midea Holding.

(2) Each of China Ocean Shipping Company Limited, COSCO SHIPPING Holdings Co., Ltd. and China COSCO SHIPPING Corporation Limited is deemed to be interested in the shares held by COSCO SHIPPING Holdings (Hong Kong) Limited under the SFO.

(3) As of 30 June 2025, the Company had a total of 7,666,154,083 issued shares, comprising 7,015,305,583 A Shares and 650,848,500 H Shares (including treasury shares). The above calculation is based on the total number of issued shares and the total number of relevant classes of shares (including treasury shares) as of 30 June 2025.

Save as disclosed above, as of 30 June 2025, the Company was not aware of any other person (other than the Directors and chief executives of the Company) having any interests or short position in the shares or underlying shares of the Company which are required to be recorded in the register under Section 336 of the SFO.

DIRECTORS AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As of 30 June 2025, to the best of the knowledge of the Company, the interests and short position of the Directors and chief executives in the share capital and underlying Shares of the Company or its associated corporations (as defined in Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or pursuant to the Model Code were as follows:

(1) Interests and Short Positions in Shares of the Company

Name	Position	Nature of interest	Class of Share	Number of Shares/ underlying Shares directly or indirectly held/Nature of Shares Held[7]	Percentage of the respective type of Shares[6]	Percentage of the total issued share capital[6]
Mr. Fang Hongbo	Executive Director, chairman of the Board and chief executive officer	Beneficial owner	A Shares	119,752,860[1] (Long position)	1.71%	1.56%
Mr. Wang Jianguo	Executive Director and vice president	Beneficial owner	A Shares	396,675[2] (Long position)	0.006%	0.005%
Dr. Gu Yanmin	Executive Director and vice president	Beneficial owner	A Shares	304,534[3] (Long position)	0.004%	0.004%

Name	Position	Nature of interest	Class of Share	Number of Shares/ underlying Shares directly or indirectly held/Nature of Shares Held[7]	Percentage of the respective type of Shares[6]	Percentage of the total issued share capital[6]
Mr. Guan Jinwei[4]	Executive Director and vice president	Beneficial owner and Interest of Spouse	A Shares	1,090,336[4] (Long position)	0.016%	0.014%
Dr. Zhang Tian	Executive Director and employee representative Director	Beneficial owner	A Shares	39,750[5] (Long position)	0.0006%	0.0005%

Notes:

(1) Such interests include (i) 116,990,492 A Shares and (ii) interests in 2,762,368 A Shares arising under the Stock Ownership Schemes which are beneficially owned by Mr. Fang Hongbo.

(2) Such interests include interests in 396,675 A Shares arising under the Stock Ownership Schemes which are beneficially owned by Mr. Wang Jianguo.

(3) Such interests include interests in 304,534 A Shares arising under the Stock Ownership Schemes which are beneficially owned by Dr. Gu Yanmin.

(4) Such interests include (i) 538,500 A Shares and (ii) interests in 551,836 A Shares arising under the Stock Ownership Schemes which are beneficially owned by Mr. Guan Jinwei. The spouse of Mr. Guan holds 3,500 A Shares and Mr. Guan is deemed to be interested in the A Shares held by his spouse.

(5) Such interests include (i) 21,750 A Shares which may be issued pursuant to the exercise of options granted under the Stock Option Incentive Plans and (ii) interests in 18,000 A Shares arising under the Stock Ownership Schemes which are beneficially owned by Dr. Zhang Tian.

(6) As of 30 June 2025, the Company had a total of 7,666,154,083 issued shares, comprising 7,015,305,583 A Shares and 650,848,500 H Shares (including treasury shares). The above calculation is based on the total number of issued shares and the total number of relevant classes of shares (including treasury shares) as of 30 June 2025.

(7) Interests disclosed in the table above include interests in underlying Shares arising under physically settled Stock Option Incentive Plans and cash settled Stock Ownership Schemes. Please note that the nature of interests under these plans and schemes differs, depending on the features of the plans and schemes; nevertheless, for transparency and consistency purposes, disclosures of these interests are approached as a uniform matter.

(2) Interest in Associated Corporations of the Company

Name	Position	Nature of Interest	Member of our Group	Number of Shares directly or indirectly held	% of Shareholding
Mr. Fang Hongbo[1]	Executive Director, chairman of the Board and chief executive	Interest in controlled corporation	Meicloud Technology Co., Ltd.	2,000,000 (Long position)	0.75%
Mr. Fang Hongbo[2]	Executive Director, chairman of the Board and chief executive	Interest in controlled corporation	Annto Logistics Supply Chain Technology Co., Ltd.	17,658,000 (Long position)	2.37%
Mr. Fang Hongbo[3]	Executive Director, chairman of the Board and chief executive	Interest in controlled corporation	Guangdong Midea Smart Technology Industry Investment Fund (LLP)	112,000,000 (Long position)	5.38%

Notes:

(1) Ningbo Meiyue Venture Capital Partnership (Limited Partnership) is interested in 0.75% of the equity interest of Meicloud Technology Co., Ltd. Mr. Fang Hongbo holds 38.65% interest in Ningbo Meiyue Venture Capital Partnership (Limited Partnership), an employee shareholding platform. As such, Mr. Fang is deemed to be interested in the shares held by Ningbo Meiyue Venture Capital Partnership (Limited Partnership).

(2) Ningbo Meiyue Venture Capital Partnership (Limited Partnership) is interested in 2.37% of the equity interest of Annto Logistics Supply Chain Technology Co., Ltd. Mr. Fang Hongbo holds 38.65% interest in Ningbo Meiyue Venture Capital Partnership (Limited Partnership), an employee shareholding platform. As such, Mr. Fang is deemed to be interested in the shares held by Ningbo Meiyue Venture Capital Partnership (Limited Partnership).

(3) Ningbo Meishan Venture Capital Partnership (Limited Partnership) and Meishan (Guangdong) Equity Investment Partnership (Limited Partnership) are interested in 2.98% and 2.40% of the equity interest of Guangdong Midea Smart Technology Industry Investment Fund (LLP), respectively. Mr. Fang Hongbo holds 80.65% interest in Ningbo Meishan Venture Capital Partnership (Limited Partnership) and 99.98% interest in Meishan (Guangdong) Equity Investment Partnership (Limited Partnership). As such, Mr. Fang is deemed to be interested in the shares held by Ningbo Meishan Venture Capital Partnership (Limited Partnership) and Meishan (Guangdong) Equity Investment Partnership (Limited Partnership), respectively.

Save as disclosed above, as of 30 June 2025, none of the Directors and chief executives had any interests or short position in the Shares or underlying Shares of the Company or its associated corporations (as defined in Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or the Model Code.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors of Midea Group Co., Ltd.
(incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 107 to 164, which comprises the interim condensed consolidated statement of financial position of Midea Group Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2025 and the interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting". The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 29 August 2025

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

	Note	Unaudited Six months ended 30 June 2025 RMB'000	2024 RMB'000 (Restated)
Revenue	4	**252,331,494**	218,121,839
Cost of revenue	7	**(188,058,289)**	(161,107,950)
Gross profit		**64,273,205**	57,013,889
Selling and marketing expenses	7	**(23,052,554)**	(19,978,312)
General and administrative expenses	7	**(7,590,066)**	(6,964,685)
Research and development expenses	7	**(8,766,551)**	(7,662,534)
Net impairment losses on financial assets and contract assets		**(356,526)**	(35,208)
Other income	5	**5,419,453**	4,426,954
Other gains/(losses), net	6	**2,439,079**	(1,611,408)
Operating profit		**32,366,040**	25,188,696
Finance income	8	**451,023**	697,281
Finance costs	8	**(1,942,892)**	(866,073)
Finance costs, net		**(1,491,869)**	(168,792)
Share of profit of associates and joint ventures, net	18	**469,118**	431,939
Profit before income tax		**31,343,289**	25,451,843
Income tax expense	9	**(4,695,935)**	(4,310,369)
Profit for the period		**26,647,354**	21,141,474
Attributable to:			
Owners of the Company		**26,013,690**	20,804,395
Non-controlling interests		**633,664**	337,079
		26,647,354	21,141,474
Earnings per share for profit attributable to owners of the Company:	11		
– Basic (RMB per share)		**3.41**	3.02
– Diluted (RMB per share)		**3.41**	3.01

The above condensed consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Unaudited Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Profit for the period	**26,647,354**	21,141,474
Other comprehensive income/(loss):		
Items that may be reclassified to profit or loss, net of tax		
– Other comprehensive (loss)/income that will be transferred subsequently to profit or loss under the equity method, net of tax	**(38,872)**	12,565
– Cash flow hedging reserves, net of tax	**(120,616)**	(214,144)
– Currency translation differences of foreign operations	**515,470**	(542,790)
– Others, net of tax	**(43,454)**	(22,748)
Items that will not be reclassified to profit or loss, net of tax		
– Changes arising from remeasurement of defined benefit plan, net of tax	**22,288**	15,515
– Changes in fair value of investments in other equity instruments, net of tax	**(10)**	48
Other comprehensive income/(loss) for the period, net of tax	**334,806**	(751,554)
Attributable to:		
Owners of the Company	**196,963**	(491,428)
Non-controlling interests	**137,843**	(260,126)
Total comprehensive income for the period	**26,982,160**	20,389,920
Attributable to:		
Owners of the Company	**26,210,653**	20,312,967
Non-controlling interests	**771,507**	76,953
	26,982,160	20,389,920

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Note	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	**45,544,255**	39,628,721
Right-of-use assets	13	**11,689,193**	10,799,523
Investment properties		**1,142,717**	1,184,541
Intangible assets	14	**48,179,578**	38,562,436
Deferred tax assets		**15,202,925**	14,074,278
Prepayments, other receivables and other assets	15	**3,549,890**	2,907,320
Investments in associates and joint ventures	18	**5,484,285**	5,223,478
Loan receivables	17	**423,088**	308,903
Derivative financial instruments	21	**88,550**	481,315
Other financial assets at amortized cost	19	**84,613,075**	97,682,820
Other financial assets at fair value through other comprehensive income	20	**35,680**	35,595
Other financial assets at fair value through profit or loss	20	**3,910,748**	4,399,137
		219,863,984	215,288,067
Current assets			
Inventories	22	**49,674,892**	63,339,188
Contract assets	23	**3,757,886**	3,499,556
Trade and note receivables at amortized cost	24	**58,897,836**	42,517,549
Trade and note receivables at fair value through other comprehensive income	16	**14,607,291**	17,646,449
Prepayments, other receivables and other assets	15	**24,791,911**	22,652,175
Loan receivables	17	**13,404,931**	11,047,886
Derivative financial instruments	21	**1,760,709**	5,255,303
Other financial assets at amortized cost	19	**95,041,006**	69,234,257
Other financial assets at fair value through other comprehensive income	20	**5,300,079**	6,525,002
Other financial assets at fair value through profit or loss	20	**2,446,175**	6,936,113
Term deposits and restricted cash	25	**66,820,540**	85,291,580
Cash and cash equivalents	25	**81,666,269**	55,118,728
		418,169,525	389,063,786
Total assets		**638,033,509**	604,351,853

	Note	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings	26	**12,236,889**	13,758,532
Lease liabilities	13	**2,088,111**	1,825,258
Deferred tax liabilities		**6,215,873**	4,896,815
Other payables and accruals	29	**3,120,130**	2,181,809
Deferred income	31	**2,258,290**	2,196,222
Derivative financial instruments	21	**114,143**	6,020
		26,033,436	24,864,656
Current liabilities			
Trade and note payables	27	**131,300,381**	118,774,248
Contract liabilities	28	**38,646,503**	49,254,717
Borrowings	26	**80,779,272**	69,549,174
Lease liabilities	13	**1,270,940**	1,122,108
Customer deposits		**116,191**	137,344
Derivative financial instruments	21	**2,646,896**	3,095,850
Other financial liabilities at fair value through profit or loss	30	**752,199**	873,776
Current tax liabilities		**4,164,255**	3,798,350
Other payables and accruals	29	**122,900,355**	105,214,239
		382,576,992	351,819,806
Total liabilities		**408,610,428**	376,684,462

	Note	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
EQUITY			
Share capital	32	**7,666,154**	7,655,956
Treasury shares	33	**(7,221,873)**	(5,728,446)
Reserves	35	**62,981,230**	61,231,287
Retained earnings	34	**152,684,516**	153,591,297
Equity attributable to owners of the Company		**216,110,027**	216,750,094
Non-controlling interests		**13,313,054**	10,917,297
Total equity		**229,423,081**	227,667,391
Total equity and liabilities		**638,033,509**	604,351,853

The above interim condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

The consolidated financial statements on pages 107 to 164 were approved by the Board of Directors on 29 August 2025 and were signed on its behalf.

Fang Hongbo
Chairman

Wang Jianguo
Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Unaudited						
	Attributable to owners of the Company						
	Share capital RMB'000 (Note 32)	Treasury shares RMB'000 (Note 33)	Reserves RMB'000 (Note 35)	Retained earnings RMB'000 (Note 34)	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2025	7,655,956	(5,728,446)	61,231,287	153,591,297	216,750,094	10,917,297	227,667,391
Comprehensive income:							
Profit for the period	–	–	–	26,013,690	26,013,690	633,664	26,647,354
Other comprehensive income	–	–	196,963	–	196,963	137,843	334,806
Total comprehensive income	–	–	196,963	26,013,690	26,210,653	771,507	26,982,160
Transactions with owners							
Capital injection (Note 32, Note 35, Note 38)	22,782	–	1,418,868	–	1,441,650	1,914,445	3,356,095
Business combinations	–	–	(327,255)	–	(327,255)	475,381	148,126
Share-based compensation expenses	–	–	539,448	–	539,448	24,403	563,851
Appropriation to general reserves	–	–	209,880	(209,880)	–	–	–
Reversal of general reserves	–	–	(3,844)	3,844	–	–	–
Cancellation of shares (Note 32, Note 33, Note 35)	(11,091)	814,851	(803,760)	–	–	–	–
Dividends	–	–	–	(26,714,435)	(26,714,435)	(126,916)	(26,841,351)
Appropriation to special reserves	–	–	2,133	–	2,133	2,588	4,721
Special reserves utilization	–	–	(926)	–	(926)	(2,061)	(2,987)
Exercise or lapse (repurchases and cancellation) of other share schemes (Note 32, Note 33, Note 35)	(1,493)	174,503	(112,539)	–	60,471	4,139	64,610
Repurchase of shares (Note 33)	–	(2,482,781)	–	–	(2,482,781)	–	(2,482,781)
Transaction with NCI	–	–	628,504	–	628,504	(667,729)	(39,225)
Others	–	–	2,471	–	2,471	–	2,471
Balance at 30 June 2025	7,666,154	(7,221,873)	62,981,230	152,684,516	216,110,027	13,313,054	229,423,081

	Unaudited						
	Attributable to owners of the Company						
	Share capital RMB'000 (Note 32)	Treasury shares RMB'000 (Note 33)	Reserves RMB'000 (Note 35)	Retained earnings RMB'000 (Note 34)	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2024	7,025,769	(12,871,738)	32,440,770	136,282,362	162,877,163	11,420,787	174,297,950
Comprehensive income:							
Profit for the period	–	–	–	20,804,395	20,804,395	337,079	21,141,474
Other comprehensive loss	–	–	(491,428)	–	(491,428)	(260,126)	(751,554)
Total comprehensive (loss)/income	–	–	(491,428)	20,804,395	20,312,967	76,953	20,389,920
Transactions with owners							
Capital injection (Note 32, Note 35)	25,112	–	1,098,850	–	1,123,962	30,064	1,154,026
Share-based compensation expenses	–	–	780,439	–	780,439	24,906	805,345
Appropriation to general reserves	–	–	162,738	(162,738)	–	–	–
Reversal of general reserves	–	–	(3,366)	3,366	–	–	–
Cancellation of shares (Note 32, Note 33, Note 35)	(69,808)	5,159,408	(5,089,600)	–	–	–	–
Dividends	–	–	–	(20,776,352)	(20,776,352)	(63,746)	(20,840,098)
Appropriation to special reserves	–	–	4,638	–	4,638	10,445	15,083
Special reserves utilization	–	–	(3,361)	–	(3,361)	(10,095)	(13,456)
Exercise or lapse (repurchases and cancellation) of other share schemes (Note 32, Note 33, Note 35)	(921)	1,214,866	(740,707)	–	473,238	–	473,238
Others	–	–	3,440	–	3,440	(1,574)	1,866
Balance at 30 June 2024	6,980,152	(6,497,464)	28,162,413	136,151,033	164,796,134	11,487,740	176,283,874

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Note	Unaudited Six months ended 30 June 2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
Cash generated from operations	36 (a)	**42,273,414**	38,100,311
Interest received		**395,454**	641,822
Income tax paid		**(5,387,853)**	(5,253,963)
Net cash generated from operating activities		**37,281,015**	33,488,170
Cash flows from investing activities:			
Proceeds from/(payments for) disposal of subsidiaries, net of cash acquired/(disposed)		**268,106**	(215,770)
Payments for acquisition of subsidiaries, net of cash acquired		**(5,572,186)**	–
Proceeds from disposal of investments in associates and joint ventures		**4,000**	26,015
Payments for investments in associates and joint ventures		**(6,178)**	–
Proceeds from disposal of financial assets		**70,228,747**	58,932,362
Payments for purchase of financial assets		**(56,608,969)**	(78,156,904)
Proceeds from disposal of property, plant and equipment, intangible assets and other non-current assets		**352,065**	382,397
Payments for purchase of property, plant and equipment, intangible assets and other non-current assets		**(3,145,319)**	(3,734,576)
Interest received and others		**1,828,984**	1,550,444
Dividends received from associates and joint ventures		**201,146**	580,478
Net cash generated from/(used in) investing activities		**7,550,396**	(20,635,554)

	Note	Unaudited Six months ended 30 June 2025 RMB'000	2024 RMB'000
Cash flows from financing activities:			
Proceeds from share schemes		**1,511,915**	1,167,830
Payments for repurchase of shares and refund the exercise price of lapsed restricted shares		**(2,533,795)**	(22,768)
Transactions with non-controlling interests		**1,895,800**	20,000
Proceeds from borrowings		**50,310,188**	19,407,555
Repayments of borrowings		**(43,618,375)**	(19,083,158)
Interests paid		**(811,892)**	(805,920)
Dividends paid to the Company's shareholders		**(24,443,729)**	(20,780,278)
Dividends paid to non-controlling interests in subsidiaries		**(140,462)**	(84,424)
Lease liabilities related payments		**(755,215)**	(726,899)
Listing expenses paid		**–**	(5,224)
Others		**(527,499)**	(63,870)
Net cash used in financing activities		**(19,113,064)**	(20,977,156)
Net increase/(decrease) in cash and cash equivalents		**25,718,347**	(8,124,540)
Cash and cash equivalents at beginning of the period		**55,118,728**	59,887,260
Exchange gains/(losses) on cash and cash equivalents		**829,194**	(262,006)
Cash and cash equivalents at end of the period	25	**81,666,269**	51,500,714

The above interim condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE INTERIM FINANCIAL INFORMATION

1. GENERAL INFORMATION

Midea Group Co., Ltd. (hereinafter referred to as "the Company"), was set up by the Council of Trade Unions of GD Midea Group Co., Ltd. and was registered in Market Safety Supervision Bureau of Shunde District, Foshan, PRC on 7 April 2000, with its headquarters located in Foshan, Guangdong. On 30 August 2012, the Company was transformed into a joint stock company. On 29 July 2013, the Company was approved to merge and acquire Guangdong Midea Electric Co., Ltd., which was listed on Shenzhen Stock Exchange. The Company's A shares have been listed on Shenzhen Stock Exchange since 18 September 2013. The Company's H shares have been listed on the Main Board of the Stock Exchange of Hong Kong Limited since 17 September 2024.

The Company and its subsidiaries (hereinafter collectively referred to as "the Group") are principally engaged in manufacturing and sales of residential air-conditioner, central air-conditioner, heating and ventilation systems, kitchen appliances, refrigerators, washing machines and various small appliances, elevators, high-voltage inverters, low-voltage inverters, medical imaging products, robotics and automation system. The Group also carried out other businesses including provision of the smart supply chain; sale, wholesale and processing of raw materials of household electrical appliances; and financial businesses involving customer deposits, interbank lending and borrowings, consumption credits, buyer's credits and finance leases.

The consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

This Interim Financial Information was approved for issue by the board of directors of the Company on 29 August 2025 and has not been audited.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

2.1 Basis of preparation

This interim condensed consolidated financial information, comprising interim condensed consolidated statement of financial position as at 30 June 2025, the interim condensed consolidated statement of profit or loss and other comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six months ended 30 June 2025 (collectively referred to as the "Interim Financial Information"), has been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" as issued by the International Accounting Standard Board ("IASB") and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2024, which have been prepared in accordance with IFRS Accounting Standards, as set out in the 2024 annual report of the Company (the "2024 Financial Statements").

Except as described below, the accounting policies and methods of computation used in the preparation of the Interim Financial Information are generally consistent with those used in the 2024 Financial Statements.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies

2.2.1 Amendments to standards adopted by the Group

The Group has applied the following amendments to standards for the financial year beginning on 1 January 2025.

Amendments to IAS 21	Lack of Exchangeability

The adoption of these amendments to standards does not have significant impact on the Interim Financial Information of the Group.

2.2.2 New standards, amendments to standards and interpretations not yet been adopted by the Group

New standards, amendments and interpretations that have been issued but not yet effective and have not been early adopted:

		Effective for annual periods beginning on or after
Annual Improvements to IFRS Accounting Standards — Volume 11	Clarifications, simplifications, corrections, and changes intended to improve consistency	1 January 2026
Amendments to IFRS 9 and IFRS 7	Financial Instruments Standards	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint venture	To be determined

Except for IFRS 18 mentioned below, the above new standards and amended standards are not expected to have a material impact on the Interim Financial Information of the Group and performance in the current or future reporting periods and on foreseeable future transactions.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

2.2.2 New standards, amendments to standards and interpretations not yet been adopted by the Group (Continued)

IFRS 18 will replace IAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

2.2.3 Changes in presentation of quality guarantee expenses

The Group previously presented the quality guarantee expenses that does not constitute a single performance obligation in the item of "selling and marketing expenses" in the interim condensed consolidated statement of profit or loss. Due to the change in presentation of such quality guarantee obligation under Accounting Standard for Business Enterprise issued by the Ministry of Finance of China, the Group reclassified the quality guarantee expenses from "selling and marketing expenses" to "cost of revenue" in the consolidated statement of profit or loss under IFRS in 2024 in order to achieve consistency of the presentation. Accordingly, the comparative interim condensed consolidated statement of profit or loss for the six months ended 30 June 2024 was restated with the amount of RMB1,477,501,000 reclassified from "selling and marketing expenses" to "cost of revenue". This change did not have any impact on the opening consolidated statement of financial position for the six months ended 30 June 2024.

2.3 Critical Accounting Estimates and Judgements

The preparation of the interim financial information in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

In preparing the Interim Financial Information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those applied to the 2024 Financial Statements.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, other price risk, interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by the directors and senior management of the Group.

The aggregate net foreign exchange gains/(losses) recognized in profit or loss were:

	Unaudited Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Net foreign exchange gains/(losses) included in other gains/(losses), net (Note 6)	**3,588,989**	(2,209,120)
Exchange (losses)/gains on foreign currency borrowings included in finance costs (Note 8)	**(825,858)**	198,612
Total net foreign exchange gains/(losses) recognized in profit before income tax for the period	**2,763,131**	(2,010,508)

The Interim Financial Information does not include all financial risk management information and disclosures required in the 2024 Financial Statements and should be read in conjunction with the 2024 Financial Statements. There were no significant changes in any material risk management policies during the six months ended 30 June 2025.

3.2 Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 December 2024 and the six months ended 30 June 2025.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital management (Continued)

The Group monitors capital on the basis of the asset-liability ratio and the asset-liability ratio as at 30 June 2025 and 31 December 2024 were as follows:

	As at 30 June 2025	As at 31 December 2024
Total assets *(RMB'000)*	**638,033,509**	604,351,853
Total liabilities *(RMB'000)*	**408,610,428**	376,684,462
Asset-liability ratio	**64.04%**	62.33%

3.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at 30 June 2025 and 31 December 2024 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorized into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(a) Fair value hierarchy

As at 30 June 2025 and 31 December 2024, the financial assets and liabilities measured at fair value on a recurring basis by the above three levels were analyzed below:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 30 June 2025 (Unaudited)				
Financial assets:				
Trade and note receivables at FVOCI (Note 16)	**–**	**14,607,291**	**–**	**14,607,291**
Derivative financial instruments (Note 21)	**–**	**1,849,259**	**–**	**1,849,259**
Other financial assets at FVPL (Note 20(a))	**1,464,279**	**981,896**	**3,910,748**	**6,356,923**
Other financial assets at FVOCI (Note 20(b))	**–**	**5,300,079**	**35,680**	**5,335,759**
	1,464,279	**22,738,525**	**3,946,428**	**28,149,232**
Financial liabilities:				
Other financial liabilities at FVPL (Note 30)	**–**	**–**	**752,199**	**752,199**
Derivative financial instruments (Note 21)	**–**	**2,761,039**	**–**	**2,761,039**
	–	**2,761,039**	**752,199**	**3,513,238**

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 31 December 2024 (Audited)				
Financial assets:				
Trade and note receivables at FVOCI (Note 16)	–	17,646,449	–	17,646,449
Derivative financial instruments (Note 21)	–	5,736,618	–	5,736,618
Other financial assets at FVPL (Note 20(a))	2,504,122	4,431,991	4,399,137	11,335,250
Other financial assets at FVOCI (Note 20(b))	–	6,525,002	35,595	6,560,597
	2,504,122	34,340,060	4,434,732	41,278,914
Financial liabilities:				
Other financial liabilities at FVPL (Note 30)	–	–	873,776	873,776
Derivative financial instruments (Note 21)	–	3,101,870	–	3,101,870
	–	3,101,870	873,776	3,975,646

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(a) Fair value hierarchy (Continued)

The timing of transfers is determined at the date of the event or change in circumstances that caused the transfers. During the period, there was no transfer between Level 1 and Level 2 or between Level 2 and Level 3.

(b) Valuation techniques used to determine fair values

The fair value of financial instruments traded in an active market is determined at the quoted market price; and the fair value of those not traded in an active market is determined by the Group using valuation technique. The valuation models used mainly comprise discounted cash flow approach, market comparable company approach and net assets approach. The inputs of the valuation technique mainly include risk-free interest rate, floating rate, foreign exchange rate, volatility, financial data of target companies, market multiple of comparable companies and discount for lack of marketability.

Assets and liabilities subject to Level 2 fair value measurement were mainly included trade and note receivables at FVOCI, structured deposits in other financial assets at FVPL, transferable certificate of deposit in other financial assets at FVOCI and derivative financial instruments are evaluated by discounted cash flows approach, market approach and income approach.

Assets and liabilities subject to Level 3 fair value measurement were mainly included unlisted securities of other financial assets at FVPL and other financial assets at FVOCI, and financial liabilities at FVPL. These assets and liabilities were measured mainly using market approach, net asset value and consensus pricing. The judgement of Level 3 of the fair value hierarchy is based on the materiality of unobservable inputs towards calculation of whole fair value. Significant unobservable inputs mainly include the financial data of targeted companies, market multiple of comparable companies and discount for lack of marketability.

The Group did not change any valuation techniques in determining the level 2 and level 3 fair values.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(b) Valuation techniques used to determine fair values (Continued)

The following table presents the changes in level 3 items:

Reconciliation of Level 3 fair value measurements	Financial assets at FVOCI and FVPL	
	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Opening balance	**4,434,732**	5,725,465
Disposals/settlements	**(103,601)**	(67,227)
Transfer out of Level 3 (a)	**–**	(1,345,172)
Changes in fair value recognized in other comprehensive income	**(10)**	48
Changes in fair value recognized in profit or loss	**(367,385)**	22,922
Currency translation differences	**(17,308)**	6,489
Closing balance	**3,946,428**	4,342,525

Reconciliation of Level 3 fair value measurements	Other financial liabilities at FVPL	
	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Opening balance	**873,776**	1,346,674
Disposals/settlements	**(108,088)**	(63,870)
Changes in fair value recognized in profit or loss	**(13,489)**	(207,416)
Closing balance	**752,199**	1,075,388

(a) For the six months ended 30 June 2024, certain financial assets were transferred out of level 3 of fair value hierarchy classifications mainly as a result of the conversion of restricted listed securities into tradable listed securities.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(b) Valuation techniques used to determine fair values (Continued)

(b) For the six months ended 30 June 2025, the Group's own credit risk on other financial liabilities at FVPL was not considered to be a significant input factor.

4. SEGMENT INFORMATION AND REVENUE

(a) Description of segments and principal activities

The Group's chief operating decision maker, consisting of the chief executive officer, the chief financial officer and the manager for corporate planning, examines the Group's performance both from a product and geographic perspective and has identified four reportable segments of its business:

- Smart home solutions: this part of the business manufacturing and sales of a wide range of home appliances, including air conditioners, refrigerators, washing machines, kitchen appliances, and various other appliances.

- Intelligent building technology: this part of the business providing intelligent and integrated solutions for infrastructure, public premises, industrial parks, agricultural facilities and more, supported by offerings of commercial air conditioners, elevators, building energy management and building control software.

- Energy solutions and industrial technology: this part of the business manufacturing and sales of green energy solutions and core industrial components, including compressors, motors, industrial control systems, large-scale energy storage, industrial and commercial energy storage, household energy storage, intelligent power grids, distributed photovoltaic solutions and new energy vehicle components (such as thermal management systems).

- Others: this part of the business were mainly one-stop automation solutions of industrial robotics, production cells and fully automated systems, automated logistics systems, intelligent supply chain business integration solutions, financial services and medical device products and related services.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit before tax except that net impairment losses on financial assets and contract assets, other income (excluding interest income), other gains/losses (excluding net foreign exchange gains/losses), share of profit of associates and joint ventures, net, impairment provision for inventories and other assets and impairment provision for investments in associates and joint ventures are excluded from such measurement.

4. SEGMENT INFORMATION AND REVENUE (Continued)

(a) Description of segments and principal activities (Continued)

During the year ended 31 December 2024, due to business development and changes in internal organizational structure, the Group revised the reportable segments based on changes in the internal reporting used by the Chief Operating Decision Maker for the purposes of resource allocation and performance evaluation. The composition of its reportable segments is adjusted, and the corresponding information for the six months ended 30 June 2024 is restated.

(b) Segment information

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines:

Segment information for the six months ended 30 June 2025 is as follows:

	Unaudited					
	Smart home solutions	Intelligent building technology	Energy solutions and industrial technology	Other segments and unallocated	Inter-segment elimination	Total
Revenue from external customers	183,335,095	19,112,027	25,555,063	24,329,309	-	252,331,494
Inter-segment revenue	1,373,472	1,172,560	13,223,378	5,333,503	(21,102,913)	-
Operating costs and expenses	(161,858,273)	(17,436,406)	(36,270,836)	(26,568,430)	21,113,293	(221,020,652)
– Cost of revenue (excluding impairment loss, taxes and surcharges)	(135,025,375)	(14,381,958)	(32,920,082)	(23,211,998)	18,752,265	(186,787,148)
Segment profit	22,850,294	2,848,181	2,507,605	3,094,382	10,380	31,310,842
Other profit or loss						32,447
Total profit before income tax						31,343,289
Total assets	438,854,254	55,804,479	73,167,153	422,097,056	(351,889,433)	638,033,509
Total liabilities	296,618,133	38,730,589	47,863,909	382,368,551	(356,970,754)	408,610,428
Long-term equity investments in associates and joint ventures	1,102,394	33,419	311,215	4,037,257	-	5,484,285
Share of profit of associates and joint ventures, net	339,644	5,160	(13,606)	137,920	-	469,118
Increase in non-current assets (excluding long-term equity investments, financial assets, goodwill and deferred tax assets)	5,823,479	5,953,953	1,574,913	1,336,338	-	14,688,683
Net impairment losses/(reversal) on financial assets and contract assets	225,405	52,861	31,402	139,393	(92,535)	356,526
Depreciation and amortization	1,610,402	368,930	706,805	1,585,384	(779)	4,270,742

4. SEGMENT INFORMATION AND REVENUE (Continued)

(b) Segment information (Continued)

Segment information for the six months ended 30 June 2024 is as follows:

	Unaudited					
	Smart home solutions	Intelligent building technology	Energy solutions and industrial technology	Other segments and unallocated	Inter-segment elimination	Total
Revenue from external customers	160,214,891	15,895,983	20,410,907	21,600,058	–	218,121,839
Inter-segment revenue	849,024	858,873	12,773,171	4,300,171	(18,781,239)	–
Operating costs and expenses	(143,963,345)	(13,609,088)	(30,583,036)	(25,322,675)	18,762,000	(194,716,144)
– Cost of revenue (excluding impairment loss, taxes and surcharges)	(117,079,176)	(12,086,459)	(27,526,510)	(19,975,096)	16,779,867	(159,887,374)
Segment profit	17,100,570	3,145,768	2,601,042	577,554	(19,239)	23,405,695
Other profit or loss						2,046,148
Total profit before income tax						25,451,843
Share of profit of associates and joint ventures, net	275,442	6,418	(14,254)	164,333	–	431,939
Net impairment (reversal)/losses on financial assets and contract assets	(62,662)	23,555	74,735	51,346	(51,766)	35,208
Depreciation and amortization	1,617,976	193,760	642,000	1,383,319	(1,273)	3,835,782

Revenue from external customers is derived from sales of the Smart home solutions, intelligent building technology, energy solutions and industrial technology, and other businesses.

Revenue generated from robotics and automation system construction service, logistics services, intelligent and integrated solutions for infrastructure services and green energy solutions construction services are recognized over time when the services are provided.

There was no customer who individually contributed 10% or more of the Group's revenue during the six months ended 30 June 2025 and 2024.

4. SEGMENT INFORMATION AND REVENUE (Continued)

(b) Segment information (Continued)

Revenue is analysed as follows:

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Operating revenue	**251,123,714**	217,274,086
Interest income (a)	**1,207,524**	847,509
Fees and commission income	**256**	244
	252,331,494	218,121,839

(a) Interest income mainly represents interest income from loan receivables and deposits at other banks under the financial service business of the Group.

The Company is domiciled in Mainland China. The amount of the Group's revenue from external customers by location of the customers is shown in the table below:

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Mainland China	**145,138,862**	127,045,708
Other countries or regions	**107,192,632**	91,076,131
	252,331,494	218,121,839

(c) Assets and liabilities related to contracts with customers

The assets and liabilities related to contracts with customers refer to Note 23 and Note 28.

5. OTHER INCOME

	Unaudited Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Interest income (a)	**3,993,492**	3,042,813
Government grants (b)	**716,589**	687,887
Additional deduction for VAT (c)	**709,372**	696,254
	5,419,453	4,426,954

(a) Interest income

Interest income from other financial assets at FVPL is included in the net fair value gains/(losses) on these assets, see Note 6 below. Interest income on other financial assets at amortized cost and other financial assets at FVOCI calculated using the effective interest method is recognized in profit or loss as part of other income.

(b) Government grants

The government grants were mainly incentives provided by local government authorities in the PRC, including various forms of government financial incentives and preferential tax treatments, to reward the Group's support and contribution for the development of local economies. As at 30 June 2025 and 31 December 2024, there were no unfulfilled conditions or contingencies relating to these government grants.

(c) Pursuant to the Notice on the Additional Value-added Tax ("VAT") Credit Policy for Advanced Manufacturing Enterprises (Announcement [2023] No. 43) issued by the Ministry of Finance and the State Taxation Administration in September 2023, advanced manufacturing enterprises are eligible for a 5% additional VAT deduction based on deductible input VAT.

6. OTHER GAINS/(LOSSES), NET

	Unaudited Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Net (losses)/gains on financial instruments (a)	**(1,189,078)**	375,360
Net foreign exchange gains/(losses)	**3,588,989**	(2,209,120)
Net (losses)/gains on disposal of property, plant and equipment and other assets	**(20,653)**	114,007
Others	**59,821**	108,345
	2,439,079	(1,611,408)

(a) Net (losses)/gains on financial instruments mainly include net (losses)/gains on derivative financial instruments, other financial assets at FVPL and other financial liabilities at FVPL.

7. EXPENSES BY NATURE

Expenses included in cost of revenue, selling and marketing expenses, general and administrative expenses and research and development expenses are analyzed as follows:

	Unaudited Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Raw materials and consumables used	**147,753,594**	130,636,444
Employee benefit expenses	**23,296,165**	21,784,419
Advertising and promotion expenses	**13,809,044**	11,269,849
Transportation and insurance charges	**12,973,550**	10,447,979
Installation and after-sales expenses	**6,911,038**	5,007,967
Depreciation and amortization	**4,270,742**	3,835,782
Auditors' remuneration	**5,773**	5,275
Listing expenses	**–**	1,414
Others	**18,447,554**	12,724,352
	227,467,460	195,713,481

8. FINANCE COSTS, NET

	Unaudited Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Finance income:		
Interest income from financial assets held for cash management purposes (a)	**394,120**	641,822
Reclassification from cost of hedge reserves	**56,903**	55,459
	451,023	697,281
Finance costs:		
Interest and finance charges paid/payable for borrowings	**(1,037,895)**	(990,207)
Interest and finance charges paid/payable for lease liabilities (Note 13(b))	**(79,139)**	(74,478)
Net exchange (losses)/gains on foreign currency borrowings	**(825,858)**	198,612
	(1,942,892)	(866,073)
Finance costs, net	**(1,491,869)**	(168,792)

(a) Interest income represents interest income from cash and cash equivalent, including bank balances and term deposits with initial terms within three months.

9. TAXATION

(a) Income tax expense

Income tax expense is recognized based on management's best knowledge of the income tax rates expected for the financial year.

The following table sets forth the component of income tax expenses of the Group for the six months ended 30 June 2025 and 2024:

	Unaudited Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Current income tax	**5,832,492**	5,625,048
Deferred income tax	**(1,136,557)**	(1,314,679)
	4,695,935	4,310,369

(i) PRC corporate income tax ("CIT")

The income tax provision of the Group in respect of its operations in Mainland China was calculated at a tax rate of 25% on the assessable profits for the periods presented, based on the existing legislation, interpretation and practices in respect thereof.

Certain subsidiaries of the Company in Mainland China were approved as high-tech enterprises, and they were subject to a preferential corporate income tax rate of 15% during the six months ended 30 June 2025 and 2024.

Certain subsidiaries of the Company were entitled to other tax concessions, mainly including the preferential tax rate of 15% applicable to some subsidiaries located in certain areas of Mainland China upon fulfillment of certain requirements of the respective local governments and application conditions of relevant preferential policies.

During the six months ended 30 June 2025 and 2024, certain subsidiaries of the Company located in Mainland China met the criteria for small and micro enterprises under the Chinese corporate income tax system. Therefore, these subsidiaries were subject to the effective income tax rate of 5%.

The Company's subsidiaries in Mainland China other than those mentioned above are subject to enterprise income tax at the rate of 25%.

9. TAXATION (Continued)

(a) Income tax expense (Continued)

(ii) Cayman Islands and British Virgin Islands corporate income tax

Under the current laws of the British Virgin Islands, entities incorporated in British Virgin Islands are not subject to tax on their income or capital gains.

(iii) Hong Kong profits tax

Hong Kong profits tax has been provided for at the rate of 16.5% on the estimated assessable profits during the six months ended 30 June 2025 and 2024.

(iv) Corporate income tax in other jurisdictions

The income tax rates of the subsidiaries in Singapore, Brazil, Japan, Italy, Germany, Israel, Egypt, USA and Vietnam are 17%, 34%, 34.01%, 24%, 32%, 23%, 22.5%, 21% and 20%, respectively.

Midea Electric Trading (Singapore) Co., Pte Ltd., the Company's subsidiary, was awarded with the Certificate of Honor for Development and Expansion (No. 587) by the Singapore Economic Development Board and subject to the applicable preferential income tax rate of 6% during the six months ended 30 June 2024 and 11% during the six months ended 30 June 2025, respectively.

Under the investment preferential BOI policy of the Thailand Board of Investment, eligible subsidiaries in Thailand are not subject to tax on their BOI business income which belongs to the preferential policy during the period.

Income tax on profit arising from other jurisdictions, including Singapore, Brazil, Japan, Italy, Germany, Israel, Egypt, the USA and Vietnam had been calculated on the estimated assessable profit for the period at the respective rates prevailing in the relevant jurisdictions.

(v) Additional deduction for research and development expense

According to the relevant laws and regulations promulgated by the State Council of the People's Republic of China that was effective from 2008 onwards, enterprises engaging in research and development activities were entitled to claim 150% of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year ("Additional Deduction"). The State Taxation Administration of The People's Republic of China ("STA") further announced in March 2021 that manufacturing enterprises engaging in research and development activities would entitle to claim 200% of their research and development expenses as Accelerated Deduction since 1 January 2021. The STA further announced in March 2023 that eligible enterprises would entitle to claim 200% of their research and development expenses as Additional Deduction since 1 January 2023. The Group has made its best estimate for the Additional Deduction to be claimed for the Group's entities in ascertaining their assessable profits during the period.

9. TAXATION (Continued)

(a) Income tax expense (Continued)

(vi) Withholding tax ("WHT")

According to the New Enterprise Income Tax Law ("New EIT Law"), distribution of profits earned by companies in Mainland China since 1 January, 2008 to foreign investors is subject to withholding tax of 10% or treaty tax rate, depending on the country of incorporation of the foreign investors, upon the distribution of profits to overseas-incorporated immediate holding companies. As at 30 June 2025 and 31 December 2024, the Group has recognized deferred tax liabilities in relation to withholding taxes for the earnings of the Mainland China subsidiaries to be remitted in the foreseeable future.

As at 30 June 2025 and 31 December 2024, the Group does not have plans to require some overseas subsidiaries to distribute their unremitted earnings in the foreseeable future, and intends to retain them to operate and expand its business in overseas. Accordingly, no deferred income tax liability related to WHT on unremitted earnings of these subsidiaries was accrued as at the end of each reporting period.

(vii) OECD Pillar Two model rules

The Organization for Economic Co-operation and Development ("OECD") published Pillar Two model rules in December 2021, with the effect that a jurisdiction may enact domestic tax laws ("Pillar Two legislation") to implement the Pillar Two model rules on a globally agreed common approach. Pillar Two legislation applies to a member of a multinational group within the scope of the Pillar Two model rules, which the Group is reasonably expected to fall into. It imposes a top-up tax on profits arising in a jurisdiction whenever the effective tax rate determined by the Pillar Two model rules on a jurisdictional basis is below a minimum rate of 15%.

The Group has reviewed its corporate structure in light of the introduction of Pillar Two model rules in various jurisdictions and engaged external tax specialists to assist them with applying the legislation and determining the related impact.

As at 30 June 2025, the Group mainly operates in the Mainland China, in which exposures to Pillar Two income taxes might exist although the legislation is not yet substantively enacted or enacted. The Group applies the IAS 12 exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Besides, certain subsidiaries of the Company are located in jurisdictions mainly including Hong Kong, Thailand, Singapore, Switzerland, Netherlands, Japan, Germany and Italy where Pillar Two legislation had been enacted and effected. For those jurisdictions, the Group's assessment indicates that there is no material related current tax exposure in these jurisdictions for the six months ended 30 June 2025. For those jurisdictions, where the Pillar Two legislation was enacted but not effective by 30 June 2025, the Group has no related current tax exposure.

10. DIVIDENDS

A final dividend in respect of the year ended 31 December 2024 of RMB35 per 10 shares (tax inclusive) was proposed pursuant to a resolution passed by the Board of Directors on 28 March 2025 and approved by the shareholders at the Company's 2024 annual general meeting held on 30 May 2025. Such dividend amounted to RMB24,443,729,000 was paid during the six months ended 30 June 2025, while RMB2,270,091,000 was subsequently paid in July 2025 respectively.

On 29 August 2025, the Board of Directors resolved to declare an interim dividend of RMB5 per 10 shares (tax inclusive) (2024 interim: nil), which is subject to the approval of shareholders at the Company's forthcoming extraordinary general meeting. This interim dividend was not been recognized as a liability in this Interim Financial Information.

11. EARNINGS PER SHARE

(a) Basic

Basic earnings per share ("EPS") is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the six months ended 30 June 2025 and 2024, excluding ordinary shares held for share schemes as these shares are not considered outstanding for earnings per share calculation purposes.

	Unaudited Six months ended 30 June	
	2025	2024
Profit attributable to owners of the Company *(RMB'000)*	**26,013,690**	20,804,395
Less: Dividends payable to expected vested restricted shares *(RMB'000)*	**(159,820)**	(105,952)
Profit attributable to owners of the Company used in calculating basic EPS *(RMB'000)*	**25,853,870**	20,698,443
Weighted average number of ordinary shares in issue *(thousand shares)*	**7,581,647**	6,863,659
Basic EPS *(RMB per share)*	**3.41**	3.02

11. EARNINGS PER SHARE (Continued)

(b) Diluted

The share schemes granted by the Company and the subsidiaries have potential dilutive effect on the EPS. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from share schemes (collectively forming the denominator for computing the diluted EPS).

For the six months ended 30 June 2025 and 2024, the Restricted Share Incentive Schemes and Stock Ownership Schemes granted by the Group's subsidiaries had either anti-dilutive effect or insignificant dilutive effect to the Group's diluted earnings per share.

	Unaudited Six months ended 30 June	
	2025	2024
Adjusted profit attributable to owners of the Company used in calculating diluted EPS *(RMB'000)*	**25,959,578**	20,722,969
Weighted average number of ordinary shares in issue *(thousand shares)*	**7,581,647**	6,863,659
Adjustments for potential shares arising from share schemes *(thousand shares)*	**38,991**	21,075
Weighted average number of ordinary shares used in calculating diluted EPS *(thousand shares)*	**7,620,638**	6,884,734
Diluted EPS *(RMB per share)*	**3.41**	3.01

12. PROPERTY, PLANT AND EQUIPMENT

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Buildings	**17,948,510**	16,006,150
Overseas land	**1,857,682**	1,444,082
Machinery and equipment	**15,318,032**	12,783,160
Motor vehicles	**730,816**	747,010
Electronic equipment and others	**2,906,226**	2,548,506
Construction in progress	**6,016,981**	5,363,977
Leasehold improvements	**766,008**	735,836
	45,544,255	39,628,721

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Certain property, plant and equipment as at 30 June 2025 and 31 December 2024 respectively, were pledged as securities for bank loan facilities and financing leases.

(b) Depreciation of the Group's property, plant and equipment has been recognized as follows:

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Cost of revenue	**1,316,541**	1,261,643
General and administrative expenses	**593,169**	480,152
Research and development expenses	**387,095**	306,399
Selling and marketing expenses	**168,408**	149,050
	2,465,213	2,197,244

13. LEASE

This note provides information for leases where the Group is a lessee.

(a) Amounts recognized in the condensed consolidated statement of financial position

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Right-of-use assets		
Buildings	**2,721,845**	2,499,018
Machinery and equipment	**243,987**	201,026
Land use rights and others	**6,940,046**	6,586,615
Trademark use rights	**1,783,315**	1,512,864
	11,689,193	10,799,523
Lease liabilities		
Current	**1,270,940**	1,122,108
Non-current	**2,088,111**	1,825,258
	3,359,051	2,947,366

13. LEASE (Continued)

(a) Amounts recognized in the condensed consolidated statement of financial position (Continued)

Certain Leasehold land and land use rights were pledged as securities for bank loan facilities as at 30 June 2025 and 31 December 2024.

(b) Amounts recognized in the condensed consolidated statement of profit or loss

The condensed consolidated statement of profit or loss shows the following amounts relating to leases:

	Unaudited Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Depreciation charge of right-of-use assets		
Buildings	**652,036**	589,676
Machinery and equipment	**66,084**	51,336
Land use rights and others	**87,727**	108,607
Trademark use rights	**27,781**	22,640
	833,628	772,259
Interest expense (included in finance cost) (Note 8)	**79,139**	74,478
Expense relating to short-term leases (included in cost of goods sold and general and administrative expenses)	**631,688**	524,111
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in operating expenses and general and administrative expenses)	**12,170**	4,317
Expense relating to variable lease payments not included in lease liabilities (included in operating expenses and general and administrative expenses)	**222,061**	227,062

The total cash outflow for leases during the six months ended 30 June 2025 and 2024 were approximately RMB1,682,864,000 and RMB1,536,961,000, respectively.

14. INTANGIBLE ASSETS

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Goodwill	**34,724,222**	29,581,014
Trademark rights	**6,716,041**	4,562,532
Patents and non-patent technologies	**2,727,239**	2,520,279
Others	**4,012,076**	1,898,611
	48,179,578	38,562,436

(a) Amortization of the Group's intangible assets has been recognized as follows:

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Cost of revenue	**498,560**	428,016
General and administration expenses	**75,460**	60,998
Research and development expenses	**5,262**	4,842
	579,282	493,856

15. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Prepayments and other assets		
Prepayments (a)	**6,311,858**	5,346,518
Deductible value-added tax	**5,493,813**	8,558,983
Others	**12,035,588**	8,317,776
	23,841,259	22,223,277
Less: non-current portion	**(3,427,694)**	(2,788,449)
	20,413,565	19,434,828
Other receivables and other assets		
Other receivables	**2,938,023**	2,133,676
Long-term receivables (b)	**433,642**	572,291
Futures margin	**1,265,396**	775,294
	4,637,061	3,481,261
Less: provision for impairment		
– Other receivables	**(40,220)**	(56,264)
– Long-term receivables	**(96,299)**	(88,779)
	(136,519)	(145,043)
Less: non-current portion	**(122,196)**	(118,871)
	4,378,346	3,217,347
Prepayments, other receivables and other assets	**24,791,911**	22,652,175

(a) The non-current portion of prepayments mainly comprise prepaid construction equipment.

(b) Long-term receivables mainly comprise finance lease receivables.

16. TRADE AND NOTE RECEIVABLES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Trade and note receivables at FVOCI	**14,607,291**	17,646,449

Trade and note receivables at FVOCI were mainly bank acceptance notes transferred, discounted and endorsed for the purpose of daily treasury management and were qualified for derecognition.

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9.

17. LOAN RECEIVABLES

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Loan receivables to individuals	**810,028**	948,575
Loan receivables to corporations	**13,349,527**	10,704,099
	14,159,555	11,652,674
Less: Provision for impairment	**(331,536)**	(295,885)
	13,828,019	11,356,789
Less: Non-current portion	**(423,088)**	(308,903)
	13,404,931	11,047,886

17. LOAN RECEIVABLES (Continued)

By type of collateral held:

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Unsecured loans	**807,242**	944,672
Guaranteed loans	**424,749**	422,534
Pledged loans	**12,927,564**	10,285,468
	14,159,555	11,652,674

Impairment on loan receivables is measured as either 12-month expected credit losses or lifetime credit loss. On such basis, the Group's loan receivables was mainly concentrated in Stage 1.

18. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Movement of investments in associates and joint ventures is analyzed as follows:

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
At the beginning of the period	**5,223,478**	4,976,109
Additions and transfers	**35,304**	34,819
Disposals	**(4,000)**	(29,813)
Share of profit, net	**469,118**	431,939
Share of other comprehensive income	**(38,872)**	12,565
Share of other equity movement	**(175)**	3,488
Dividends	**(205,641)**	(585,221)
Currency translation differences	**5,073**	(3,336)
	5,484,285	4,840,550
Less: Impairment loss	**–**	–
At the end of the period	**5,484,285**	4,840,550

18. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (Continued)

Investments in associates and joint ventures of the Group mainly included the investments in Guangdong Shunde Rural Commercial Bank Co., Ltd., Hefei Royalstar Motor Co., Ltd., Carrier Midea North America LLC, Foshan Micro Midea Filter Mfg. Co., Ltd, Concepcion Midea Inc., TWENTYTHREEC LLC, Shenzhen CEGN Co., Ltd., Hefei Tianmei Environmental Equipment Co., Ltd. and T.G. Battery Co. (Hong Kong) Ltd..

There was no associate nor joint venture of the Group as at 30 June 2025 which, in the opinion of the directors, was material to the Group.

19. OTHER FINANCIAL ASSETS AT AMORTIZED COST

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Constant Return Financial Products	**179,654,081**	166,917,077
Less: Non-current portion	**(84,613,075)**	(97,682,820)
	95,041,006	69,234,257

As at 30 June 2025 and 31 December 2024, constant return financial products of the Group were mainly included term bank deposits with initial terms over one year, custom deposits and certificates of deposits deposited in financial institutions, which were subsequently measured at amortized cost.

Certain other financial assets at amortized cost were pledged as guaranteed deposits for notes payables as at 30 June 2025 and 31 December 2024.

Other Financial assets at amortized cost are subject to the impairment assessment according to IFRS 9, the identified impairment loss was immaterial as at 30 June 2025 and 31 December 2024.

20. OTHER FINANCIAL ASSETS AT FVPL AND FVOCI

(a) Other financial assets at FVPL

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Non-current:		
– Equity securities (a)	**3,910,748**	4,399,137
Current:		
– Structured deposits	**937,135**	4,054,888
– Listed securities	**1,464,279**	2,504,122
– Others	**44,761**	377,103
	2,446,175	6,936,113
	6,356,923	11,335,250

(a) Equity securities mainly comprise unlisted securities. The fair values of these equity securities are measured using a valuation technique with unobservable inputs and hence classified as Level 3 of the fair value hierarchy.

(b) Other financial assets at FVOCI

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Non-current:		
– Equity securities	**35,680**	35,595
Current:		
– Transferable certificate of deposits	**5,300,079**	6,525,002
	5,335,759	6,560,597

20. OTHER FINANCIAL ASSETS AT FVPL AND FVOCI (Continued)

(b) Other financial assets at FVOCI (Continued)

As at 30 June 2025 and 31 December 2024, the cost of the Group's transferable certificate of deposits approximated its fair value.

Other financial assets at FVOCI is subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial as at 30 June 2025 and 31 December 2024.

21. DERIVATIVE FINANCIAL INSTRUMENTS

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Assets:		
– Cross-currency interest rate swaps – used for hedging (a)	**–**	2,744,237
– Cross-currency interest rate swaps -held for trading	**88,550**	660,236
– Foreign currency and futures contracts – used for hedging (b)	**70,638**	61,531
– Others – held for trading (c)	**1,690,071**	2,270,614
	1,849,259	5,736,618
Less: Non-current portion	**(88,550)**	(481,315)
	1,760,709	5,255,303
Liabilities:		
– Cross-currency interest rate swaps – used for hedging (a)	**550,913**	–
– Cross-currency interest rate swaps -held for trading	**107,961**	–
– Foreign currency and futures contracts – used for hedging (b)	**300,618**	463,990
– Others – held for trading (c)	**1,801,547**	2,637,880
	2,761,039	3,101,870
Less: Non-current portion	**(114,143)**	(6,020)
	2,646,896	3,095,850

21. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

(a) In 2022, the Group purchased cross-currency interest rate swap to mitigate the cash flow risk associated with the guaranteed borrowings with principal of USD3,419,058,000. Under the swap, a nominal amount of USD3,419,058,000 was exchanged for EUR at an agreed exchange rate, and the USD floating rate (SOFR+0.55% p.a.) was exchanged for the agreed EUR fixed rate. The agreed swap period was scheduled to start in August 2022 and end in August 2025. The Group designated such borrowings as the hedged item, and the change in the value of cross-currency interest rate swap (excluding the foreign currency basis spread) as the hedging instrument for cash flow hedge. There was an economic relationship between the hedging instrument and the hedged item. The cross-currency interest rate swap matched the currency, notional amount and other major terms of borrowings denominated in USD.

The effective portion of changes in the fair value of derivatives that are designated and being qualified as cash flow hedges described above is recognized in cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss as other gains/(losses), net.

(b) Foreign currency and futures contracts mainly included foreign currency forwards, foreign currency options and futures contracts.

(c) Others mainly included foreign currency forwards, foreign currency options, futures contracts and cross-currency swaps.

22. INVENTORIES

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Finished goods	**34,401,166**	48,969,138
Raw materials	**12,078,767**	11,083,471
Work in progress	**2,681,163**	2,864,446
Consigned processing materials	**447,314**	486,960
Contract fulfilment costs	**1,024,228**	859,581
	50,632,638	64,263,596
Less: Provision for impairment loss	**(957,746)**	(924,408)
	49,674,892	63,339,188

23. CONTRACT ASSETS

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Contract assets (i)	**3,821,268**	3,548,408
Less: allowance for credit losses	**(63,382)**	(48,852)
	3,757,886	3,499,556

(i) Contract assets are mainly related to robotics and automation system construction service.

(a) The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9.

24. TRADE AND NOTE RECEIVABLES AT AMORTIZED COST

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Trade and note receivables		
– Trade receivables	**54,628,872**	37,199,712
– Note receivables	**6,052,854**	6,780,317
	60,681,726	43,980,029
Less: allowance for credit losses		
– Trade receivables	**(1,719,846)**	(1,400,738)
– Note receivables	**(64,044)**	(61,742)
	(1,783,890)	(1,462,480)
	58,897,836	42,517,549

24. TRADE AND NOTE RECEIVABLES AT AMORTIZED COST (Continued)

(a) The Group has various credit policies for different business operations depending on the different circumstances of the markets and businesses. The aging analysis of trade receivables based on the invoice date was as follows:

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Below 3 months	**42,311,499**	31,696,901
Between 3 and 6 months	**8,807,154**	2,728,345
Between 6 months and 1 year	**1,403,423**	936,438
Between 1 and 2 years	**826,887**	708,810
Over 2 years	**1,279,909**	1,129,218
	54,628,872	37,199,712

There was no concentration of credit risk with respect to trade receivables, as the Group has a large number of diversified base of customers.

Certain trade and note receivables at amortized cost were pledged for bank loan facilities, notes receivable discounted and notes payables as at 30 June 2025 and 31 December 2024, respectively.

(b) The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9.

(c) The carrying amount of trade receivables approximated their fair values. The provision and reversal of provision for impairment of receivables have been included in the condensed consolidated statement of profit or loss. Amounts charged to the allowance account are written off when there is no expectation of recovery.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above.

25. CASH AND CASH EQUIVALENTS, TERM DEPOSITS AND RESTRICTED CASH

(a) Cash and cash equivalents

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Cash at banks and in hand	**69,350,680**	52,852,096
Short-term bank deposits with initial terms within three months	**11,909,597**	1,900,854
Other deposits at financial institutions	**405,992**	365,778
	81,666,269	55,118,728

(b) Term deposits and restricted cash

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Term bank deposits (i)	**58,907,606**	78,155,209
Guarantee deposits (ii)	**4,769,722**	3,607,056
Statutory reserve deposits at Central Bank	**1,446,787**	2,460,330
Interest receivable	**1,696,425**	1,068,985
	66,820,540	85,291,580

(i) Term bank deposits are bank deposits with original maturities of over three months and due within one year.

(ii) Guarantee deposits mainly consist of the deposits for letter of bank acceptance notes, letters of guarantee and letters of credit.

26. BORROWINGS

	Unaudited As at 30 June 2025			Audited As at 31 December 2024		
	Current RMB'000	**Non-current RMB'000**	**Total RMB'000**	Current RMB'000	Non-current RMB'000	Total RMB'000
Secured						
Bank loans	**24,185,479**	**154,804**	**24,340,283**	16,922,989	141,957	17,064,946
Unsecured						
Bank loans	**56,593,793**	**8,829,225**	**65,423,018**	52,626,185	10,349,800	62,975,985
Debentures	**–**	**3,252,860**	**3,252,860**	–	3,266,775	3,266,775
Total unsecured borrowings	**56,593,793**	**12,082,085**	**68,675,878**	52,626,185	13,616,575	66,242,760
Total borrowings	**80,779,272**	**12,236,889**	**93,016,161**	69,549,174	13,758,532	83,307,706

(a) As at 30 June 2025 and 31 December 2024, the annual interest rate of main short-term borrowings were ranged from 0.70% to 9.00%, and 0.35% to 11.00%, respectively.

As at 30 June 2025 and 31 December 2024, the annual interest rate range of main long-term borrowings were ranged from 1.80% to 3.65% and 0.33% to 3.65%, respectively.

(b) At 30 June 2025 and 31 December 2024, the Group's borrowings were repayable as follows:

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Within 1 year	**80,779,272**	69,549,174
Between 1 and 2 years	**9,914,104**	7,619,857
Between 2 and 5 years	**2,167,982**	6,016,675
Over 5 years	**154,803**	122,000
	93,016,161	83,307,706

(c) Fair value

For the majority of the borrowings, the fair values are not materially different from their carrying amounts, since either the interest rates on those borrowings is close to current market rates, or the borrowings are of a short-term nature.

27. TRADE AND NOTE PAYABLES

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Trade and note payables		
– Trade payables	**103,080,998**	92,800,426
– Notes payables	**28,219,383**	25,973,822
	131,300,381	118,774,248

An aging analysis of the trade payables based on the invoice date as at the end of the reporting period was as follows:

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Below 3 months	**94,285,628**	86,873,115
Between 3 and 6 months	**4,353,875**	2,392,548
Between 6 months and 1 year	**2,206,530**	1,609,844
Over 1 year	**2,234,965**	1,924,919
	103,080,998	92,800,426

28. CONTRACT LIABILITIES

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Contract liabilities		
– advances on sales and services	**35,360,712**	46,124,179
– advances for construction projects	**3,285,791**	3,130,538
	38,646,503	49,254,717

(i) More than 90% of contract liabilities included in the carrying amount as at 31 December 2024 were transferred to operating revenue during the six months ended 30 June 2025.

29. OTHER PAYABLES AND ACCRUALS

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Sales rebate accruals	**63,774,641**	55,539,161
Marketing and transportation expenses accruals	**13,240,513**	9,145,017
Salaries, wages and benefits	**8,430,182**	10,521,325
Endorsed note receivables without been derecognized and not yet due	**3,200,611**	3,703,254
Other taxes payable	**2,771,867**	2,395,707
Other payables (a)	**7,225,082**	3,686,814
Others	**27,377,589**	22,404,770
	126,020,485	107,396,048
Less: non-current portion		
– Salaries, wages and benefits	**(1,760,309)**	(1,360,484)
– Others	**(1,359,821)**	(821,325)
	122,900,355	105,214,239

(a) Other payables mainly comprise restricted stock repurchase obligations, redemption liability and deposits.

30. OTHER FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Liabilities to fund investors	**752,199**	873,776

31. DEFERRED INCOME

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Government grants	**2,258,290**	2,196,222

32. SHARE CAPITAL

	Unaudited Six months ended 30 June 2025		
	Domestic listed A shares (RMB'000)	Overseas listed H shares (RMB'000)	Number of shares ('000)
At the beginning of the period	**7,005,107**	**650,849**	**7,655,956**
Issuance of shares under share schemes	**22,782**	**–**	**22,782**
Cancellation of shares	**(11,091)**	**–**	**(11,091)**
Treasury shares cancelled under share schemes	**(1,493)**	**–**	**(1,493)**
At the end of the period	**7,015,305**	**650,849**	**7,666,154**

32. SHARE CAPITAL (Continued)

	Unaudited Six months ended 30 June 2024	
	Domestic listed A shares (RMB'000)	Number of shares ('000)
At the beginning of the period	7,025,769	7,025,769
Issuance of shares under share schemes	25,112	25,112
Cancellation of shares	(69,808)	(69,808)
Treasury shares cancelled under share schemes	(921)	(921)
At the end of the period	6,980,152	6,980,152

(a) The share schemes represent the stock option incentive plans, restricted share incentive schemes and the stock ownership schemes granted by the Company.

33. TREASURY SHARES

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
At the beginning of the period	**5,728,446**	12,871,738
Repurchase of shares	**2,482,781**	–
Cancellation of shares (i)	**(814,851)**	(5,159,408)
Treasury shares transferred to the grantees or cancelled under share schemes	**(174,503)**	(1,214,866)
At the end of the period	**7,221,873**	6,497,464

33. TREASURY SHARES (Continued)

(i) Pursuant to the resolutions of shareholder's meeting on 30 May 2025, the use of 11,091,000 repurchased shares initially designated for the share schemes were cancelled and led to a reduction of the Company's registered capital. On 24 June 2025, the 11,091,000 repurchased shares were cancelled, the Company recognized a decrease of RMB11,091,000 in share capital, RMB814,851,000 in treasury shares and RMB803,760,000 in reserves.

(ii) As at 30 June 2025, treasury shares mainly comprised of approximately RMB2,496,782,000 (31 December 2024: RMB2,102,867,000) shares repurchased for share schemes, as well as restricted shares and employee share incentive plan amounting to approximately RMB4,725,091,000 (31 December 2024: RMB3,625,579,000) that have not met vesting condition, amounting to approximately RMB7,221,873,000 (31 December 2024: RMB5,728,446,000) in total.

34. RETAINED EARNINGS

	Unaudited Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
At the beginning of the period	**153,591,297**	136,282,362
Net profit attributable to owners of the Company	**26,013,690**	20,804,395
Dividends	**(26,714,435)**	(20,776,352)
Appropriation to general reserves (Note 35)	**(209,880)**	(162,738)
Reversal of general reserves (Note 35)	**3,844**	3,366
At the end of the period	**152,684,516**	136,151,033

35. RESERVES

Six months ended 30 June 2025	Unaudited								
	Share-based payments reserves RMB'000	Share premium RMB'000	Statutory reserves RMB'000	General reserves RMB'000	Special reserves RMB'000	Hedging reserve RMB'000	Foreign currency translation RMB'000	Other reserves RMB'000	Total RMB'000
At 1 January 2025	1,644,020	46,347,283	10,702,928	1,107,801	18,275	199,158	(780,683)	1,992,505	61,231,287
Appropriation to general reserves	-	-	-	209,880	-	-	-	-	209,880
Reversal of general reserves	-	-	-	(3,844)	-	-	-	-	(3,844)
Appropriation to special reserves	-	-	-	-	2,133	-	-	-	2,133
Special reserves utilization	-	-	-	-	(926)	-	-	-	(926)
Cancellation of shares	-	(803,760)	-	-	-	-	-	-	(803,760)
Share-based payment:									
– Share-based compensation expenses	539,448	-	-	-	-	-	-	-	539,448
– Exercise of the stock option	(342,349)	1,761,217	-	-	-	-	-	-	1,418,868
– Exercise or lapse of other share schemes	-	(112,539)	-	-	-	-	-	-	(112,539)
Share of OCI of investments in associates and joint ventures and OCI reclassified to profit and loss, net of tax	-	-	-	-	-	-	-	(38,872)	(38,872)
Cash flow hedging reserve, net of tax	-	-	-	-	-	(128,594)	-	-	(128,594)
Cost of hedging reserve, net of tax	-	-	-	-	-	(43,454)	-	-	(43,454)
Remeasurement of defined benefit plan, net of tax	-	-	-	-	-	-	-	22,288	22,288
Other financial assets at FVOCI, net of tax									
– Fair value changes	-	-	-	-	-	-	-	(2)	(2)
Currency translation differences	-	-	-	-	-	-	385,597	-	385,597
Transaction with NCI (Note 38)	-	-	-	-	-	-	-	628,504	628,504
Business combinations	-	-	-	-	6,899	-	-	(334,154)	(327,255)
Others	-	4,823	-	-	-	-	-	(2,352)	2,471
At 30 June 2025	1,841,119	47,197,024	10,702,928	1,313,837	26,381	27,110	(395,086)	2,267,917	62,981,230

35. RESERVES (Continued)

Six months ended 30 June 2024	Unaudited								
	Share-based payments reserves RMB'000	Share premium RMB'000	Statutory reserves RMB'000	General reserves RMB'000	Special reserves RMB'000	Hedging reserve RMB'000	Foreign currency translation RMB'000	Other reserves RMB'000	Total RMB'000
At 1 January 2024	2,020,605	17,382,223	10,702,928	642,525	16,040	659,672	(892,613)	1,909,390	32,440,770
Appropriation to general reserves	–	–	–	162,738	–	–	–	–	162,738
Reversal of general reserves	–	–	–	(3,366)	–	–	–	–	(3,366)
Appropriation to special reserves	–	–	–	–	4,638	–	–	–	4,638
Special reserves utilization	–	–	–	–	(3,361)	–	–	–	(3,361)
Cancellation of shares	–	(5,089,600)	–	–	–	–	–	–	(5,089,600)
Share-based payment:									
– Share-based compensation expenses	780,439	–	–	–	–	–	–	–	780,439
– Exercise of the stock option	(381,130)	1,479,980	–	–	–	–	–	–	1,098,850
– Exercise or lapse of other share schemes	(487,140)	(253,567)	–	–	–	–	–	–	(740,707)
Share of OCI of investments in associates and joint ventures, net of tax	–	–	–	–	–	–	–	12,565	12,565
Cash flow hedging reserve, net of tax	–	–	–	–	–	(208,372)	–	–	(208,372)
Cost of hedging reserve, net of tax	–	–	–	–	–	(22,748)	–	–	(22,748)
Remeasurement of defined benefit plan, net of tax	–	–	–	–	–	–	–	15,515	15,515
Other financial assets at FVOCI, net of tax									
– Fair value changes	–	–	–	–	–	–	–	(38)	(38)
Currency translation differences	–	–	–	–	–	–	(288,350)	–	(288,350)
Others	–	–	–	–	–	–	–	3,440	3,440
At 30 June 2024	1,932,774	13,519,036	10,702,928	801,897	17,317	428,552	(1,180,963)	1,940,872	28,162,413

36. NOTES TO CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of profit before income tax to net cash generated from operations:

	Unaudited Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Profit before income tax for the period	**31,343,289**	25,451,843
Adjustments for:		
Interest income (Note 5)	**(3,993,492)**	(3,042,813)
Finance costs, net (Note 8)	**1,491,869**	168,792
Depreciation and amortization of non-current assets (Note 7)	**4,270,742**	3,835,782
Net gains/(losses) on disposal of property, plant and equipment and other assets (Note 6)	**20,653**	(114,007)
Net impairment losses on financial assets and contract assets	**356,526**	35,208
Impairment provision for inventories and other assets	**356,196**	332,436
Share of profit of associates and joint ventures, net (Note 18)	**(469,118)**	(431,939)
Net gains/(losses) on financial instruments (Note 6)	**1,189,078**	(375,360)
Net losses on other assets	**3,867**	13,030
Net foreign exchange (gains)/losses	**(829,194)**	262,006
Share-based compensation expenses and others	**559,219**	805,708
Changes in working capital:		
Increase in trade and note receivables	**(15,558,919)**	(19,761,614)
(Increase)/decrease in contract assets	**(167,368)**	363,287
(Increase)/decrease in loan receivables	**(2,506,881)**	794,430
Decrease in inventories	**13,680,715**	6,703,865
Increase in trade and note payables	**11,776,607**	14,444,386
Decrease in contract liabilities	**(10,522,912)**	(6,945,681)
Increase in other payables and accruals	**9,966,174**	13,152,448
Changes in other assets and liabilities	**1,306,363**	2,408,504
Cash generated from operations	**42,273,414**	38,100,311

37. BUSINESS COMBINATIONS

(a) Arbonia Climate

In April 2024, the Group entered into an agreement with Arbonia AG, Arbonia Schweiz AG, Arbonia Deutschland GmbH and AFG International AG (collectively "Arbonia Group") to acquire 100% equity interests of 22 entities under Arbonia Group (collectively "Arbonia Climate"). In February 2025, the Group completed the acquisition at a cash consideration of EUR542,425,000 (equivalent to RMB4,106,865,000) from Arbonia Group. The transaction was made as part of the Group's strategy to develop its heating and ventilation business.

The provisional fair value of the net identifiable assets acquired was assessed to be RMB2,985,995,000 at the acquisition date, resulting an increase in goodwill of RMB1,084,636,000. The goodwill is attributable to the market prospect arising from entering into the intelligent building technology sector. It will not be deductible for tax purposes.

(b) Teka Industrial, S.A.

In June 2024, the Group entered into an agreement with Heritage B B.V. to acquire 97.38% equity interests of Teka Industrial, S.A. In April 2025, the Group entered into an agreement with SPALA INVESTMENTS XXI, S.L.U. to acquire 2.62% equity interests of Teka Industrial, S.A.. In April 2025, the Group completed the acquisition at a cash consideration of EUR213,011,000 (equivalent to RMB1,752,852,000) in total from Heritage B B.V. and SPALA INVESTMENTS XXI, S.L.U. respectively. The transaction was made as part of the Group's strategy to develop its overseas expansion.

The provisional fair value of the net identifiable assets acquired was assessed to be RMB1,034,448,000 at the acquisition date, resulting an increase in goodwill of RMB735,940,000 and an increase in non-controlling interests of RMB18,370,000. The goodwill is attributable to achieve the market breakthrough in multiple overseas regions. It will not be deductible for tax purposes.

(c) Toshiba Elevator (China) Co., Ltd. and Toshiba Elevator (Shenyang) Co., Ltd. (together, "Toshiba Elevator")

In October 2024, the Group entered into an agreement with Toshiba Elevator Co., Ltd. and Toshiba (China) Co., Ltd. to acquire 58% equity interests of Toshiba Elevator. In February 2025, the Group completed the acquisition at a cash consideration of RMB988,834,000 from Toshiba Elevator Co., Ltd. and Toshiba (China) Co., Ltd.. The transaction was made as part of the Group's strategy to develop its elevator business.

The provisional fair value of the net identifiable assets acquired was assessed to be RMB1,088,122,000 at the acquisition date, resulting an increase in goodwill of RMB357,724,000 and an increase in non-controlling interests of RMB457,011,000. The goodwill is attributable to the market prospect arising from developing the elevator equipment industry sector. It will not be deductible for tax purposes.

37. BUSINESS COMBINATIONS (Continued)

In addition to disclosed above, there were no material acquisitions during the six months ended 30 June 2025 individually and collectively.

The total net cash outflow on acquisitions during the six months ended 30 June 2025 was RMB 5,572,186,000.

Acquisition-related costs were included in general and administrative expenses in the interim condensed consolidated statements of profit or loss and in operating cash flows in the interim condensed consolidated statements of cash flows.

(d) Accounting policy choice for non-controlling interests

For the non-controlling interests in aforementioned acquirees, the Group elected to recognize the non-controlling interests at its proportionate share of the acquired net identifiable assets.

38. MAJOR TRANSACTIONS WITH NON-CONTROLLING INTERESTS

During the six months ended 30 June 2025, Annto Logistics Supply Chain Technology Co., Ltd. (an indirectly PRC subsidiary of the Company) issued 205,200,000 ordinary shares to certain investors at a total consideration of RMB1,900,000,000. The carrying amount of net assets attributed to such investors amounting to RMB1,223,728,000 was recognised as an increase in non-controlling interests. The difference between this capital injection amount and the carrying amount of net assets attributed to certain investors amounting to RMB676,272,000 was recorded as an increase in reserves.

39. RELATED PARTY TRANSACTIONS

(a) Parent entities

Name	Type	Place of incorporation	Ownership interest	
			As at 30 June 2025	As at 31 December 2024
Midea Holding Co., Ltd.	Ultimate parent entity	Foshan	**28.30%**	28.33%

The Company's ultimate holding company is Midea Holding Co., Ltd., and the ultimate controlling person is Mr. He Xiangjian.

39. RELATED PARTY TRANSACTIONS (Continued)

(b) Names and relationships with related parties

Related parties are those parties that have the ability to control, jointly control or exercise significant influence over the other party in holding power over the investee; exposure or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties maybe individuals or other entities.

Save as disclosed in this report, the directors of the Company are of the view that the following parties were significant related parties of the Group that had transactions or balances with the Group during the six months ended 30 June 2025 and 2024:

Name of the related party	Relationship with the Group
Orinko Advanced Plastics Co., Ltd. and its subsidiaries	Controlled by immediate family members of the Company's ultimate controlling shareholder
Infore Group Co., Ltd and its subsidiaries	Controlled by immediate family members of the Company's ultimate controlling shareholder
Midea Real Estate Holding Limited and its subsidiaries	Controlled by the Company's ultimate controlling shareholder
Carrier Global Corporation and its subsidiaries	Holding company of a principal subsidiary's substantial shareholder together with its subsidiaries

(c) Transactions with related parties

Save as disclosed elsewhere in this report, the following transactions were carried out between the Group and its related parties during the six months ended 30 June 2025 and 2024. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

39. RELATED PARTY TRANSACTIONS (Continued)

(c) Transactions with related parties (Continued)

	Unaudited Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Purchases of goods and services:		
Controlled by immediate family members of the Company's ultimate controlling shareholder	**715,077**	642,188
Associates and joint ventures of the Group	**595,431**	459,963
Holding company of a principal subsidiary's substantial shareholder together with its subsidiaries	**370,778**	281,522
Controlled by the Company's ultimate controlling shareholder	**29,822**	20,822
	1,711,108	1,404,495
Sales of goods and rendering of services:		
Holding company of a principal subsidiary's substantial shareholder together with its subsidiaries	**3,484,900**	2,677,848
Associates and joint ventures of the Group	**753,805**	555,646
Controlled by the Company's ultimate controlling shareholder	**64,494**	195,917
Controlled by immediate family members of the Company's ultimate controlling shareholder	**52,724**	39,230
	4,355,923	3,468,641
Interest income:		
Associates and joint ventures of the Group	**99,786**	167,993

39. RELATED PARTY TRANSACTIONS (Continued)

(d) Balance with related parties

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Cash and cash equivalents		
Associates and joint ventures of the Group	**442,339**	548,290
Other financial assets at amortized cost		
Associates and joint ventures of the Group	**6,194,717**	6,096,927
Trade and note receivables at amortized cost		
Holding company of a principal subsidiary's substantial shareholder together with its subsidiaries	**942,844**	269,365
Associates and joint ventures of the Group	**340,216**	386,550
Controlled by the Company's ultimate controlling shareholder	**54,980**	81,989
Controlled by immediate family members of the Company's ultimate controlling shareholder	**7,282**	17,220
	1,345,322	755,124
Trade and note payables		
Holding company of a principal subsidiary's substantial shareholder together with its subsidiaries	**165,593**	98,256
Associates and joint ventures of the Group	**260,351**	259,534
Controlled by immediate family members of the Company's ultimate controlling shareholder	**90,295**	99,327
Controlled by the Company's ultimate controlling shareholder	**2,588**	3,091
	518,827	460,208

39. RELATED PARTY TRANSACTIONS (Continued)

(d) Balance with related parties (Continued)

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Contract liabilities		
Controlled by the Company's ultimate controlling shareholder	**12,411**	10,871
Controlled by immediate family members of the Company's ultimate controlling shareholder	**4,065**	5,229
Associates and joint ventures of the Group	**75,391**	30,159
	91,867	46,259
Prepayments, other receivables and other assets		
Associates and joint ventures of the Group	**2,447**	1,391
Controlled by the Company's ultimate controlling shareholder	**11,401**	2,229
Controlled by immediate family members of the Company's ultimate controlling shareholder	**3,484**	1,759
	17,332	5,379
Other payables and accruals		
Controlled by the Company's ultimate controlling shareholder	**5,328**	4,663
Controlled by immediate family members of the Company's ultimate controlling shareholder	**1,631**	1,769
Associates and joint ventures of the Group	**10,377**	4,675
	17,336	11,107

(e) Key management compensation

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Key management compensation	**124,254**	112,337

40. CONTINGENCIES

As at 30 June 2025, the amount of the maximum potential loss in several tax disputes involving Brazilian subsidiaries with 51% interests held by the Company was approximately BRL533 million (equivalent to RMB700 million). Some of these cases have been ongoing for more than 10 years. The above amount included the disputed tax amounts, penalties, related interest, etc. According to the agreement signed between the Company and the original shareholders of the Brazilian subsidiary prior to the acquisition (the "Original Shareholders"), the Original Shareholders have committed to compensating the Company according to verdicts of the above tax disputes. As at 30 June 2025, the maximum commitment of the Original Shareholders for the remaining compensation was assessed to be approximately BRL131 million (equivalent to approximately RMB172 million). As at the date of this report, the relevant cases were still ongoing. Based on consultation made with the Group's external legal counsel, management of the Group assessed the remaining liabilities which might be borne by the Group and made necessary provision based on their best estimate.

41. COMMITMENTS

	Unaudited As at 30 June 2025 RMB'000	Audited As at 31 December 2024 RMB'000
Contracted, but not provided for purchase of property, plant and equipment	**5,297,015**	4,595,387
Investment commitments	**1,567,733**	6,750,740
	6,864,748	11,346,127

42. SUBSEQUENT EVENTS

Save as the events disclosed elsewhere in this report, there are no other significant events that occurred subsequent to 30 June 2025 which may result in adjustments or additional disclosure to be made in this Interim Financial Information.

Midea