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XIAOMI CORPORATION

小米集团

(A company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability)

Stock Codes: 1810 (HKD counter) and 81810 (RMB counter)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024

The board (the “**Board**”) of directors (the “**Directors**”) of Xiaomi Corporation 小米集团 (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended December 31, 2024. The consolidated financial statements for the year ended December 31, 2024 have been audited by PricewaterhouseCoopers, the independent auditor of the Company (the “**Auditor**”) in accordance with International Standards on Auditing. The results have also been reviewed by the audit committee of the Company (the “**Audit Committee**”).

In this announcement, “we”, “us”, and “our” refer to the Company and where the context otherwise requires, the Group.

KEY HIGHLIGHTS

	Unaudited		
	Three months ended		
	December 31, 2024	December 31, 2023	Year-over- year change
	(Renminbi (“RMB”) in millions, unless specified)		
Revenue	109,005.2	73,243.7	48.8%
Gross profit	22,454.9	15,614.0	43.8%
Operating profit	8,889.9	5,056.7	75.8%
Profit before income tax	9,407.7	5,697.5	65.1%
Profit for the period	8,995.3	4,723.5	90.4%
Non-IFRS Measure ¹ : Adjusted Net Profit	8,316.2	4,909.7	69.4%

¹ See the section entitled “Non-IFRS Measure: Adjusted Net Profit” for more information about the non-IFRS measure.

	Year ended December 31,		
	2024	2023	Year-over-year change
	(RMB in millions, unless specified)		
Revenue	365,906.4	270,970.1	35.0%
Gross profit	76,560.2	57,476.2	33.2%
Operating profit	24,502.9	20,008.7	22.5%
Profit before income tax	28,126.7	22,011.0	27.8%
Profit for the year	23,578.4	17,474.2	34.9%
Non-IFRS Measure: Adjusted Net Profit	27,234.5	19,272.8	41.3%

BUSINESS REVIEW AND OUTLOOK

1. Overall Performance

As we continue to execute our operating strategy of “steadfastly forging ahead” and strengthen our capabilities, all of our business segments have achieved significant growth in 2024. Total revenue for the year reached a record high of RMB365.9 billion, representing an increase of 35.0% year-over-year. In 2024, revenue of our Smartphone × AIoT segment reached RMB333.2 billion, up 22.9% year-over-year; revenue of our smart Electric Vehicle (“EV”) and other new initiatives segment reached RMB32.8 billion. In 2024, our adjusted net profit reached a record high of RMB27.2 billion, up 41.3% year-over-year, which included RMB6.2 billion in adjusted net loss related to our Smart EV and other new initiatives². In the fourth quarter of 2024, our total revenue exceeded RMB100 billion of quarterly revenue for the first time in our history, and reached RMB109.0 billion, up 48.8% year-over-year. Revenue of our Smartphone × AIoT segment reached RMB92.3 billion, an increase of 26.1% year-over-year; revenue of our Smart EV and other new initiatives segment reached RMB16.7 billion. In the fourth quarter of 2024, our adjusted net profit reached RMB8.3 billion, an all-time high with an increase of 69.4% year-over-year, which included RMB0.7 billion in adjusted net loss related to our smart EV and other new initiatives³.

In 2024, we continued to advance our corporate strategy of “Human × Car × Home”. According to Canalys, in 2024, our smartphone shipments ranked among the top three globally for the four consecutive years with a market share of 13.8%, an increase of 1.0 percentage points year-over-year. In December 2024, our global monthly active users (“MAU”)⁴ reached another record high of 702.3 million, up 9.5% year-over-year. As of December 31, 2024, the number of connected IoT devices on our AIoT platform (excluding smartphones, tablets and laptops) increased to 904.6 million, up 22.3% year-over-year. Our smart EV business is making remarkable progress. As of December 31, 2024, our delivery reached a total of 136,854 *Xiaomi SU7 Series* vehicles.

² Excluding share-based compensation expenses (SBC) of RMB0.9 billion and other non-recurring profit or loss related to smart EV and other new initiatives for the year.

³ Excluding share-based compensation expenses (SBC) of RMB0.3 billion and other non-recurring profit or loss related to smart EV and other new initiatives for the quarter.

⁴ Including smartphones and tablets.

Our goal for the next decade of 2020-2030 is to invest in foundational core technologies and to become a global leader in the evolving realm of cutting-edge technologies. In 2024, our R&D expenses increased by 25.9% year-over-year to RMB24.1 billion. As of December 31, 2024, we had 21,190 research and development personnel, accounting for 48.5% of our total employees. In addition, we continued to extend our intellectual property capabilities. As of December 31, 2024, we had obtained over 42,000 patents worldwide, including more than 1,000 patents in EV-related technologies.

In 2024, we continued to deepen our efforts in technological innovation. In October 2024, we introduced the *Xiaomi SU7 Ultra*, powered by a tri-motor configuration, consisting of two self-developed Xiaomi HyperEngine V8s and a Xiaomi HyperEngine V6s. In October 2024, we unveiled the *Mijia Top-Outlet Pro 1.5HP Air Conditioner* and *Mijia Dual-drum Washer Dryer Washing Machine*, both of which incorporated new innovations that contributed to their huge successes. In terms of software, in October 2024, we introduced Xiaomi HyperOS 2, featuring three core technologies including HyperCore, HyperConnect and HyperAI, offering a fresh, advanced experience in fundamental functionality, cross-device smart connectivity, and AI functions.

We fully embrace the rapid developments of the AI industry and strive to integrate cutting-edge AI technology into our products and operations. We have significantly enhanced our AI infrastructure investments and solidified our fundamental capability. In terms of core technology developments, we use foundation models as our strategic cornerstone while applying continuous innovations across multiple modalities including computer vision, audio and speech processing. We integrate AI into Xiaomi HyperOS 2, bringing AI technologies across our Smart EVs, Smartphones, and Smart home devices, empowering our “Human × Car × Home” strategy and continuously enhancing users’ intelligent experience. Meanwhile, we integrate AI in all aspects of our internal business operations to optimize efficiency across manufacturing, sales, customer services, and employee workflows.

In 2024, we achieved significant breakthroughs in our premiumization strategy. According to third-party data, in 2024, our premium smartphone⁵ shipments accounted for 23.3% of our total smartphone shipments in mainland China, representing an increase of 3.0 percentage points year-over-year. According to third-party data, in 2024, our market share in the RMB4,000-5,000 segment in mainland China ranked No. 1, reaching 24.3% with an increase of 0.2 percentage points year-over-year. Our market share in the RMB5,000-6,000 segment in mainland China reached 9.7%, up 1.3 percentage points year-over-year. In February and March 2025, we launched *Xiaomi 15 Ultra* sequentially in Mainland China and overseas markets. *Xiaomi 15 Ultra* provided global users with a Leica quad camera system with flagship performance.

⁵ Premium smartphones in mainland China are models with retail prices at or above RMB3,000.

We continued to expand our global footprint while deepening our penetration worldwide. In 2024, our revenue from overseas markets reached RMB153.3 billion, accounting for 41.9% of our total revenue or 46.0% of our Smartphone × AIoT segment revenue. According to Canalys, in 2024, our smartphone shipments ranked among the top three across 56 countries and regions globally and ranked among the top five across 69 countries and regions globally. In particular, we achieved significant growth in our smartphone market share in Africa, Southeast Asia and the Middle East in 2024, increasing by 2.4 percentage points, 2.0 percentage points, and 1.5 percentage points year-over-year respectively, reaching 11.3%, 16.1%, and 18.6%.

The year 2024 marks the acceleration and ecosystem upgrades of our new retail strategy in mainland China, aided by our “Human × Car × Home” strategy. As of December 31, 2024, the number of our offline retail stores in mainland China reached nearly 15,000. According to third-party data, in 2024, our market share of smartphone shipments through offline channels in mainland China was 10.3%, up 1.9 percentage points year-over-year. In 2025, we position our new retail strategy as the Year of Balanced Expansion. We will expand our store network across mainland China, in particular focusing on the deployment of large-format stores, while enhancing the operations of our offline retail network. Meanwhile, we expect to expand approximately 10,000 new Mi Home stores overseas in the next five years.

We have achieved solid margins and profitability in 2024. Our gross profit margin reached 20.9% at the Group level. The gross profit margin of our Smartphone × AIoT segment reached 21.2%. The gross profit margin of our Smart EV and other new initiatives segment reached 18.5%. Owing to our relentless efforts in cost saving and efficiency enhancements, the Group’s overall operating expense ratio reached 15.0% in 2024, a decrease of 1.0 percentage points year-over-year. The operating expense ratio of our Smartphone × AIoT segment reached 12.6%, a decrease of 0.7 percentage points year-over-year. In 2024, our adjusted net profit reached record high of RMB27.2 billion, up 41.3% year-over-year. We have also been actively repurchasing our shares in the open market, and we repurchased HKD3.7 billion, or 249.2 million shares, in 2024.

2. Smartphone × AIoT

In 2024, revenue from our Smartphone × AIoT segment reached RMB333.2 billion, up 22.9% year-over-year. The gross profit margin of our Smartphone × AIoT segment was 21.2%, similar to the levels in 2023. The average selling price (“ASP”) of our smartphones reached RMB1,138.2 in 2024, up 5.2% year-over-year and a record high. In the fourth quarter of 2024, our Smartphone × AIoT segment revenue reached RMB92.3 billion, up 26.1% year-over-year. The gross profit margin of our Smartphone × AIoT segment was 20.6%.

Smartphones

In 2024, our smartphone revenue reached RMB191.8 billion, up 21.8% year-over-year, with a gross profit margin of 12.6%. Our global smartphone shipments reached 168.5 million units, up 15.7% year-over-year. According to Canalys, in 2024, we maintained our No. 3 global smartphone shipment ranking with a 13.8% market share.

In the fourth quarter of 2024, our smartphone revenue reached RMB51.3 billion, up 16.0% year-over-year. The gross profit margin of our smartphone business was 12%, an increase of 0.3 percentage points from the third quarter of 2024. Our global smartphone shipments reached 42.7 million units, up 5.3% year-over-year. According to Canalys, we maintained our No. 3 global smartphone shipment ranking with a 13.0% market share. In terms of smartphone shipments, we ranked among the top three smartphone brands globally for 18 consecutive quarters. In particular, our market share of smartphone shipments in mainland China increased by 3.0 percentage points year-over-year to 15.8%, marking four consecutive quarters of market share growth.

We continued to execute our dual-brand strategy. Under the Xiaomi brand, in February and March 2025, we launched *Xiaomi 15 Ultra* sequentially in Mainland China and overseas markets. The *Xiaomi 15 Ultra* features a new Leica Ultra-Pure Optical System with a 1-inch main camera and a Leica 200MP super-telephoto lens to upgrade imaging performance. The *Xiaomi 15 Ultra* is powered by the Snapdragon 8 Ultimate processor and a 6,000mAh Xiaomi Surge battery to elevate the flagship performance. The *Xiaomi 15 Ultra* also integrates Xiaomi Star Communication with upgraded Independent Satellite Communication, supporting dual satellite connectivity for both BDS (Beidou) and TianTong system.

Under the Redmi brand, in November 2024, we unveiled the *Redmi K80 Series*. Powered by the Snapdragon 8 Gen 3 mobile platform, the *Redmi K80* shipped with Xiaomi HyperOS 2, featuring a 2K flagship eye-protection display, the 6,550mAh Xiaomi Surge battery and our dual-loop 3D “ice-sealed cooling system.” The cumulative sales of the *Redmi K80 Series* exceeded 3.6 million within 100 days⁶ after launch.

IoT and lifestyle products

In 2024, our IoT and lifestyle products revenue have exceeded RMB100 billion in sales for the first time, and reached RMB104.1 billion, up 30.0% year-over-year, and gross profit margin reached 20.3%, up 3.9 percentage points year-over-year. Both revenue and gross profit margin hit record highs. In the fourth quarter of 2024, revenue of our IoT and lifestyle products reached RMB30.9 billion, an increase of 51.7% year-over-year, while the gross profit margin increased by 6.6 percentage points year-over-year to 20.5%.

As of December 31, 2024, the number of connected IoT devices (excluding smartphones, tablets and laptops) on our AIoT platform reached 904.6 million, up 22.3% year-over-year; the number of users with five or more devices connected to our AIoT platform (excluding smartphones, tablets and laptops) reached 18.3 million, up 26.1% year-over-year. In December 2024, the MAU of our Mi Home App grew to 100.8 million, up 17.5% year-over-year. The MAU of our AI Assistant (“小愛同學”)⁷ grew to 137.1 million, up 12.0% year-over-year.

⁶ Based on sales data recorded from 20:40:00 Beijing time on November 27, 2024 to 10:00:00 Beijing time on March 4, 2025).

⁷ Including Smart EV.

In 2024, our smart large home appliances sustained a robust growth trajectory. Our air conditioner shipments exceeded 6.8 million units, up over 50% year-over-year; our refrigerator shipments exceeded 2.7 million units, up over 30% year-over-year; and our washing machine shipments exceeded 1.9 million units, up over 45% year-over-year. In particular, the shipments of air conditioners, refrigerators and washing machines all reached record highs. We continue to pursue our premiumization strategy in IoT and lifestyle products. In February 2025, we launched *Mijia Central Air Conditioner Pro*, featuring twin-cylinder design in the compressor for air supply with Level 1+ Energy Efficiency⁸. Also *Mijia Central Air Conditioner Pro* can be controlled by Xiaomi's Mijia Lingyun smart home, which can intelligently detect best modes depending on the current room conditions.

We enhanced our after-sales services capability in 2024 with a comprehensive upgrade to our home appliances disassembly, delivery and installation services. In June 2024, we introduced one-stop services for air conditioners, addressing users' needs by enabling the completion of all three services in a single visit. We continue to promote our after-sales services across various categories and regions. By December 31, 2024, we have upgraded the one-stop services for six core categories, including air conditioners, smart TVs, refrigerators, washing machines, water heaters and smart door locks, covering 2,898 districts and counties nationwide.

In 2024, our tablets sustained its strong growth trajectory. According to Canalys, in 2024, our global tablet shipments grew by 73.1% year-over-year. We achieved the fastest growth among the top 5 brands, maintaining our No. 5 ranking globally and No. 3 ranking in mainland China. We continued to maintain our leading edge in wearables in 2024. According to Canalys, in 2024, our wearable bands⁹ shipments ranked No. 2 both globally and in mainland China, and our TWS earbud shipments ranked No. 1 in mainland China. In February 2025, we launched the *Xiaomi Buds 5 Pro*. In terms of audio performance, the product features a dual-amplifier triple-speaker acoustic system with a coaxial triple-speaker layout to minimize sound distortion. For noise cancellation, it supports 55dB deep active noise reduction (ANC) across a super-wideband frequency range of up to 5 kHz. It also has the ability to record, transcribe and translate conversations in real-time by using AI technology.

Internet services

In 2024, our internet services reached record highs in both revenue and gross profit margin. In 2024, our internet services revenue reached RMB34.1 billion, an increase of 13.3% year-over-year. The gross profit margin of our internet service reached 76.6%, an increase of 2.5 percentage points year-over-year. In the fourth quarter of 2024, our internet services revenue once again reached a record high of RMB9.3 billion, up 18.5% year-over-year. The gross profit margin of our internet services reached 76.5%, up 0.8 percentage points year-over-year.

⁸ Level 1+ energy efficiency: This product has been certified by Hefei General Machinery Product Certification Co., Ltd. in accordance with the requirements of the "GC/JG5151(0/A) Multi-Split Heat Pump (Air Conditioning) Unit Super First-Class Energy Efficiency Characteristic Certification Technical Specification" and GC009G08 "Product Characteristic Certification Implementation Rules." Certificate Number: GC25TX002000082.

⁹ Including basic bands, basic watches and smart watches.

Our internet user base continued to expand. Our MAU globally and in mainland China both hit record highs. In December 2024, our global MAU reached 702.3 million, up 9.5% year-over-year, and our MAU in mainland China reached 172.9 million, up 11.1% year-over-year. In December 2024, the global MAU of our smart TV¹⁰ reached 70.7 million, up 7.1% year-over-year.

In 2024, we achieved advertising revenue of RMB24.7 billion, an increase of 20.5% year-over-year. In the fourth quarter of 2024, our advertising revenue reached RMB7.1 billion, an increase of 26.1% year-over-year.

In 2024, we continued to strengthen our global presence. In 2024, overseas internet services revenue reached RMB11.0 billion, with an increase of 30.0% year-over-year. Overseas internet services revenue accounted for 32.2% of our total internet services revenue, up 4.1 percentage points year-over-year. In the fourth quarter of 2024, revenue from our overseas internet services reached RMB3.1 billion, up 32.1% year-over-year.

3. Smart EV and Other New Initiatives

In 2024, revenue from our Smart EV and other new initiatives reached RMB32.8 billion, which consisted of RMB32.1 billion from smart EV and RMB0.7 billion from other related businesses. In 2024, the gross profit margin of our Smart EV and other new initiatives segment reached 18.5%. In 2024, the adjusted net loss related to our Smart EV and other new initiatives reached RMB6.2 billion¹¹.

In the fourth quarter of 2024, revenue from our Smart EV and other new initiatives reached RMB16.7 billion, which consisted of RMB16.3 billion from Smart EV and RMB0.3 billion from other related businesses. In the fourth quarter of 2024, the gross profit margin of our Smart EV and other new initiatives segment reached 20.4%. In the fourth quarter of 2024, the adjusted net loss related to our Smart EV and other new initiatives reached RMB0.7 billion¹².

In 2024, the deliveries of the *Xiaomi SU7 Series* reached 136,854 vehicles. We will continue to ramp up production and ensure delivery, striving to achieve the target of delivering 350,000 vehicles for the entire year of 2025.

We continued to expand our sales and service network. As of December 31, 2024, we opened 200 smart EV sales centers across 58 cities in mainland China.

¹⁰ Including *Xiaomi Box* and *Xiaomi TV Stick*.

¹¹ Excluding share-based compensation expenses (SBC) of RMB0.9 billion and other non-recurring profit or loss related to smart EV and other new initiatives for the year.

¹² Excluding share-based compensation expenses (SBC) of RMB0.3 billion and other non-recurring profit or loss related to smart EV and other new initiatives for the quarter.

We are committed to investing in foundational core technologies in the Smart EV business, continuously advancing in areas such as smart assisted driving, smart cabin, electric powertrain system, and smart chassis. In the field of smart assisted driving, we have progressively rolled out the Highway Navigate on Autopilot (Highway NOA), City Navigate on Autopilot (City NOA), and Xiaomi Hyper Autonomous Driving (Xiaomi HAD)¹³ based on an End to End and large-scale visual Language Model (VLM) in 2024, achieving full-scenario smart assisted driving experience. The smart cabin leverages the interconnectivity capabilities of Xiaomi HyperOS to enable seamless interaction with smartphones, in-car systems, and smart home devices, integrating a fully connected “Human × Car × Home” ecosystem. At the hardware level, we have made continuous innovations in motor design, material strength, and thermal efficiency. Our independently developed Xiaomi HyperEngine V8s, featuring a 27,200 rpm ultra-high-speed rotation, has been mass-produced and integrated into our *Xiaomi SU7 Ultra*. In November 2024, we unveiled our advanced smart chassis technologies, featuring Xiaomi Fully Active Suspension, the Xiaomi Super Quad Motor System, the Xiaomi 48V brake-by-wire system, and Xiaomi 48V steer-by-wire technology. We will continue to introduce new innovative technology and update our existing technology to continuously enhance our users’ smart assisted driving experience.

In February 2025, our *Xiaomi SU7 Ultra* was officially launched, positioned as a high-performance luxury vehicle that also excels on the racetrack. *Xiaomi SU7 Ultra* features a newly designed luxury cockpit, incorporating over 5m² of Alcantara fabric throughout the interior and offering 21 optional components made of carbon fiber. It is powered by our tri-motor system and can generate a maximum horsepower of 1,548PS, being able to accelerate from 0 to 100km/h in just 1.98s with a top speed of 350km/h. With a starting price of RMB 529,900, *Xiaomi SU7 Ultras* pre-orders exceeded 19,000 units, and locked-in orders exceeded 10,000 units within the first 3 days after launch¹⁴.

4. Corporate social responsibility (CSR)

We actively fulfill our corporate social responsibility and are deeply committed to driving low-carbon development. In the fourth quarter of 2024, we were awarded “Exemplary ESG Enterprises in China” by CCTV for our leadership in low-carbon development, people-centered innovation, and technology-driven empowerment. This honor highlights our dedication to social responsibility, serving as a catalyst for our mission to establish ourselves as a global ESG leader in China’s technology sector.

In addition, we have secured the Gold Medal for the two consecutive years by EcoVadis as top 2% globally in the “Manufacture of Communication Equipment” industry. We will continue to deliver eco-friendly, smart, and sustainable technological solutions with profound social responsibility, ensuring that the benefits of green innovation reach broader audiences and let everyone in the world enjoy a better life through innovative technology.

¹³ Xiaomi Hyper Autonomous Driving.

¹⁴ Based on data recorded as of 17:00:00 Beijing time on March 2, 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

The following table sets forth the comparative figures for the years ended December 31, 2024 and 2023:

	Year ended December 31,	
	2024	2023
	(RMB in millions)	
Revenue	365,906.4	270,970.1
Cost of sales	(289,346.2)	(213,493.9)
Gross profit	76,560.2	57,476.2
Research and development expenses	(24,050.5)	(19,097.7)
Selling and marketing expenses	(25,389.6)	(19,226.5)
Administrative expenses	(5,601.2)	(5,126.8)
Fair value changes on financial instruments measured at fair value through profit or loss	1,050.8	3,501.1
Share of net profits of investments accounted for using the equity method	276.8	45.6
Other income	1,666.8	740.1
Other (losses)/gains, net	(10.4)	1,696.7
Operating profit	24,502.9	20,008.7
Finance income, net	3,623.8	2,002.3
Profit before income tax	28,126.7	22,011.0
Income tax expenses	(4,548.3)	(4,536.8)
Profit for the year	23,578.4	17,474.2
Non-IFRS Measure: Adjusted net profit	27,234.5	19,272.8

Revenue

Revenue increased by 35.0% to RMB365.9 billion for the year ended December 31, 2024, compared to RMB271.0 billion for the year ended December 31, 2023. The following table sets forth our revenue by segment for the year ended December 31, 2024 and the year ended December 31, 2023:

	Year ended December 31,			
	2024		2023	
	Amount	% of total revenue	Amount	% of total revenue
	(RMB in millions, unless specified)			
Smartphone × AIoT	333,152.8	91.0%	270,970.1	100.0%
Smart EV and other new initiatives	32,753.6	9.0%	—	—
Total revenue	365,906.4	100.0%	270,970.1	100.0%

Smartphone × AIoT

Revenue from our smartphone × AIoT segment increased by 22.9% from RMB271.0 billion for the year ended December 31, 2023 to RMB333.2 billion for the year ended December 31, 2024. The following table sets forth our revenue by line of our smartphone × AIoT segment for the year ended December 31, 2024 and the year ended December 31, 2023:

	Year ended December 31,			
	2024		2023	
	Amount	% of total revenue	Amount	% of total revenue
	(RMB in millions, unless specified)			
Smartphone × AIoT				
Smartphones	191,759.3	52.4%	157,461.3	58.1%
IoT and lifestyle products	104,103.9	28.5%	80,107.7	29.6%
Internet services	34,115.4	9.3%	30,107.5	11.1%
Other related businesses	3,174.2	0.8%	3,293.6	1.2%
Total revenue of smartphone × AIoT segment	333,152.8	91.0%	270,970.1	100.0%

(i) *Smartphones*

Revenue from our smartphones increased by 21.8% from RMB157.5 billion for the year ended December 31, 2023 to RMB191.8 billion for the year ended December 31, 2024, primarily due to the increase in both our smartphone shipments and ASP. Our smartphone shipments increased by 15.7% from 145.6 million units for the year ended December 31, 2023 to 168.5 million units for the year ended December 31, 2024, outperforming the 7.1% year-over-year increase in global smartphone shipments for the year ended December 31, 2024, according to Canalsys. The ASP of our smartphones increased by 5.2% from RMB1,081.7 per unit for the year ended December 31, 2023 to RMB1,138.2 per unit for the year ended December 31, 2024, primarily due to the higher contribution from our premium smartphone shipments in the global market.

(ii) *IoT and lifestyle products*

Revenue from our IoT and lifestyle products increased by 30.0% from RMB80.1 billion for the year ended December 31, 2023 to RMB104.1 billion for the year ended December 31, 2024, primarily due to the increased revenue from smart large home appliances, tablets, wearables and certain lifestyle products.

Revenue from our smart large home appliances increased by 56.4% year-over-year, primarily due to the increased shipments of our air conditioners, refrigerators and washing machines.

Revenue from our tablets increased by 52.1% year-over-year, primarily due to the increased shipments in the overseas markets.

Revenue from our wearables increased by 44.1% year-over-year, primarily due to the increased shipments of our smart watches and TWS earbuds.

(iii) *Internet services*

Revenue from our internet services increased by 13.3% from RMB30.1 billion for the year ended December 31, 2023 to RMB34.1 billion for the year ended December 31, 2024, primarily due to the increased revenue from our advertising business.

(iv) *Other related businesses*

Revenue from our other related businesses decreased by 3.6% from RMB3.3 billion for the year ended December 31, 2023 to RMB3.2 billion for the year ended December 31, 2024, primarily due to the decreased revenue from sales of materials, partially offset by the increased revenue from installation services provided for air conditioners.

Smart EV and Other New Initiatives

Revenue from our smart EV and other new initiatives segment was RMB32.8 billion for the year ended December 31, 2024.

Revenue from our smart EV was RMB32.1 billion for the year ended December 31, 2024. For the year ended December 31, 2024, we have delivered 136,854 *Xiaomi SU7 Series* vehicles. The ASP of our smart EV was RMB234,479 per unit.

Revenue from our other related businesses was RMB0.7 billion for the year ended December 31, 2024.

Cost of Sales

Our cost of sales increased by 35.5% from RMB213.5 billion for the year ended December 31, 2023 to RMB289.3 billion for the year ended December 31, 2024. The following table sets forth our cost of sales by segment for the year ended December 31, 2024 and the year ended December 31, 2023:

	Year ended December 31,			
	2024		2023	
	Amount	% of total revenue	Amount	% of total revenue
	(RMB in millions, unless specified)			
Smartphone × AIoT	262,642.9	71.8%	213,493.9	78.8%
Smart EV and other new initiatives	26,703.3	7.3%	—	—
Total cost of sales	<u>289,346.2</u>	<u>79.1%</u>	<u>213,493.9</u>	<u>78.8%</u>

Smartphone × AIoT

Cost of sales related to our smartphone × AIoT segment increased by 23.0% from RMB213.5 billion for the year ended December 31, 2023 to RMB262.6 billion for the year ended December 31, 2024. The following table sets forth our cost of sales by line of our smartphone × AIoT segment for the year ended December 31, 2024 and the year ended December 31, 2023:

	Year ended December 31,			
	2024	% of total	2023	% of total
	Amount	revenue	Amount	revenue
	(RMB in millions, unless specified)			
Smartphone × AIoT				
Smartphones	167,505.5	45.8%	134,480.7	49.6%
IoT and lifestyle products	83,011.8	22.7%	67,029.1	24.7%
Internet services	7,968.6	2.2%	7,773.5	2.9%
Other related businesses	4,157.0	1.1%	4,210.6	1.6%
Total cost of sales of smartphone × AIoT segment	262,642.9	71.8%	213,493.9	78.8%

(i) Smartphones

Cost of sales related to our smartphones increased by 24.6% from RMB134.5 billion for the year ended December 31, 2023 to RMB167.5 billion for the year ended December 31, 2024, primarily due to the increased sales of our smartphones and the increased price of key components.

(ii) IoT and lifestyle products

Cost of sales related to our IoT and lifestyle products increased by 23.8% from RMB67.0 billion for the year ended December 31, 2023 to RMB83.0 billion for the year ended December 31, 2024, primarily due to the increased sales of our IoT and lifestyle products.

(iii) Internet services

Cost of sales related to our internet services increased by 2.5% from RMB7.8 billion for the year ended December 31, 2023 to RMB8.0 billion for the year ended December 31, 2024, primarily due to the increased cost of our advertising business.

(iv) Other related businesses

Cost of sales related to our other related businesses remained stable at RMB4.2 billion for the year ended December 31, 2024 compared to the year ended December 31, 2023, primarily due to the decreased cost from sales of materials, partially offset by the increased cost from installation services provided for air conditioners.

Smart EV and Other New Initiatives

Cost of sales related to our smart EV and other new initiatives segment was RMB26.7 billion for the year ended December 31, 2024.

Gross Profit and Margin

As a result of the foregoing, our gross profit increased by 33.2% from RMB57.5 billion for the year ended December 31, 2023 to RMB76.6 billion for the year ended December 31, 2024. Our gross margin decreased from 21.2% for the year ended December 31, 2023 to 20.9% for the year ended December 31, 2024.

The following table sets forth our gross profit and margin by segment for the year ended December 31, 2024 and the year ended December 31, 2023:

	Year ended December 31,		Year ended December 31,	
	2024		2023	
	Gross profit	Gross margin %	Gross profit	Gross margin %
	(RMB in millions, unless specified)			
Smartphone × AIoT	70,509.9	21.2%	57,476.2	21.2%
Smart EV and other new initiatives	6,050.3	18.5%	—	—
Total gross profit and gross margin	76,560.2	20.9%	57,476.2	21.2%

Smartphone × AIoT

The gross profit from our smartphone × AIoT segment increased by 22.7% from RMB57.5 billion for the year ended December 31, 2023 to RMB70.5 billion for the year ended December 31, 2024. The following table sets forth our gross profit and margin by line of our smartphone × AIoT segment for the year ended December 31, 2024 and the year ended December 31, 2023:

	Year ended December 31,		Year ended December 31,	
	2024		2023	
	Gross profit	Gross margin %	Gross profit	Gross margin %
	(RMB in millions, unless specified)			
Smartphone × AIoT				
Smartphones	24,253.8	12.6%	22,980.6	14.6%
IoT and lifestyle products	21,092.1	20.3%	13,078.6	16.3%
Internet services	26,146.8	76.6%	22,334.0	74.2%
Other related businesses	(982.8)	(31.0%)	(917.0)	(27.8%)
Total gross profit and margin of smartphone × AIoT segment	70,509.9	21.2%	57,476.2	21.2%

The gross profit margin from our smartphones decreased from 14.6% for the year ended December 31, 2023 to 12.6% for the year ended December 31, 2024, mainly due to the increased price of key components.

The gross profit margin from our IoT and lifestyle products increased from 16.3% for the year ended December 31, 2023 to 20.3% for the year ended December 31, 2024, mainly due to the increased gross profit margin and the higher revenue contribution of our wearables and smart large home appliances.

The gross profit margin from our internet services increased from 74.2% for the year ended December 31, 2023 to 76.6% for the year ended December 31, 2024, mainly due to the increased gross profit margin and the higher revenue contribution of our advertising business.

Smart EV and Other New Initiatives

The gross profit margin from our smart EV and other new initiatives segment was 18.5% for the year ended December 31, 2024.

Operating Expenses

Our operating expenses comprised our research and development expenses, selling and marketing expenses and administrative expenses. Our operating expenses related to our smart EV and other new initiatives segment was RMB13.2 billion for the year ended December 31, 2024.

Research and Development Expenses

Our research and development expenses increased by 25.9% from RMB19.1 billion for the year ended December 31, 2023 to RMB24.1 billion for the year ended December 31, 2024, primarily due to the increase in research and development expenses related to our smart EV and other new initiatives.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 32.1% from RMB19.2 billion for the year ended December 31, 2023 to RMB25.4 billion for the year ended December 31, 2024, primarily due to the increase in logistic expenses related to smartphone × AIoT, compensation for selling and marketing personnel and promotion and advertising expenses.

Promotion and advertising expenses increased by 14.5% from RMB7.0 billion for the year ended December 31, 2023 to RMB8.0 billion for the year ended December 31, 2024, primarily due to promotional events of our products and brand marketing in the overseas markets and the increased promotion and advertising expenses related to our smart EV and other new initiatives.

Administrative Expenses

Our administrative expenses increased by 9.3% from RMB5.1 billion for the year ended December 31, 2023 to RMB5.6 billion for the year ended December 31, 2024, primarily due to the increase in compensation for administrative personnel and professional service fees.

Fair Value Changes on Financial Instruments Measured at Fair Value Through Profit or Loss

Our fair value changes on financial instruments measured at fair value through profit or loss decreased by 70.0% from a gain of RMB3.5 billion for the year ended December 31, 2023 to a gain of RMB1.1 billion for the year ended December 31, 2024, primarily due to the lower fair value gains of listed equity investments for the year ended December 31, 2024, and fair value losses of unlisted preferred shares investments for the year ended December 31, 2024 compared to fair value gains of unlisted preferred shares investments for year ended December 31, 2023.

Share of Net Profits of Investments Accounted for Using the Equity Method

Our share of net profits of investments accounted for using the equity method increased from net profits of RMB45.6 million for the year ended December 31, 2023 to net profits of RMB276.8 million for the year ended December 31, 2024.

Other Income

Our other income increased from RMB0.7 billion for the year ended December 31, 2023 to RMB1.7 billion for the year ended December 31, 2024, primarily due to the increase of government grants.

Other (Losses)/Gains, Net

Our other net (losses)/gains changed from a net gain of RMB1.7 billion for the year ended December 31, 2023 to a net loss of RMB10.4 million for the year ended December 31, 2024, primarily due to the decrease of disposal and deemed disposal gains of investments accounted for using the equity method, as well as the change from foreign exchange gains to losses.

Finance Income, Net

Our net finance income increased by 81.0% from RMB2.0 billion for the year ended December 31, 2023 to RMB3.6 billion for the year ended December 31, 2024, primarily due to the change of value of financial liabilities payable to fund investors.

Income Tax Expenses

Our income tax expenses remained stable at RMB4.5 billion for the year ended December 31, 2024 compared to the year ended December 31, 2023.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 34.9% from RMB17.5 billion for the year ended December 31, 2023 to RMB23.6 billion for the year ended December 31, 2024.

Adjusted Net Profit

Our adjusted net profit increased by 41.3% from RMB19.3 billion for the year ended December 31, 2023 to RMB27.2 billion for the year ended December 31, 2024.

Fourth Quarter of 2024 Compared to Fourth Quarter of 2023

The following table sets forth the comparative figures for the fourth quarter of 2024 and the fourth quarter of 2023:

	Unaudited	
	Three months ended	
	December 31,	December 31,
	2024	2023
	(RMB in millions)	
Revenue	109,005.2	73,243.7
Cost of sales	(86,550.3)	(57,629.7)
Gross profit	22,454.9	15,614.0
Research and development expenses	(7,436.6)	(5,463.3)
Selling and marketing expenses	(7,729.4)	(5,909.7)
Administrative expenses	(1,480.3)	(1,483.1)
Fair value changes on financial instruments measured at fair value through profit or loss	2,578.2	623.5
Share of net (losses)/profits of investments accounted for using the equity method	(2.7)	84.0
Other income	946.2	261.7
Other (losses)/gains, net	(440.4)	1,329.6
Operating profit	8,889.9	5,056.7
Finance income, net	517.8	640.8
Profit before income tax	9,407.7	5,697.5
Income tax expenses	(412.4)	(974.0)
Profit for the period	8,995.3	4,723.5
Non-IFRS Measure: Adjusted net profit	8,316.2	4,909.7

Revenue

Revenue increased by 48.8% to RMB109.0 billion in the fourth quarter of 2024 from RMB73.2 billion in the fourth quarter of 2023. The following table sets forth our revenue by segment in the fourth quarter of 2024 and the fourth quarter of 2023:

	Unaudited			
	Three months ended			
	December 31, 2024		December 31, 2023	
	% of total		% of total	
	Amount	revenue	Amount	revenue
	(RMB in millions, unless specified)			
Smartphone × AIoT	92,343.5	84.7%	73,243.7	100.0%
Smart EV and other new initiatives	16,661.7	15.3%	—	—
Total revenue	<u>109,005.2</u>	<u>100.0%</u>	<u>73,243.7</u>	<u>100.0%</u>

Smartphone × AIoT

Revenue from our smartphone × AIoT segment increased by 26.1% from RMB73.2 billion in the fourth quarter of 2023 to RMB92.3 billion for the fourth quarter of 2024. The following table sets forth our revenue by line of our smartphone × AIoT segment in the fourth quarter of 2024 and the fourth quarter of 2023:

	Unaudited			
	Three months ended			
	December 31, 2024		December 31, 2023	
	% of total		% of total	
	Amount	revenue	Amount	revenue
	(RMB in millions, unless specified)			
Smartphone × AIoT				
Smartphone	51,310.8	47.1%	44,232.2	60.4%
IoT and lifestyle products	30,867.9	28.3%	20,346.8	27.8%
Internet services	9,338.6	8.6%	7,879.7	10.8%
Other related businesses	826.2	0.7%	785.0	1.0%
Total revenue of smartphone × AIoT segment	<u>92,343.5</u>	<u>84.7%</u>	<u>73,243.7</u>	<u>100.0%</u>

(i) Smartphones

Revenue from our smartphones increased by 16.0% from RMB44.2 billion in the fourth quarter of 2023 to RMB51.3 billion in the fourth quarter of 2024, primarily due to the increase in both our smartphone ASP and shipments. The ASP of our smartphones increased by 10.1% from RMB1,091.7 per unit in the fourth quarter of 2023 to RMB1,202.4 per unit in the fourth quarter of 2024, primarily attributable to the increased ASP in the overseas markets due to the higher contribution from our premium smartphone shipments, partially offset by the decreased ASP in mainland China primarily driven by the successful launch of *Redmi 14R 5G Series* with lower ASP in September 2024. Our smartphone shipments increased by 5.3% from 40.5 million units in the fourth quarter of 2023 to 42.7 million units in the fourth quarter of 2024, primarily due to the increased shipments in mainland China with our market share in mainland China increasing by 3.0 percentage points year-over-year to 15.8%, according to Canalys.

(ii) IoT and lifestyle products

Revenue from our IoT and lifestyle products increased by 51.7% from RMB20.3 billion in the fourth quarter of 2023 to RMB30.9 billion in the fourth quarter of 2024, primarily due to the increased revenue from smart large home appliances, smart TVs and certain lifestyle products in mainland China.

Revenue from our smart large home appliances increased by 105.1% year-over-year, primarily due to the increased shipments driven by the national subsidies in mainland China.

Revenue from our smart TVs increased by 38.6% year-over-year, primarily due to the increased ASP, as well as the increased shipments driven by the national subsidies in mainland China.

(iii) Internet services

Revenue from our internet services increased by 18.5% from RMB7.9 billion in the fourth quarter of 2023 to RMB9.3 billion in the fourth quarter of 2024, primarily due to the increased revenue from our advertising business.

(iv) Other related businesses

Revenue from our other related businesses remained stable at RMB0.8 billion in the fourth quarter of 2024 compared to the fourth quarter of 2023.

Smart EV and Other New Initiatives

Revenue from our smart EV and other new initiatives segment was RMB16.7 billion in the fourth quarter of 2024.

Revenue from our smart EV was RMB16.3 billion in the fourth quarter of 2024. In the fourth quarter of 2024, we have delivered 69,697 *Xiaomi SU7 Series* vehicles. The ASP of our smart EV was RMB234,322 per unit.

Revenue from our other related businesses was RMB0.3 billion in the fourth quarter of 2024.

Cost of Sales

Our cost of sales increased by 50.2% from RMB57.6 billion in the fourth quarter of 2023 to RMB86.6 billion in the fourth quarter of 2024. The following table sets forth our cost of sales by segment in the fourth quarter of 2024 and the fourth quarter of 2023:

	Unaudited			
	Three months ended			
	December 31, 2024		December 31, 2023	
	Amount	% of total revenue	Amount	% of total revenue
(RMB in millions, unless specified)				
Smartphone × AIoT	73,295.5	67.2%	57,629.7	78.7%
Smart EV and other new initiatives	13,254.8	12.2%	—	—
Total cost of sales	<u>86,550.3</u>	<u>79.4%</u>	<u>57,629.7</u>	<u>78.7%</u>

Smartphone × AIoT

Cost of sales related to our smartphone × AIoT segment increased by 27.2% from RMB57.6 billion in the fourth quarter of 2023 to RMB73.3 billion in the fourth quarter of 2024. The following table sets forth our cost of sales by line of our smartphone × AIoT segment in the fourth quarter of 2024 and the fourth quarter of 2023:

	Unaudited			
	Three months ended			
	December 31, 2024		December 31, 2023	
	Amount	% of total revenue	Amount	% of total revenue
(RMB in millions, unless specified)				
Smartphone × AIoT				
Smartphone	45,133.2	41.4%	36,989.6	50.5%
IoT and lifestyle products	24,525.0	22.5%	17,510.3	23.9%
Internet services	2,194.4	2.0%	1,914.6	2.6%
Other related businesses	1,442.9	1.3%	1,215.2	1.7%
Total cost of sales of smartphone × AIoT segment	<u>73,295.5</u>	<u>67.2%</u>	<u>57,629.7</u>	<u>78.7%</u>

(i) Smartphones

Cost of sales related to our smartphones increased by 22.0% from RMB37.0 billion in the fourth quarter of 2023 to RMB45.1 billion in the fourth quarter of 2024, primarily due to the increased sales of our smartphones and the increased price of key components.

(ii) IoT and lifestyle products

Cost of sales related to our IoT and lifestyle products increased by 40.1% from RMB17.5 billion in the fourth quarter of 2023 to RMB24.5 billion in the fourth quarter of 2024, primarily due to the increased sales of our IoT and lifestyle products.

(iii) Internet services

Cost of sales related to our internet services increased by 14.6% from RMB1.9 billion in the fourth quarter of 2023 to RMB2.2 billion in the fourth quarter of 2024, primarily due to the increased cost of our advertising business.

(iv) Other related businesses

Cost of sales related to our other related businesses increased by 18.7% from RMB1.2 billion in the fourth quarter of 2023 to RMB1.4 billion in the fourth quarter of 2024, primarily due to the increased cost from installation services provided for air conditioners.

Smart EV and Other New Initiatives

Cost of sales related to our smart EV and other new initiatives segment was RMB13.3 billion in the fourth quarter of 2024.

Gross Profit and Margin

As a result of the foregoing, our gross profit increased by 43.8% from RMB15.6 billion in the fourth quarter of 2023 to RMB22.5 billion in the fourth quarter of 2024. Our gross profit margin decreased from 21.3% in the fourth quarter of 2023 to 20.6% in the fourth quarter of 2024.

The following table sets forth our gross profit and margin by segment in the fourth quarter of 2024 and the fourth quarter of 2023:

	Unaudited			
	Three months ended			
	December 31, 2024		December 31, 2023	
	Gross profit	Gross margin %	Gross profit	Gross margin %
	(RMB in millions, unless specified)			
Smartphone × AIoT	19,048.0	20.6%	15,614.0	21.3%
Smart EV and other new initiatives	3,406.9	20.4%	—	—
Total gross profit and gross margin	<u>22,454.9</u>	<u>20.6%</u>	<u>15,614.0</u>	<u>21.3%</u>

Smartphone × AIoT

The gross profit from our smartphone × AIoT segment increased by 22.0% from RMB15.6 billion in the fourth quarter of 2023 to RMB19.0 billion in the fourth quarter of 2024. The following table sets forth our gross profit and margin by line of our smartphone × AIoT segment in the fourth quarter of 2024 and the fourth quarter of 2023:

	Unaudited			
	Three months ended			
	December 31, 2024		December 31, 2023	
	Gross		Gross	
	Gross profit	margin %	Gross profit	margin %
	(RMB in millions, unless specified)			
Smartphone × AIoT				
Smartphone	6,177.6	12.0%	7,242.6	16.4%
IoT and lifestyle products	6,342.9	20.5%	2,836.5	13.9%
Internet services	7,144.2	76.5%	5,965.1	75.7%
Other related businesses	(616.7)	(74.6%)	(430.2)	(54.8%)
	<u>19,048.0</u>	<u>20.6%</u>	<u>15,614.0</u>	<u>21.3%</u>
Total gross profit and margin of smartphone × AIoT segment	19,048.0	20.6%	15,614.0	21.3%

The gross profit margin from our smartphones decreased from 16.4% in the fourth quarter of 2023 to 12.0% in the fourth quarter of 2024, mainly due to the increased price of key components.

The gross profit margin from our IoT and lifestyle products increased from 13.9% in the fourth quarter of 2023 to 20.5% in the fourth quarter of 2024, mainly due to the increased gross profit margin of our wearables, smart TVs and smart large home appliances.

The gross profit margin from our internet services increased from 75.7% in the fourth quarter of 2023 to 76.5% in the fourth quarter of 2024, mainly due to higher revenue contribution of our advertising business.

Smart EV and Other New Initiatives

The gross profit margin from our smart EV and other new initiatives segment was 20.4% in the fourth quarter of 2024.

Operating Expenses

Our operating expenses comprised our research and development expenses, selling and marketing expenses and administrative expenses. Our operating expenses related to our smart EV and other new initiatives segment was RMB4.4 billion in the fourth quarter of 2024.

Research and Development Expenses

Our research and development expenses increased by 36.1% from RMB5.5 billion in the fourth quarter of 2023 to RMB7.4 billion in the fourth quarter of 2024, primarily due to the increase in compensation for research and development personnel and higher research and development expenses related to our smart EV and other new initiatives.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 30.8% from RMB5.9 billion in the fourth quarter of 2023 to RMB7.7 billion in the fourth quarter of 2024, primarily due to the increase in logistic expenses related to smartphone × AIoT and compensation for selling and marketing personnel.

Administrative Expenses

Our administrative expenses remained stable at RMB1.5 billion in the fourth quarter of 2024 compared to the fourth quarter of 2023.

Fair Value Changes on Financial Instruments Measured at Fair Value Through Profit or Loss

Our fair value changes on financial instruments measured at fair value through profit or loss increased from a gain of RMB0.6 billion in the fourth quarter of 2023 to a gain of RMB2.6 billion in the fourth quarter of 2024, primarily due to the higher fair value gains of both listed equity investments and unlisted preferred shares investments in the fourth quarter of 2024 compared to the fourth quarter of 2023.

Share of Net (Losses)/Profits of Investments Accounted for Using the Equity Method

Our share of net (losses)/profits of investments accounted for using the equity method changed from net profits of RMB84.0 million in the fourth quarter of 2023 to net losses of RMB2.7 million in the fourth quarter of 2024.

Other Income

Our other income increased from RMB0.3 billion in the fourth quarter of 2023 to RMB0.9 billion in the fourth quarter of 2024, primarily due to the increase of government grants.

Other (Losses)/Gains, Net

Our other net (losses)/gains changed from a net gain of RMB1.3 billion in the fourth quarter of 2023 to a net loss of RMB0.4 billion in the fourth quarter of 2024, mainly due to the decrease of disposal and deemed disposal gains of investments accounted for using the equity method, as well as the change from foreign exchange gains to losses.

Finance Income, Net

Our net finance income decreased by 19.2% from RMB0.6 billion in the fourth quarter of 2023 to RMB0.5 billion in the fourth quarter of 2024, primarily due to the change of value of financial liabilities payable to fund investors and the decrease of interest income.

Income Tax Expenses

Our income tax expenses decreased by 57.7% from RMB1.0 billion in the fourth quarter of 2023 to RMB0.4 billion in the fourth quarter of 2024, primarily due to lower taxable profit recorded for the period.

Profit for the Period

As a result of the foregoing, our profit for the period increased by 90.4% from RMB4.7 billion in the fourth quarter of 2023 to RMB9.0 billion in the fourth quarter of 2024.

Adjusted Net Profit

Our adjusted net profit increased by 69.4% from RMB4.9 billion in the fourth quarter of 2023 to RMB8.3 billion in the fourth quarter of 2024.

Fourth Quarter of 2024 Compared to Third Quarter of 2024

The following table sets forth the comparative figures for the fourth quarter of 2024 and the third quarter of 2024:

	Unaudited	
	Three months ended	
	December 31,	September 30,
	2024	2024
	(RMB in millions)	
Revenue	109,005.2	92,506.5
Cost of sales	(86,550.3)	(73,625.1)
Gross profit	22,454.9	18,881.4
Research and development expenses	(7,436.6)	(5,956.8)
Selling and marketing expenses	(7,729.4)	(6,280.0)
Administrative expenses	(1,480.3)	(1,415.4)
Fair value changes on financial instruments measured at fair value through profit or loss	2,578.2	548.5
Share of net (losses)/profits of investments accounted for using the equity method	(2.7)	37.7
Other income	946.2	275.9
Other losses, net	(440.4)	(50.0)
Operating profit	8,889.9	6,041.3
Finance income, net	517.8	775.9
Profit before income tax	9,407.7	6,817.2
Income tax expenses	(412.4)	(1,476.9)
Profit for the period	8,995.3	5,340.3
Non-IFRS Measure: Adjusted net profit	8,316.2	6,252.0

Revenue

Revenue increased by 17.8% to RMB109.0 billion in the fourth quarter of 2024 from RMB92.5 billion in the third quarter of 2024. The following table sets forth our revenue by segment in the fourth quarter of 2024 and the third quarter of 2024:

	Unaudited			
	Three months ended			
	December 31, 2024		September 30, 2024	
	Amount	% of total revenue	Amount	% of total revenue
(RMB in millions, unless specified)				
Smartphone × AIoT	92,343.5	84.7%	82,809.4	89.5%
Smart EV and other new initiatives	16,661.7	15.3%	9,697.1	10.5%
Total revenue	<u>109,005.2</u>	<u>100.0%</u>	<u>92,506.5</u>	<u>100.0%</u>

Smartphone × AIoT

Revenue from our smartphone × AIoT segment increased by 11.5% from RMB82.8 billion in the third quarter of 2024 to RMB92.3 billion in the fourth quarter of 2024. The following table sets forth our revenue by line of our smartphone × AIoT segment in the fourth quarter of 2024 and the third quarter of 2024:

	Unaudited			
	Three months ended			
	December 31, 2024		September 30, 2024	
	Amount	% of total revenue	Amount	% of total revenue
(RMB in millions, unless specified)				
Smartphone × AIoT				
Smartphones	51,310.8	47.1%	47,452.3	51.3%
IoT and lifestyle products	30,867.9	28.3%	26,102.2	28.2%
Internet services	9,338.6	8.6%	8,462.8	9.1%
Other related businesses	826.2	0.7%	792.1	0.9%
Total revenue of smartphone × AIoT segment	<u>92,343.5</u>	<u>84.7%</u>	<u>82,809.4</u>	<u>89.5%</u>

(i) Smartphones

Revenue from our smartphones increased by 8.1% from RMB47.5 billion in the third quarter of 2024 to RMB51.3 billion in the fourth quarter of 2024, primarily due to the increase in our smartphone ASP, partially offset by the slight decrease in our smartphone shipments. The ASP of our smartphones increased by 9.1% from RMB1,102.2 per unit in the third quarter of 2024 to RMB1,202.4 per unit in the fourth quarter of 2024, primarily due to the increase in ASP in mainland China resulting from the successful launch of premium smartphones in the fourth quarter of 2024. Our smartphone shipments decreased slightly by 0.9% from 43.1 million units in the third quarter of 2024 to 42.7 million units in the fourth quarter of 2024, primarily due to the decrease in smartphone shipments in the fourth quarter of 2024 in India resulting from the enhanced promotional efforts for the Diwali Festival in India in the third quarter of 2024, partially offset by the increase in smartphone shipments in mainland China resulting from the successful launch of new products in the fourth quarter of 2024.

(ii) IoT and lifestyle products

Revenue from our IoT and lifestyle products increased by 18.3% from RMB26.1 billion in the third quarter of 2024 to RMB30.9 billion in the fourth quarter of 2024, primarily due to increased revenue from smart TVs and certain lifestyle products in mainland China, partially offset by the slightly decreased revenue from our smart large home appliances.

Revenue from smart TVs increased by 33.1% quarter-over-quarter, primarily due to the increased shipments driven by the national subsidies in mainland China, as well as the increased ASP.

Revenue from our smart large home appliances decreased by 4.7% quarter-over-quarter, primarily due to the seasonal decrease in revenue from air conditioners, partially offset by the increased revenue from washing machines attributable to the increased shipments.

(iii) Internet services

Revenue from our internet services increased by 10.3% from RMB8.5 billion in the third quarter of 2024 to RMB9.3 billion in the fourth quarter of 2024, primarily due to the increased revenue from our advertising business.

(iv) Other related businesses

Revenue from our other related businesses remained stable at RMB0.8 billion in the fourth quarter of 2024 compared to the third quarter of 2024.

Smart EV and Other New Initiatives

Revenue from our smart EV and other new initiatives segment increased by 71.8% from RMB9.7 billion in the third quarter of 2024 to RMB16.7 billion in the fourth quarter of 2024.

Revenue from our smart EV increased by 72.0% from RMB9.5 billion in the third quarter of 2024 to RMB16.3 billion in the fourth quarter of 2024, primarily attributable to the increase in vehicle deliveries. Our vehicle deliveries increased by 75.2% from 39,790 units in the third quarter of 2024 to 69,697 units in the fourth quarter of 2024. The ASP of our smart EV decreased slightly by 1.8% from RMB238,650 per unit in the third quarter of 2024 to RMB234,322 per unit in the fourth quarter of 2024, primarily due to the different product mix of *Xiaomi SU7 Series* delivered in this quarter.

Revenue from our other related businesses increased by 64.0% from RMB0.2 billion in the third quarter of 2024 to RMB0.3 billion in the fourth quarter of 2024, primarily due to the increased services and sales of accessories.

Cost of Sales

Our cost of sales increased by 17.6% from RMB73.6 billion in the third quarter of 2024 to RMB86.6 billion in the fourth quarter of 2024. The following table sets forth our cost of sales by segment in the fourth quarter of 2024 and the third quarter of 2024:

	Unaudited			
	Three months ended			
	December 31, 2024		September 30, 2024	
	Amount	% of total revenue	Amount	% of total revenue
(RMB in millions, unless specified)				
Smartphone × AIoT	73,295.5	67.2%	65,588.4	70.9%
Smart EV and other new initiatives	13,254.8	12.2%	8,036.7	8.7%
Total cost of sales	<u>86,550.3</u>	<u>79.4%</u>	<u>73,625.1</u>	<u>79.6%</u>

Smartphone × AIoT

Cost of sales related to our smartphone × AIoT segment increased by 11.8% from RMB65.6 billion in the third quarter of 2024 to RMB73.3 billion in the fourth quarter of 2024. The following table sets forth our cost of sales by line of our smartphone × AIoT segment in the fourth quarter of 2024 and the third quarter of 2024:

	Unaudited			
	Three months ended			
	December 31, 2024		September 30, 2024	
	Amount	% of total revenue	Amount	% of total revenue
(RMB in millions, unless specified)				
Smartphone × AIoT				
Smartphones	45,133.2	41.4%	41,904.7	45.3%
IoT and lifestyle products	24,525.0	22.5%	20,684.1	22.4%
Internet services	2,194.4	2.0%	1,908.2	2.1%
Other related businesses	1,442.9	1.3%	1,091.4	1.1%
Total cost of sales of smartphone × AIoT segment	<u>73,295.5</u>	<u>67.2%</u>	<u>65,588.4</u>	<u>70.9%</u>

(i) Smartphones

Cost of sales related to our smartphones increased by 7.7% from RMB41.9 billion in the third quarter of 2024 to RMB45.1 billion in the fourth quarter of 2024, primarily due to the increased sales of premium smartphones in the fourth quarter of 2024.

(ii) IoT and lifestyle products

Cost of sales related to our IoT and lifestyle products increased by 18.6% from RMB20.7 billion in the third quarter of 2024 to RMB24.5 billion in the fourth quarter of 2024, primarily due to the increased sales of our IoT and lifestyle products.

(iii) Internet services

Cost of sales related to our internet services increased by 15.0% from RMB1.9 billion in the third quarter of 2024 to RMB2.2 billion in the fourth quarter of 2024, primarily due to the increased cost of our advertising business.

(iv) Other related businesses

Cost of sales related to our other related businesses increased by 32.2% from RMB1.1 billion in the third quarter of 2024 to RMB1.4 billion in the fourth quarter of 2024, primarily due to the increased cost from sales of materials, partially offset by the decreased cost from installation services provided for air conditioners.

Smart EV and Other New Initiatives

Cost of sales related to our smart EV and other new initiatives segment increased by 64.9% from RMB8.0 billion in the third quarter of 2024 to RMB13.3 billion in the fourth quarter of 2024, primarily due to the increase in vehicle deliveries.

Gross Profit and Margin

As a result of the foregoing, our gross profit increased by 18.9% from RMB18.9 billion in the third quarter of 2024 to RMB22.5 billion in the fourth quarter of 2024. Our gross profit margin increased from 20.4% in the third quarter of 2024 to 20.6% in the fourth quarter of 2024.

The following table sets forth our gross profit and margin by segment in the fourth quarter of 2024 and the third quarter of 2024:

	Unaudited			
	Three months ended			
	December 31, 2024		September 30, 2024	
	Gross profit	Gross margin %	Gross profit	Gross margin %
(RMB in millions, unless specified)				
Smartphone × AIoT	19,048.0	20.6%	17,221.0	20.8%
Smart EV and other new initiatives	3,406.9	20.4%	1,660.4	17.1%
Total gross profit and gross margin	<u>22,454.9</u>	<u>20.6%</u>	<u>18,881.4</u>	<u>20.4%</u>

Smartphone × AIoT

The gross profit margin from our smartphone × AIoT segment decreased from 20.8% in the third quarter of 2024 to 20.6% in the fourth quarter of 2024. The following table sets forth our gross profit and margin by line of our smartphone × AIoT segment in the fourth quarter of 2024 and the third quarter of 2024:

	Unaudited			
	Three months ended			
	December 31, 2024		September 30, 2024	
	Gross profit	Gross margin %	Gross profit	Gross margin %
(RMB in millions, unless specified)				
Smartphone × AIoT				
Smartphones	6,177.6	12.0%	5,547.6	11.7%
IoT and lifestyle products	6,342.9	20.5%	5,418.1	20.8%
Internet services	7,144.2	76.5%	6,554.6	77.5%
Other related businesses	(616.7)	(74.6%)	(299.3)	(37.8%)
Total gross profit and margin of smartphone × AIoT segment	<u>19,048.0</u>	<u>20.6%</u>	<u>17,221.0</u>	<u>20.8%</u>

The gross profit margin from our smartphones increased from 11.7% in the third quarter of 2024 to 12.0% in the fourth quarter of 2024, primarily due to the stable price of key components, as well as the improved product mix in mainland China.

The gross profit margin from our IoT and lifestyle products decreased from 20.8% in the third quarter of 2024 to 20.5% in the fourth quarter of 2024, mainly due to the enhanced promotional efforts in major shopping festivals in the fourth quarter of 2024, partially offset by the increased gross profit margin of our smart large home appliances and smart TVs.

The gross profit margin from our internet services decreased from 77.5% in the third quarter of 2024 to 76.5% in the fourth quarter of 2024, mainly due to the decreased gross profit margin of our advertising business.

Smart EV and Other New Initiatives

The gross profit margin from our smart EV and other new initiatives increased from 17.1% in the third quarter of 2024 to 20.4% in the fourth quarter of 2024, mainly due to the decrease in price of key components, lower manufacturing cost per unit due to higher production volume, as well as fewer deliveries with initial purchase benefits.

Operating Expenses

Our operating expenses comprised our research and development expenses, selling and marketing expenses and administrative expenses. Our operating expenses related to our smart EV and other new initiatives segment was RMB4.4 billion in the fourth quarter of 2024.

Research and Development Expenses

Our research and development expenses increased by 24.8% from RMB6.0 billion in the third quarter of 2024 to RMB7.4 billion in the fourth quarter of 2024, primarily due to the increase in compensation for research and development personnel and higher research and development expenses related to our smart EV and other new initiatives.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 23.1% from RMB6.3 billion in the third quarter of 2024 to RMB7.7 billion in the fourth quarter of 2024, primarily due to the increase in promotion and advertising expenses, logistic expenses related to smartphone × AIoT and compensation for selling and marketing personnel.

Promotion and advertising expenses increased by 31.6% from RMB1.8 billion in the third quarter of 2024 to RMB2.4 billion in the fourth quarter of 2024, primarily due to the increase in promotional events of our products and brand marketing in the fourth quarter of 2024.

Administrative Expenses

Our administrative expenses increased by 4.6% from RMB1.4 billion in the third quarter of 2024 to RMB1.5 billion in the fourth quarter of 2024, primarily due to the increase of professional service fees and compensation for administrative personnel, partially offset by the decrease in credit loss allowance for receivables.

Fair Value Changes on Financial Instruments Measured at Fair Value Through Profit or Loss

Our fair value changes on financial instruments measured at fair value through profit or loss increased from a gain of RMB0.5 billion in the third quarter of 2024 to a gain of RMB2.6 billion in the fourth quarter of 2024, primarily due to the fair value gains of unlisted preferred shares investments in the fourth quarter of 2024, compared to fair value losses of unlisted preferred shares investments in the third quarter of 2024.

Share of Net (Losses)/Profits of Investments Accounted for Using the Equity Method

Our share of net (losses)/profits of investments accounted for using the equity method changed from net profits of RMB37.7 million in the third quarter of 2024 to net losses of RMB2.7 million in the fourth quarter of 2024.

Other Income

Our other income increased from RMB0.3 billion in the third quarter of 2024 to RMB0.9 billion in the fourth quarter of 2024, primarily due to the increase of government grants.

Other Losses, Net

Our other net losses increased from RMB50.0 million in the third quarter of 2024 to RMB440.4 million in the fourth quarter of 2024, mainly due to the increase of foreign exchange losses and the impairment of investments accounted for using the equity method.

Finance Income, Net

Our net finance income decreased by 33.3% from RMB0.8 billion in the third quarter of 2024 to RMB0.5 billion in the fourth quarter of 2024, primarily due to the change of value of financial liabilities payable to fund investors, partially offset by the increase of interest income.

Income Tax Expenses

Our income tax expenses decreased by 72.1% from RMB1.5 billion in the third quarter of 2024 to RMB0.4 billion in the fourth quarter of 2024, primarily due to the lower taxable profit recorded for the period.

Profit for the Period

As a result of the foregoing, our profit for the period increased by 68.4% from RMB5.3 billion in the third quarter of 2024 to RMB9.0 billion in the fourth quarter of 2024.

Adjusted Net Profit

Our adjusted net profit increased by 33.0% from RMB6.3 billion in the third quarter of 2024 to RMB8.3 billion in the fourth quarter of 2024.

Non-IFRS Measure: Adjusted Net Profit

To supplement our consolidated results which are prepared and presented in accordance with all applicable IFRS Accounting Standards issued by the International Accounting Standards Board (“**IFRS Accounting Standards**”), we utilize non-IFRS adjusted net profit (“**Adjusted Net Profit**”) as an additional financial measure. We define Adjusted Net Profit as profit for the period, as adjusted by adding back (i) share-based compensation, (ii) net fair value changes on investments, (iii) amortization of intangible assets resulting from acquisitions, (iv) changes of value of financial liabilities to investors, and (v) income tax effects of non-IFRS adjustments.

Adjusted Net Profit is not required by, or presented in accordance with, IFRS Accounting Standards. We believe that the presentation of non-IFRS measures when shown in conjunction with the corresponding IFRS Accounting Standards measures provides useful information to investors and management regarding financial and business trends in relation to our financial condition and results of operations, by eliminating any potential impact of items that our management does not consider to be indicative of our operating performance such as certain non-cash items and the impact of certain investment transactions. We also believe that the non-IFRS measures are appropriate for evaluating the Group's operating performance. However, the use of this particular non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial conditions as reported under IFRS Accounting Standards. In addition, this non-IFRS financial measure may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures used by other companies.

The following tables set forth reconciliations of the Group's Non-IFRS measures for the fourth quarter of 2024, the third quarter of 2024, the fourth quarter of 2023 and the years ended December 31, 2024 and 2023 to the nearest measures prepared in accordance with IFRS Accounting Standards.

	Unaudited						Non-IFRS
	Three Months Ended December 31, 2024						
				Adjustments			
				Amortization	Changes of		
				of intangible	value of		
			Net fair value	assets	financial		
	Share-based	changes on	resulting from	liabilities	Income		
As reported	compensation ⁽¹⁾	investments ⁽²⁾	acquisitions ⁽³⁾	to investors ⁽⁴⁾	tax effects ⁽⁵⁾		
(RMB in thousand, unless specified)							
Profit for the period	8,995,276	993,303	(1,835,533)	36,002	19,999	107,164	8,316,211
Net margin	8.3%						7.6%

	Unaudited						Non-IFRS
	Three Months Ended September 30, 2024						
				Adjustments			
				Amortization	Changes of		
				of intangible	value of		
			Net fair value	assets	financial		
	Share-based	changes on	resulting from	liabilities	Income		
As reported	compensation ⁽¹⁾	investments ⁽²⁾	acquisitions ⁽³⁾	to investors ⁽⁴⁾	tax effects ⁽⁵⁾		
(RMB in thousand, unless specified)							
Profit for the period	5,340,292	866,909	166,903	36,002	(218,605)	60,464	6,251,965
Net margin	5.8%						6.8%

	Unaudited						Non-IFRS
	Three Months Ended December 31, 2023						
				Adjustments			
				Amortization	Changes of		
				of intangible	value of		
			Net fair value	assets	financial		
		Share-based	changes on	resulting from	liabilities	Income	
As reported	compensation ⁽¹⁾	investments ⁽²⁾	acquisitions ⁽³⁾	to investors ⁽⁴⁾	tax effects ⁽⁵⁾		
(RMB in thousand, unless specified)							
Profit for the period	4,723,462	874,020	(1,167,028)	36,002	115,015	328,195	4,909,666
Net margin	6.4%						6.7%

	Year Ended December 31, 2024						Non-IFRS
	Adjustments						
				Amortization	Changes of		
				of intangible	value of		
			Net fair value	assets	financial		
		Share-based	changes on	resulting from	liabilities	Income	
As reported	compensation ⁽¹⁾	investments ⁽²⁾	acquisitions ⁽³⁾	to investors ⁽⁴⁾	tax effects ⁽⁵⁾		
(RMB in thousand, unless specified)							
Profit for the year	23,578,449	3,719,482	1,184,519	144,008	(1,243,607)	(148,320)	27,234,531
Net margin	6.4%						7.4%

	Year Ended December 31, 2023						Non-IFRS
	Adjustments						
				Amortization	Changes of		
				of intangible	value of		
			Net fair value	assets	financial		
		Share-based	changes on	resulting from	liabilities	Income	
As reported	compensation ⁽¹⁾	investments ⁽²⁾	acquisitions ⁽³⁾	to investors ⁽⁴⁾	tax effects ⁽⁵⁾		
(RMB in thousand, unless specified)							
Profit for the year	17,474,197	3,344,357	(2,746,397)	144,008	410,946	645,643	19,272,754
Net margin	6.4%						7.1%

Notes:

- (1) Represents the expenses related to share-based payments granted to employees of the Group.
- (2) Primarily includes fair value changes on equity investments and preferred shares investments deducting the accumulative fair value changes for investments (including the financial assets measured at fair value through profit or loss (“FAFVPL”) and the investments using the equity method transferred from FAFVPL) disposed in the current period, net gains/(losses) on deemed disposals of investee companies, the impairment provision for investments, re-measurement impact on loss of significant influence in an associate and, re-measurement of investments transferring from FAFVPL to investments using the equity method.

- (3) Represents amortization of intangible assets resulting from acquisitions.
- (4) Represent the change of value of the financial liabilities payable to the investors.
- (5) Income tax effects of non-IFRS adjustments.

Liquidity and Financial Resources

On December 4, 2020, the Company completed of a placing of a total of 1,000,000,000 placing shares at HK\$23.70 for each placing share owned by Smart Mobile Holdings Limited to not less than six places who and whose ultimate beneficial owner(s) are independent third parties and allotted and issued 1,000,000,000 subscription shares at HK\$23.70 per subscription share under the general mandate to Smart Mobile Holdings (the “**2020 Placing and Subscription**”). For further details, please refer to the Company’s announcements dated December 2, 2020, December 3, 2020 and December 9, 2020.

Other than the funds raised through our Global Offering in July 2018, the 2020 Placing and Subscription and the issuance of debt securities as described in “Issuance of Debt Securities” below, we have historically funded our cash requirements principally from cash generated from our operations and bank borrowings. We had cash and cash equivalents of RMB33.7 billion as of December 31, 2024.

Issuance of Debt Securities

On April 29, 2020, Xiaomi Best Time International Limited, a wholly owned subsidiary of the Company, issued US\$600 million 3.375% senior notes due 2030 unconditionally and irrevocably guaranteed by the Company (the “**2030 Notes**”). For further details, please refer to the announcements of the Company published on April 20, 2020 and April 23, 2020.

On December 17, 2020, Xiaomi Best Time International Limited issued zero coupon guaranteed convertible bonds due 2027 guaranteed by the Company in the aggregate principal amount of US\$855 million at an initial conversion price of HK\$36.74 per conversion share (subject to adjustments) (the “**2027 Bonds**”). The 2027 Bonds are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). For further details, please refer to the announcements of the Company dated December 2, 2020, December 3, 2020, December 17, 2020 and December 18, 2020.

As at December 31, 2024, no 2027 Bonds had been converted into new Shares.

On July 14, 2021, Xiaomi Best Time International Limited issued US\$800 million 2.875% senior bonds due 2031 (the “**2031 Bonds**”) and US\$400 million 4.100% senior green bonds due 2051, both of which were unconditionally and irrevocably guaranteed by the Company (the “**Green Bonds**”). For further details of the 2031 Bonds and Green Bonds, please refer to the announcements of the Company published on July 6, 2021, July 8, 2021, July 14, 2021 and July 15, 2021.

Consolidated Statement of Cash Flows

	Unaudited	
	Three months ended	
	December 31, 2024	September 30, 2024
	(RMB in millions)	
Net cash generated from operating activities ⁽¹⁾	23,906.8	12,858.1
Net cash used in investing activities	(29,067.1)	(9,028.4)
Net cash used in financing activities ⁽¹⁾	(899.9)	(3,554.4)
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(6,060.2)	275.3
	<hr/>	<hr/>
Cash and cash equivalents at beginning of the period	39,655.4	39,335.8
Effects of exchange rate changes on cash and cash equivalents	66.2	44.3
	<hr/>	<hr/>
Cash and cash equivalents at end of the period	33,661.4	39,655.4
	<hr/> <hr/>	<hr/> <hr/>

Notes:

- (1) Excluding (1) the change of trade payables related to the finance factoring business; (2) the change of loan and interest receivables and impairment provision for loan receivables mainly resulting from the fintech business; (3) the change of restricted cash resulting from the fintech business; and (4) the change of deposits from customers resulting from the Airstar Bank, the net cash generated from operating activities was RMB26.1 billion and RMB9.6 billion in the fourth quarter of 2024 and in the third quarter of 2024, respectively. Excluding the change of borrowings for the finance factoring business, the net cash used in financing activities was RMB3.0 billion and RMB2.6 billion in the fourth quarter of 2024 and in the third quarter of 2024, respectively. The information in this footnote is based on the management accounts of the Group, which have not been audited or reviewed by the Group's Auditor. The accounting policies applied in the preparation of the management accounts are consistent with those used for other figures in this announcement.
- (2) The cash resources which the Group considered in cash management include but not limited to cash and cash equivalents, restricted cash, term bank deposits, short-term investments measured at fair value through profit or loss, short-term investments measured at amortized cost, long-term investments measured at amortized cost and treasury investments included in long-term investments measured at fair value through profit or loss. As of December 31, 2024, the aggregate amount of cash resources of the Group was RMB175.1 billion.

Net Cash Generated From Operating Activities

Net cash generated from operating activities represents the cash generated from our operations minus the income tax paid. Cash generated from our operations primarily comprise our profit before income tax adjusted by non-cash items and changes in working capital.

For the fourth quarter of 2024, our net cash generated from operating activities was RMB23.9 billion, representing cash generated from operations of RMB24.3 billion minus income tax paid of RMB0.4 billion. Cash generated from operations was primarily attributed to our profit before income tax of RMB9.4 billion, mainly adjusted by an increase in trade payables of RMB29.7 billion, partially offset by an increase in inventories of RMB14.5 billion.

Net Cash Used In Investing Activities

For the fourth quarter of 2024, our net cash used in investing activities was RMB29.1 billion, which was primarily attributed to the net increase of long-term bank deposits of RMB18.2 billion and the net increase of short-term investments measured at fair value through profit or loss of RMB8.6 billion.

Net Cash Used in Financing Activities

For the fourth quarter of 2024, our net cash used in financing activities was RMB0.9 billion, which was primarily attributed to the payments of deferred consideration for acquisition of intangible assets of RMB1.2 billion, the payments of lease liabilities of RMB1.0 billion, partially offset by the net proceeds from borrowings of RMB3.1 billion.

Borrowings

As of December 31, 2024, we had total borrowings of RMB30.6 billion.

Capital Expenditure

	Three months ended		Year ended
	December 31, 2024	September 30, 2024	December 31, 2024
	(RMB in millions)		(RMB in millions)
Capital expenditures			
Smartphone × AIoT	2,160.9	1,316.8	6,418.9
Smart EV and other new initiatives	1,368.0	1,867.9	4,061.3
Total	<u>3,528.9</u>	<u>3,184.7</u>	<u>10,480.2</u>

Off-Balance Sheet Commitments and Arrangements

As of December 31, 2024, we had not entered into any significant off-balance sheet arrangements.

Investments Held

As of December 31, 2024, we had invested in about 430 companies with an aggregate book value of RMB68.3 billion, an increase of 1.7% year-over-year. In 2024 and the fourth quarter of 2024, we recorded a net gain on disposal of investments (after tax) of RMB1.6 billion and RMB0.3 billion respectively. The total amount of our investments (including (i) fair value of our stakes in listed investee companies accounted for using the equity method based on the stock price on December 31, 2024; (ii) book value of our stakes in unlisted investee companies accounted for using the equity method; and (iii) book value of long-term investments measured at fair value through profit or loss) reached RMB71.4 billion as of December 31, 2024.

The Group did not make or hold any significant investments (including any investment in an investee company with a value of 5% or more of the Group's total assets as of December 31, 2024) during the year ended December 31, 2024.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the year ended December 31, 2024, we did not conduct any material acquisitions or disposals of subsidiaries, associates or joint ventures.

Employee and Remuneration Policy

As of December 31, 2024, we had 43,688 full-time employees, 41,492 of whom were based in mainland China, primarily at our headquarters in Beijing, with the rest primarily based in India. As of December 31, 2024, our research and development personnel, totaling 21,190 employees, were staffed across our various departments.

Our success depends on our ability to attract, retain and motivate qualified personnel. As part of our human resources strategy, we offer employees competitive compensation packages. As of December 31, 2024, 14,268 employees held share-based awards. The total remuneration expenses, including share-based compensation expense, for the year ended December 31, 2024 were RMB22.9 billion, representing an increase of 21.0% from RMB18.9 billion for the year ended December 31, 2023.

Foreign Exchange Risk

The transactions of our Company are denominated and settled in our functional currency, the United States dollar. Our Group's subsidiaries primarily operate in the People's Republic of China (the "PRC") and other regions such as India, and are exposed to foreign exchange risk arising from the exposure to various currencies, primarily with respect to the United States Dollar. Therefore, foreign exchange risk primarily arises from the recognized assets and liabilities in our subsidiaries when receiving or expecting to receive foreign currencies from, or paying or expecting to pay foreign currencies to overseas business partners.

We will continue to monitor changes in currency exchange rates and will take necessary measures to mitigate any impacts caused by exchange rate fluctuations.

Pledge of Assets

As of December 31, 2024, our total restricted bank deposits amounted to RMB5.5 billion. We also had pledged certain buildings and land use right for borrowings.

Contingent Liabilities

We did not have any material contingent liabilities as of December 31, 2024. Further details of the contingencies are set out in Note 13 to the financial information.

FINANCIAL INFORMATION

CONSOLIDATED INCOME STATEMENT

For the year ended December 31, 2024

(Expressed in Renminbi (“RMB”))

	Note	Year ended December 31,	
		2024	2023
		RMB’000	RMB’000
Revenue	3	365,906,350	270,970,141
Cost of sales	3, 4	(289,346,156)	(213,493,902)
Gross profit		76,560,194	57,476,239
Research and development expenses	4	(24,050,484)	(19,097,699)
Selling and marketing expenses	4	(25,389,628)	(19,226,542)
Administrative expenses	4	(5,601,248)	(5,126,798)
Fair value changes on financial instruments measured at fair value through profit or loss		1,050,772	3,501,053
Share of net profits of investments accounted for using the equity method		276,845	45,615
Other income		1,666,779	740,091
Other (losses)/gains, net		(10,334)	1,696,711
Operating profit		24,502,896	20,008,670
Finance income		3,836,204	3,558,347
Finance costs		(212,447)	(1,555,970)
Profit before income tax		28,126,653	22,011,047
Income tax expenses	5	(4,548,204)	(4,536,851)
Profit for the year		23,578,449	17,474,196
Attributable to:			
— Owners of the Company		23,658,126	17,475,173
— Non-controlling interests		(79,677)	(977)
		23,578,449	17,474,196
Earnings per share (expressed in RMB per share):	6		
Basic		0.95	0.70
Diluted		0.93	0.69

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2024

(Expressed in RMB)

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Profit for the year	23,578,449	17,474,196
Other comprehensive income:		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Share of other comprehensive (loss)/income of investments accounted for using the equity method	(31,402)	9,326
Transfer of share of other comprehensive loss/(income) to profit or loss upon disposal and deemed disposal of investments accounted for using the equity method	2,846	(2,167)
Net losses from changes in fair value of financial assets at fair value through other comprehensive income	(85,302)	(26,711)
Currency translation differences	219,838	321,098
<i>Item that will not be reclassified subsequently to profit or loss</i>		
Currency translation differences	654,256	734,319
Other comprehensive income for the year, net of tax	760,236	1,035,865
Total comprehensive income for the year	24,338,685	18,510,061
Attributable to:		
— Owners of the Company	24,407,696	18,507,548
— Non-controlling interests	(69,011)	2,513
	24,338,685	18,510,061

CONSOLIDATED BALANCE SHEET

As of December 31, 2024

(Expressed in RMB)

	Note	As of December 31,	
		2024	2023
		RMB'000	RMB'000
Assets			
Non-current assets			
Property, plant and equipment		18,087,583	13,720,825
Intangible assets		8,152,721	8,628,739
Investments accounted for using the equity method		6,151,055	6,922,241
Long-term investments measured at fair value			
through profit or loss	7	62,112,188	60,199,798
Deferred income tax assets		2,781,982	2,160,750
Term bank deposits		58,520,305	18,293,650
Long-term investments measured at amortized cost	7	3,219,462	364,476
Other non-current assets		18,421,227	14,904,260
		<u>177,446,523</u>	<u>125,194,739</u>
Current assets			
Inventories	9	62,509,682	44,422,837
Trade and notes receivables	8	14,588,579	12,150,928
Loan receivables		12,261,490	9,772,589
Prepayments and other receivables		29,100,116	20,078,875
Bills receivables measured at fair value			
through other comprehensive income		1,255,767	125,661
Short-term investments measured at fair value			
through other comprehensive income	7	1,681,062	582,131
Short-term investments measured at amortized cost	7	700,163	502,816
Short-term investments measured at fair value			
through profit or loss	7	28,123,777	20,193,662
Term bank deposits		36,350,271	52,797,857
Restricted cash		5,476,417	4,794,031
Cash and cash equivalents		33,661,442	33,631,313
		<u>225,708,766</u>	<u>199,052,700</u>
Total assets		<u><u>403,155,289</u></u>	<u><u>324,247,439</u></u>

	Note	As of December 31,	
		2024	2023
		RMB'000	RMB'000
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital		407	407
Reserves		<u>188,737,370</u>	<u>163,995,082</u>
		<u>188,737,777</u>	<u>163,995,489</u>
Non-controlling interests		<u>467,342</u>	<u>266,279</u>
Total equity		<u><u>189,205,119</u></u>	<u><u>164,261,768</u></u>
Liabilities			
Non-current liabilities			
Borrowings	10	17,275,721	21,673,969
Deferred income tax liabilities		1,282,196	1,494,287
Provisions		1,695,063	1,215,546
Other non-current liabilities		<u>18,312,200</u>	<u>20,014,273</u>
		<u>38,565,180</u>	<u>44,398,075</u>
Current liabilities			
Trade payables	11	98,280,585	62,098,500
Other payables and accruals		36,372,035	25,614,650
Advance from customers		16,581,252	13,614,756
Borrowings	10	13,327,297	6,183,376
Income tax liabilities		3,822,134	1,838,222
Provisions		<u>7,001,687</u>	<u>6,238,092</u>
		<u>175,384,990</u>	<u>115,587,596</u>
Total liabilities		<u><u>213,950,170</u></u>	<u><u>159,985,671</u></u>
Total equity and liabilities		<u><u>403,155,289</u></u>	<u><u>324,247,439</u></u>

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2024

(Expressed in RMB)

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Net cash generated from operating activities	39,295,499	41,300,495
Net cash used in investing activities	(35,386,391)	(35,169,054)
Net cash used in financing activities	<u>(3,998,976)</u>	<u>(504,972)</u>
Net (decrease)/increase in cash and cash equivalents	(89,868)	5,626,469
Cash and cash equivalents at the beginning of the year	33,631,313	27,607,261
Effects of exchange rate changes on cash and cash equivalents	<u>119,997</u>	<u>397,583</u>
Cash and cash equivalents at the end of the year	<u><u>33,661,442</u></u>	<u><u>33,631,313</u></u>

1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable IFRS Accounting Standards issued by the International Accounting Standards Board (“**IFRS Accounting Standards**”) and disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements of the Group have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities which are carried at fair value.

(i) *Amended standards adopted by the Group*

The following amended standards are mandatory for the first time for the Group’s financial year beginning on January 1, 2024 and are applicable for the Group:

- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants — Amendments to IAS 1;
- Lease Liability in Sale and Leaseback — Amendments to IFRS 16; and
- Supplier Finance Arrangements — Amendments to IAS 7 and IFRS 7.

The amendments and interpretation listed above did not have any material impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

(ii) *New and amended standards not yet adopted*

Certain new and amended accounting standards have been published that are not mandatory for the year ended December 31, 2024 and have not been early adopted by the Group, which is listed as below:

	<u>Effective date</u>
• Amendments to IAS 21 — Lack of Exchangeability	Annual periods beginning on or after January 1, 2025
• Amendments to the Classification and Measurement of Financial Instruments — Amendments to IFRS 9 and IFRS 7	Annual periods beginning on or after January 1, 2026
• Annual Improvement to IFRS Accounting Standards — Volume 11	Annual periods beginning on or after January 1, 2026
• IFRS 18 — Presentation and Disclosure in Financial Statements	Annual periods beginning on or after January 1, 2027
• IFRS 19 — Subsidiaries without Public Accountability: Disclosures	Annual periods beginning on or after January 1, 2027

These standards are not expected to have a material impact on the Group’s financial position and performance in the current or future reporting periods and on foreseeable future transactions.

2 Significant changes in the current reporting period

Since the Group officially launched smart EV on March 28, 2024, the financial position and performance of the Group was particularly affected by these new initiative products and transactions during the year ended December 31, 2024 (Note 3).

3 Segment information

The Group’s business activities, for which discrete financial statements are available, are regularly reviewed and evaluated by the Chief Operating Decision Maker (“**CODM**”). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer of the Company that makes strategic decisions.

The Group officially launched smart EV on March 28, 2024 and at the same time the Group also launched other new initiatives to maintain its sustainable development ability. As the smart EV and other new initiatives have dissimilar products, production process and customers with the Group's Smartphone × AIoT businesses, and the CODM reviewed the smart EV and other new initiatives separately to assess the performance and allocate resources, thus the smart EV and other new initiatives were regarded as a separate segment in the financial information.

In this connection, the Group determined that it has the following reportable segments:

- Smartphone × AIoT
 - Smartphones
 - IoT and lifestyle products
 - Internet services
 - Other related businesses
- Smart EV and other new initiatives

These changes of presentation of segment information align with the manner in which the Group's CODM uses financial information to evaluate the performance of, and to allocate resource to, each of the segments. The prior year's segment operating results have been retrospectively recast to conform to the current year presentation as applicable.

The CODM assesses the performance of the operating segments mainly based on segment revenue and gross profit of each operating segment. There were no material inter-segment sales during the years ended December 31, 2024 and 2023. The revenues from external customers reported to the CODM are measured in a manner consistent with that applied in the consolidated income statement.

The segment results and revenue information for the years ended December 31, 2024 and 2023 are as follows:

	Year ended December 31, 2024						
	Smartphone × AIoT				Subtotal	Smart EV and other new initiatives	Total
	Smartphones	IoT and lifestyle products	Internet services	Other related businesses			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenues	191,759,315	104,103,874	34,115,373	3,174,148	333,152,710	32,753,640	365,906,350
Cost of sales	(167,505,466)	(83,011,803)	(7,968,553)	(4,157,041)	(262,642,863)	(26,703,293)	(289,346,156)
Gross profit/(loss)	<u>24,253,849</u>	<u>21,092,071</u>	<u>26,146,820</u>	<u>(982,893)</u>	<u>70,509,847</u>	<u>6,050,347</u>	<u>76,560,194</u>
	Year ended December 31, 2023						
	Smartphone × AIoT				Subtotal	Smart EV and other new initiatives	Total
	Smartphones	IoT and lifestyle products	Internet services	Other related businesses			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenues	157,461,309	80,107,740	30,107,494	3,293,598	270,970,141	—	270,970,141
Cost of sales	(134,480,722)	(67,029,144)	(7,773,544)	(4,210,492)	(213,493,902)	—	(213,493,902)
Gross profit/(loss)	<u>22,980,587</u>	<u>13,078,596</u>	<u>22,333,950</u>	<u>(916,894)</u>	<u>57,476,239</u>	<u>—</u>	<u>57,476,239</u>

For the years ended December 31, 2024 and 2023, the geographical information on the total revenues is as follows:

	Year ended December 31,			
	2024		2023	
	RMB'000	%	RMB'000	%
Mainland China	212,562,449	58.1	149,189,720	55.1
Rest of the world (Note (a))	153,343,901	41.9	121,780,421	44.9
	<u>365,906,350</u>		<u>270,970,141</u>	

Note:

(a) Revenues outside mainland China are mainly from Europe and India.

The following table shows inventory information by reportable segment as of December 31, 2024 and 2023.

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Smartphone × AIoT	60,905,907	44,354,214
Smart EV and other new initiatives	1,603,775	68,623
	<u>62,509,682</u>	<u>44,422,837</u>

4 Expenses by nature

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Cost of inventories sold and royalty fees	267,014,217	192,822,082
Provision for impairment of inventories	5,762,582	3,861,753
Employee benefit expenses	22,902,540	18,935,182
Depreciation of property, plant and equipment, right-of-use assets and investment properties	3,626,279	2,401,979
Amortization of intangible assets	2,691,990	2,434,308
Promotion and advertising expenses	8,011,251	6,996,492
Content fees to game developers and video providers	3,111,503	3,245,179
Net impairment losses on financial assets	195,938	321,528
Consultancy and professional service fees	1,761,720	1,491,329
Cloud service, bandwidth and server custody fees	2,427,860	2,208,314
Warranty expenses	4,447,006	4,801,995
Auditor's remuneration	69,569	65,283
— Audit services	54,674	52,744
— Non-audit services	14,895	12,539

5 Income tax expenses

The income tax expenses of the Group during the years ended December 31, 2024 and 2023 are analyzed as follows:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Current income tax	5,381,527	3,908,395
Deferred income tax	(833,323)	628,456
Income tax expenses	4,548,204	4,536,851

6 Earnings per share

(a) Basic

Basic earnings per share for the years ended December 31, 2024 and 2023 are calculated by dividing the profit attributable to the Company's owners by the weighted average number of ordinary shares in issue during the year.

	Year ended December 31,	
	2024	2023
Net profit attributable to the owners of the Company (RMB'000)	23,658,126	17,475,173
Weighted average number of ordinary shares in issue (thousand shares)	24,825,170	24,884,874
Basic earnings per share (expressed in RMB per share)	0.95	0.70

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As the inclusion of potential ordinary shares from the convertible bonds would be anti-dilutive, it is not included in the calculation of diluted earnings per share for the year ended December 31, 2024.

	Year ended December 31,	
	2024	2023
Net profit attributable to the owners of the Company (RMB'000)	23,658,126	17,475,173
Weighted average number of ordinary shares in issue (thousand shares)	24,825,170	24,884,874
Adjustments for restricted shares units and share options granted to employees (thousand shares)	675,563	440,117
Weighted average number of ordinary shares for calculation of diluted earnings per share (thousand shares)	25,500,733	25,324,991
Diluted earnings per share (expressed in RMB per share)	0.93	0.69

7 Investments

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Current assets		
Short-term investments measured at		
— Amortized cost	700,163	502,816
— Fair value through other comprehensive income	1,681,062	582,131
— Fair value through profit or loss	28,123,777	20,193,662
	<u>30,505,002</u>	<u>21,278,609</u>
Non-current assets		
Long-term investments measured at amortized cost	3,219,462	364,476
Long-term investments measured at fair value through profit or loss		
— Ordinary shares investments	14,401,979	15,291,625
— Preferred shares investments	33,537,891	34,444,516
— Treasury investments	10,339,549	6,846,562
— Other investments	3,832,769	3,617,095
	<u>65,331,650</u>	<u>60,564,274</u>

Amounts recognized in profit or loss of investments measured at fair value through profit or loss:

	Year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Long-term investments measured at fair value through profit or loss		
— Ordinary shares investments	(181,552)	1,401,934
— Preferred shares investments	445,134	1,690,946
— Treasury and other investments	167,546	120,695
Short-term investments measured at fair value through profit or loss	495,734	292,701
	<u>926,862</u>	<u>3,506,276</u>

8 Trade and notes receivables

The Group generally allows a credit period within 180 days to its customers. Aging analysis of trade and notes receivables based on invoice date is as follows:

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Up to 3 months	12,652,651	9,108,133
3 to 6 months	851,454	1,666,418
6 months to 1 year	526,725	522,612
1 to 2 years	224,018	1,016,563
Over 2 years	875,784	154,160
	15,130,632	12,467,886
Less: credit loss allowance	(542,053)	(316,958)
	<u>14,588,579</u>	<u>12,150,928</u>

9 Inventories

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Raw materials	14,321,504	11,455,435
Finished goods	40,837,606	27,132,256
Work in progress	5,446,620	3,564,974
Spare parts	3,800,223	3,494,076
Others	579,858	952,492
	<u>64,985,811</u>	<u>46,599,233</u>
Less: provision for impairment (Note (a))	<u>(2,476,129)</u>	<u>(2,176,396)</u>
	<u><u>62,509,682</u></u>	<u><u>44,422,837</u></u>

Note:

- (a) During the year ended December 31, 2024, the Group incurred inventory impairment provision approximately RMB5,762,582,000 (2023: RMB3,861,753,000) and transferred out of such provision upon the sales of inventories approximately RMB5,462,849,000 (2023: RMB5,155,717,000).

10 Borrowings

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Included in non-current liabilities		
Secured borrowings	1,827,365	—
Unsecured borrowings	15,448,356	16,631,078
Convertible bonds	—	5,042,891
	<u>17,275,721</u>	<u>21,673,969</u>
Included in current liabilities		
Secured borrowings	73,094	—
Unsecured borrowings	7,893,845	6,183,376
Convertible bonds	5,360,358	—
	<u>13,327,297</u>	<u>6,183,376</u>

11 Trade payables

Trade payables primarily include payables for inventories. Trade payables and their aging analysis based on invoice date are as follows:

	As of December 31,	
	2024	2023
	RMB'000	RMB'000
Up to 3 months	68,064,824	52,493,579
3 to 6 months	18,694,125	4,809,809
6 months to 1 year	9,035,928	3,039,535
1 to 2 years	1,626,560	1,001,272
Over 2 years	859,148	754,305
	<u>98,280,585</u>	<u>62,098,500</u>

12 Dividends

No dividends have been paid or declared by the Company during the years ended December 31, 2024 and 2023.

13 Contingencies

The Group, in the ordinary course of its business, is involved in various claims, suits, and legal proceedings that arise from time to time. Since December 2021, Xiaomi Technology India Private Limited (“**Xiaomi India**”) has been involved in various investigations and notifications initiated by relevant Indian authorities including the Income Tax Department, the Directorate of Revenue Intelligence and the Directorate of Enforcement (the “**ED**”) in relation to compliance of relevant income tax regulations, custom duties regulations as well as foreign exchange regulations, respectively.

In this connection, Xiaomi India received orders alleging that it has inappropriately deducted certain costs and expenses, including purchase costs of mobile phones and royalty fees paid to overseas third parties as well as companies within the Group. As a result, certain of its bank accounts has been attached and thereby India Rupees 47,042,193,000 (equivalent to RMB4,016,462,000) has been considered as restrictive as of December 31, 2024. The cases are currently in the hearing stages and not yet concluded.

Management assessed the aforesaid matters related to Xiaomi India, taking into considerations opinions from professional advisors, and concluded Xiaomi India has valid grounds to respond to the relevant Indian authorities. The Group, hence, has not made any material provision as of December 31, 2024 pertaining to these matters.

Conclusions of legal proceedings, investigations and allegations could take a long period of time, and the Group could receive judgments or enter into settlements that may adversely affect its operating results or cash flows. Quantifying the related financial effects is not practical at this stage.

OTHER INFORMATION

Purchase, Sale or Redemption of the Company's Listed Securities

During the year ended December 31, 2024 and up to the date of the announcement, the Company repurchased a total of 256,078,000 Class B ordinary shares (the “**Class B Shares**”) of the Company on the Stock Exchange at an aggregate consideration of approximately HK\$3,933,139,175 (the “**Shares Repurchased**”) to enhance the shareholder value in the long run. Particulars of the Shares Repurchased are as follows:

Month of Repurchase	No. of Shares Repurchased	Price paid per share		Aggregate
		Highest (HK\$)	Lowest (HK\$)	Consideration (approximately) (HK\$)
2024				
January	112,100,000	15.54	12.30	1,533,095,902
February	26,000,000	12.78	12.08	324,555,828
March	6,834,400	15.00	14.76	101,929,132
April	18,200,000	15.98	15.42	285,886,401
May	5,600,000	17.74	17.40	98,785,548
June	39,313,800	18.00	16.44	676,465,084
July	39,500,000	17.00	16.08	656,098,520
September	1,700,000	18.50	18.42	31,379,460
2025				
January	<u>6,829,800</u>	33.65	32.60	<u>224,943,300</u>
Total	<u><u>256,078,000</u></u>			<u><u>3,933,139,175</u></u>

In respect of the Shares Repurchased, the weighted voting rights (“**WVR**”) beneficiaries of the Company simultaneously reduced their WVR in the Company proportionately by way of converting their Class A ordinary shares (“**Class A Shares**”) into Class B Shares on a one-to-one ratio pursuant to Rule 8A.21 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), such that the proportion of shares carrying WVR of the Company shall not be increased, pursuant to the requirements under Rules 8A.13 and 8A.15 of the Listing Rules.

As at the date of this announcement, the number of Class B Shares in issue (excluding treasury shares) was reduced by 256,078,000 shares as a result of (i) the repurchase of 138,100,000 Class B Shares from January 2024 to February 2024, which were subsequently cancelled on March 14, 2024; (ii) the repurchase of 39,034,400 Class B Shares from March 27, 2024 to June 5, 2024, which were subsequently cancelled on August 15, 2024; (iii) the repurchase of 70,413,800 Class B Shares from June 11, 2024 to July 19, 2024, which were held as treasury shares and were subsequently cancelled on August 15, 2024; (iv) the repurchase of 1,700,000 Class B Shares in September 2024, which were subsequently cancelled on November 12, 2024 ; and (v) the repurchase of 6,829,800 Class B Shares in January 2025, which were subsequently cancelled on March 6, 2025. As of December 31, 2024 and as at the date of this announcement, there were no treasury shares held by the Company.

A total of 29,373,916 Class A Shares were converted into Class B Shares on a one-to-one ratio on March 14, 2024, of which Mr. Lei Jun, through Smart Mobile Holdings Limited, converted 26,454,431 Class A Shares and Mr. Lin Bin, through Apex Star LLC, converted 2,919,485 Class A Shares.

A total of 19,841,058 Class A Shares were converted into Class B Shares on a one-to-one ratio on August 15, 2024, of which Mr. Lei Jun, through Smart Mobile Holdings Limited, converted 17,869,048 Class A Shares and Mr. Lin Bin, through Apex Star LLC, converted 1,972,010 Class A Shares.

A total of 307,652 Class A Shares were converted into Class B Shares on a one-to-one ratio on November 12, 2024, of which Mr. Lei Jun, through Smart Mobile Holdings Limited, converted 277,074 Class A Shares and Mr. Lin Bin, through Apex Star LLC, converted 30,578 Class A Shares.

A total of 1,228,325 Class A Shares were converted into Class B Shares on a one-to-one ratio on March 6, 2025, of which Mr. Lei Jun, through Smart Mobile Holdings Limited, converted 1,106,241 Class A Shares and Mr. Lin Bin, through Apex Star LLC, converted 122,084 Class A Shares.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange (including sale of treasury shares) during the year ended December 31, 2024 and up to the date of this announcement.

Compliance with the Corporate Governance Code

The Company is committed to maintaining and promoting stringent corporate governance standards. The principles of the Company's corporate governance are to promote effective internal control measures and to enhance the transparency and accountability of the Board to all shareholders.

Save for code provision C.2.1 of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules, the Company has complied with all the code provisions set out in the CG Code throughout the year ended December 31, 2024.

Pursuant to code provision C.2.1 of the CG Code, companies listed on the 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. The Company does not have a separate chairman and chief executive officer and Mr. Lei Jun currently performs these 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 the Group and enabling more effective and efficient overall strategic planning for the 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 segregating the roles of chairman of the Board and chief executive officer of the Company at an appropriate time, taking into account the circumstances of the Group as a whole.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules the code of conduct regarding the Directors’ dealings in the securities of the Company. Having made specific enquiries of all the Directors, all the Directors confirmed that they have complied with the provisions of the Model Code during the year ended December 31, 2024 and up to the date of this announcement.

Audit Committee

The Audit Committee (comprising one non-executive Director and two independent non-executive Directors, namely, Mr. Liu Qin, Dr. Chen Dongsheng and Mr. Wong Shun Tak) has reviewed the audited consolidated financial statements of the Group for the year ended December 31, 2024. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members and external auditor of the Company, PricewaterhouseCoopers.

Auditor’s Procedures Performed on this Results Announcement

The figures in respect of the Group’s consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows and the related notes thereto for the year ended December 31, 2024 as set out in this announcement have been agreed by the Auditor to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by the Auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Auditor on this announcement.

Material Litigation

The Company was not involved in any material litigation or arbitration during the year ended December 31, 2024, nor were the Directors aware of any material litigation or claims that were pending or threatened against the Company.

Final Dividend

The Board has resolved not to declare any final dividend for the year ended December 31, 2024.

Events after the Year Ended December 31, 2024

Save as disclosed in this announcement, there has been no other significant events that might affect the Group since the end of the year ended December 31, 2024 and up to the date of this announcement.

Publication of the Annual Results Announcement and Annual Report

This annual results announcement has been published on the website of the Stock Exchange at *www.hkexnews.hk* and the website of the Company at *www.mi.com*. The annual report of the Company will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched to the Company's shareholders (if requested) in due course.

By order of the Board
Xiaomi Corporation
Lei Jun
Chairman

Hong Kong, March 18, 2025

As at the date of this announcement, the Board comprises Mr. Lei Jun as chairman and executive Director, Mr. Lin Bin as vice-chairman and executive Director, Mr. Liu De as executive Director, Mr. Liu Qin as non-executive Director, and Dr. Chen Dongsheng, Mr. Wong Shun Tak and Ms. Cai Jinqing as independent non-executive Directors.