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Midea Group Co., Ltd.

美的集團股份有限公司

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

(Stock code: 0300)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

ANNUAL RESULTS

The board of directors (the “Board”) of Midea Group Co., Ltd. (the “Company”, and together with its subsidiaries, the “Group”) hereby announces the consolidated annual results of the Group for the year ended 31 December 2024 together with comparative figures for the year ended 31 December 2023 as follows:

FINANCIAL HIGHLIGHTS

	Year ended 31 December		Change
	2024	2023	
	RMB Million	RMB Million	
		(Restated)	
Revenue	409,084	373,710	9.5%
Gross profit	107,102	95,462	12.2%
Operating profit	46,817	41,886	11.8%
Profit for the year	38,759	33,747	14.9%
Profit attributable to owners of the Company	38,539	33,722	14.3%
Earnings per share for profit attributable to owners of the Company:			
– Basic (RMB per share)	5.44	4.93	10.3%
– Diluted (RMB per share)	5.42	4.92	10.2%

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2024

		Year ended 31 December	
		2024	2023
	<i>Note</i>	RMB'000	RMB'000
			(Restated)
Revenue	3	409,084,266	373,709,804
Cost of revenue	4	(301,982,533)	(278,248,191)
Gross profit		107,101,733	95,461,613
Selling and marketing expenses	4	(38,753,424)	(31,952,763)
General and administrative expenses	4	(15,403,802)	(13,975,965)
Research and development expenses	4	(16,232,771)	(14,586,346)
Net impairment reversal/(losses) on financial assets and contract assets		28,676	(235,002)
Other income		9,680,098	8,120,251
Other gains/(losses), net		396,234	(945,664)
Operating profit		46,816,744	41,886,124
Finance income		944,785	1,085,256
Finance costs		(1,916,510)	(3,372,815)
Finance costs, net		(971,725)	(2,287,559)
Share of profit of associates and joint ventures, net		847,098	680,759
Profit before income tax		46,692,117	40,279,324
Income tax expense	5	(7,933,153)	(6,532,371)
Profit for the year		38,758,964	33,746,953
Attributable to:			
Owners of the Company		38,538,987	33,721,536
Non-controlling interests		219,977	25,417
		38,758,964	33,746,953
Earnings per share for profit attributable to owners of the Company:			
– Basic (RMB per share)	6	5.44	4.93
– Diluted (RMB per share)	6	5.42	4.92

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2024

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Profit for the year	<u>38,758,964</u>	<u>33,746,953</u>
Other comprehensive income:		
<i>Items that may be reclassified to profit or loss</i>		
– Other comprehensive income that will be transferred subsequently to profit or loss under the equity method, net of tax	37,830	7,751
– Cash flow hedging reserves, net of tax	(435,632)	(139,710)
– Currency translation differences of foreign operations	(240,744)	(53,552)
– Others, net of tax	(34,592)	25,033
<i>Items that will not be reclassified to profit or loss</i>		
– Changes arising from remeasurement of defined benefit plan, net of tax	(43,558)	(88,017)
– Changes in fair value of investments in other equity instruments, net of tax	<u>(2,336)</u>	<u>(1,025)</u>
Other comprehensive loss for the year, net of tax	<u>(719,032)</u>	<u>(249,520)</u>
Attributable to:		
Owners of the Company	(353,788)	(272,554)
Non-controlling interests	<u>(365,244)</u>	<u>23,034</u>
Total comprehensive income for the year	<u><u>38,039,932</u></u>	<u><u>33,497,433</u></u>
Attributable to:		
Owners of the Company	38,185,199	33,448,982
Non-controlling interests	<u>(145,267)</u>	<u>48,451</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2024

		As at 31 December	
		2024	2023
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		39,628,721	36,382,765
Right-of-use assets		10,799,523	11,501,892
Investment properties		1,184,541	1,293,629
Intangible assets		38,562,436	40,860,697
Deferred tax assets		14,074,278	12,771,150
Prepayments, other receivables and other assets		2,907,320	2,705,275
Investments in associates and joint ventures		5,223,478	4,976,109
Loan receivables		308,903	975,272
Derivative financial instruments		481,315	2,082,347
Other financial assets at amortized cost		97,682,820	79,121,387
Other financial assets at fair value through other comprehensive income		35,595	6,356,921
Other financial assets at fair value through profit or loss		4,399,137	5,687,591
Total non-current assets		215,288,067	204,715,035
Current assets			
Inventories	7	63,339,188	47,339,255
Contract assets		3,499,556	4,045,925
Trade and note receivables at amortized cost	8	42,517,549	38,406,699
Trade and note receivables at fair value through other comprehensive income		17,646,449	13,330,008
Prepayments, other receivables and other assets		22,652,175	14,796,946
Loan receivables		11,047,886	14,296,958
Derivative financial instruments		5,255,303	1,670,754
Other financial assets at amortized cost		69,234,257	59,275,572
Other financial assets at fair value through other comprehensive income		6,525,002	4,694,429
Other financial assets at fair value through profit or loss		6,936,113	1,790,588
Term deposits and restricted cash		85,291,580	21,786,586
Cash and cash equivalents		55,118,728	59,887,260
Total current assets		389,063,786	281,320,980
Total assets		604,351,853	486,036,015

	<i>Note</i>	As at 31 December 2024 RMB'000	2023 RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings	9	13,758,532	49,356,705
Lease liabilities		1,825,258	2,047,319
Deferred tax liabilities		4,896,815	5,097,810
Other payables and accruals		2,181,809	2,253,296
Deferred income		2,196,222	1,734,932
Derivative financial instruments		6,020	2,282
Total non-current liabilities		24,864,656	60,492,344
Current liabilities			
Trade and note payables	10	118,774,248	94,238,073
Contract liabilities		49,254,717	41,765,475
Borrowings	9	69,549,174	22,109,985
Lease liabilities		1,122,108	1,166,901
Customer deposits		137,344	88,960
Derivative financial instruments		3,095,850	413,222
Other financial liabilities at fair value through profit or loss		873,776	1,346,674
Current tax liabilities		3,798,350	3,477,253
Other payables and accruals		105,214,239	86,639,178
Total current liabilities		351,819,806	251,245,721
Total liabilities		376,684,462	311,738,065
EQUITY			
Share capital	11	7,655,956	7,025,769
Treasury shares		(5,728,446)	(12,871,738)
Reserves		61,231,287	32,440,770
Retained earnings	12	153,591,297	136,282,362
Equity attributable to owners of the Company		216,750,094	162,877,163
Non-controlling interests		10,917,297	11,420,787
Total equity		227,667,391	174,297,950
Total equity and liabilities		604,351,853	486,036,015

1. GENERAL INFORMATION

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

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

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

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) and the disclosure requirements of the Hong Kong Companies Ordinance. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards.
- IAS Standards.
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets at fair value through other comprehensive income (“FVOCI”), financial assets and financial liabilities at fair value through profit or loss (“FVPL”) and derivative financial instruments, which are carried at fair value.

2.2 Amended standards adopted by the Group

The Group has applied the following amended standards for the financial year beginning on 1 January 2024.

Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IFRS 16	Lease Liability in a Sales and Leaseback
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The adoption of the amended standards does not have significant impact on the consolidated financial statements of the Group.

2.3 New and amended standards not yet been adopted

Certain new and amended standards have been issued but not yet effective and have not been early adopted:

		Effective for annual periods beginning on or after
Amendments to IAS 21	Lack of Exchangeability	1 January 2025
Annual Improvements to IFRS Accounting Standards – Volume 11	Clarifications, simplifications, corrections, and changes intended to improve consistency	1 January 2026
Amendments to IFRS 9 and IFRS 7	Financial Instruments Standards	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint venture	To be determined

The above new standards and amended 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.

2.4 Changes in presentation of quality guarantee expenses

The Group previously presented the quality guarantee expenses that does not constitute a single performance obligation in the item of “selling and marketing expenses” in the consolidated statement of profit or loss. Due to the change in presentation of such quality guarantee obligation under Accounting Standard for Business Enterprise issued by the Ministry of Finance of China, the Group reclassified the quality guarantee expenses from “selling and marketing expenses” to “cost of revenue” in the consolidated statement of profit or loss under IFRS in 2024. Accordingly, the comparative consolidated statement of profit or loss for the year ended 31 December 2023 was restated with the amount of RMB2,928,031,000 reclassified from “selling and marketing expenses” to “cost of revenue”. This change did not have any impact on the opening consolidated statement of financial position for the year ended 31 December 2023.

3. SEGMENT INFORMATION AND REVENUE

(a) Description of segments and principal activities

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

- Smart home solutions: this part of the business manufacturing and sales of a wide range of home appliances, including air conditioners, refrigerators, washing machines, kitchen appliances, and various other appliances.
- Intelligent building technology: this part of the business providing intelligent and integrated solutions for infrastructure, public premises, industrial parks, agricultural facilities and more, supported by offerings of commercial air conditioners, elevators, building energy management and building control software.
- Energy solutions and industrial technology: this part of the business manufacturing and sales of green energy solutions and core industrial components, including compressors, motors, industrial control systems, large-scale energy storage, industrial and commercial energy storage, household energy storage, intelligent power grids, distributed photovoltaic solutions and new energy vehicle components (such as thermal management systems).
- Others: this part of the business were mainly one-stop automation solutions of industrial robotics, production cells and fully automated systems, automated logistics systems, intelligent supply chain business integration solutions, financial services and medical device products and related services.

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

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

(b) Segment information

Segment information for the year ended 31 December 2024 is as follows:

	Smart home solutions	Intelligent building technology	Energy solutions and industrial technology	Other segments and unallocated	Inter-segment elimination	Total
Revenue from external customers	295,231,074	28,835,174	40,274,192	44,743,826	–	409,084,266
Inter-segment revenue	1,764,638	1,284,339	23,304,064	9,072,483	(35,425,524)	–
Operating costs and expenses	(268,277,841)	(25,069,335)	(59,165,122)	(50,697,276)	35,339,309	(367,870,265)
– Cost of revenue (excluding impairment loss, taxes and surcharges)	(215,864,488)	(21,196,400)	(54,712,819)	(42,279,837)	34,464,045	(299,589,499)
Segment profit	28,717,871	5,050,178	4,413,134	3,119,033	(86,215)	41,214,001
Other profit or loss						5,478,116
Total profit before income tax						46,692,117
Total assets	386,253,672	39,086,692	66,059,770	413,659,854	(300,708,135)	604,351,853
Total liabilities	265,820,926	26,106,072	43,326,227	348,506,989	(307,075,752)	376,684,462
Long-term equity investments in associates and joint ventures	839,536	38,155	319,931	4,025,856	–	5,223,478
Share of profit of associates and joint ventures, net	548,921	9,817	(32,969)	321,329	–	847,098
Increase in non-current assets (excluding long-term equity investments, financial assets, goodwill and deferred tax assets)	5,258,764	526,374	2,465,284	4,133,130	–	12,383,552
Net impairment (reversal)/losses on financial assets and contract assets	(273,373)	45,349	89,651	160,843	(51,146)	(28,676)
Depreciation and amortisation	3,136,991	451,176	1,358,366	2,877,482	(2,546)	7,821,469

Segment information for the year ended 31 December 2023 is as follows:

	Smart home solutions	Intelligent building technology	Energy solutions and industrial technology	Other segments and unallocated	Inter-segment elimination	Total
Revenue from external customers	266,977,340	26,351,930	33,840,582	46,539,952	–	373,709,804
Inter-segment revenue	1,083,897	1,097,224	21,145,258	7,787,840	(31,114,219)	–
Operating costs and expenses	(240,229,556)	(23,205,887)	(51,241,322)	(51,560,107)	31,226,488	(335,010,384)
– Cost of revenue (excluding impairment loss, taxes and surcharges)	(195,631,660)	(19,624,857)	(47,635,070)	(41,468,333)	27,916,184	(276,443,736)
Segment profit	27,831,681	4,243,267	3,744,518	2,767,685	112,269	38,699,420
Other profit or loss						1,579,904
Total profit before income tax						40,279,324
Total assets	302,365,667	33,214,954	58,021,574	300,160,728	(207,726,908)	486,036,015
Total liabilities	193,453,802	21,945,404	33,909,602	276,437,818	(214,008,561)	311,738,065
Long-term equity investments in associates and joint ventures	723,001	55,909	379,494	3,817,705	–	4,976,109
Share of profit of associates and joint ventures, net	464,443	7,113	12,556	196,647	–	680,759
Increase in non-current assets (excluding long-term equity investments, financial assets, goodwill and deferred tax assets)	6,195,928	891,710	6,834,627	3,043,975	–	16,966,240
Net impairment losses/(reversal) on financial assets and contract assets	165,829	(4,515)	21,862	(32,186)	84,012	235,002
Depreciation and amortisation	3,143,965	393,904	1,168,328	2,643,627	(3,064)	7,346,760

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

There was no customer who individually contributed 10% or more of the Group's revenue during the years ended 31 December 2024 and 2023.

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

	Year ended 31 December	
	2024	2023
	RMB '000	RMB '000
Mainland China	240,049,883	222,804,120
Other countries or regions	169,034,383	150,905,684
	409,084,266	373,709,804

4. EXPENSES BY NATURE

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

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials and consumables used	238,073,033	219,556,360
Employee benefit expenses	45,143,440	43,210,848
Advertising and promotion expenses	21,361,103	16,024,801
Transportation and insurance charges	21,236,684	16,656,570
Installation and after-sales expenses	11,840,153	11,692,876
Depreciation and amortization	7,821,469	7,346,760
Auditors' remuneration		
– Audit services	47,624	42,901
– Non-audit services	6,062	4,830
Listing expenses	8,332	3,060
Others	26,834,630	24,224,259
	372,372,530	338,763,265

5. INCOME TAX EXPENSE

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

The following table sets forth the component of income tax expenses of the Group for the years ended 31 December 2024 and 2023:

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax	9,424,735	8,474,651
Deferred income tax	(1,491,582)	(1,942,280)
	7,933,153	6,532,371

6. EARNINGS PER SHARE

(a) Basic

Basic earnings per share (“EPS”) is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue for the years ended 31 December 2024 and 2023, excluding ordinary shares held for share schemes as these shares are not considered outstanding for earnings per share calculation purposes.

	Year ended 31 December	
	2024	2023
Profit attributable to owners of the Company (<i>RMB'000</i>)	38,538,987	33,721,536
Less: Dividends payable to expected vested restricted shares (<i>RMB'000</i>)	(83,941)	(66,155)
Profit attributable to owners of the Company used in calculating basic EPS (<i>RMB'000</i>)	38,455,046	33,655,381
Weighted average number of ordinary shares in issue (<i>thousand shares</i>)	7,071,322	6,824,100
Basic EPS (<i>RMB per share</i>)	5.44	4.93

(b) Diluted

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

For the years ended 31 December 2024 and 2023, the Restricted Share Incentive Schemes and Stock Ownership Schemes granted by the Group’s subsidiaries had either anti-dilutive effect or insignificant dilutive effect to the Group’s diluted earnings per share.

	Year ended 31 December	
	2024	2023
Adjusted profit attributable to owners of the Company used in calculating diluted EPS (<i>RMB'000</i>)	38,538,987	33,715,846
Weighted average number of ordinary shares in issue (<i>thousand shares</i>)	7,071,322	6,824,100
Adjustments for potential shares arising from share schemes (<i>thousand shares</i>)	41,872	25,141
Weighted average number of ordinary shares used in calculating diluted EPS (<i>thousand shares</i>)	7,113,194	6,849,241
Diluted EPS (<i>RMB per share</i>)	5.42	4.92

7. INVENTORIES

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Finished goods	48,969,138	35,291,863
Raw materials	11,083,471	8,572,689
Work in progress	2,864,446	3,170,699
Consigned processing materials	486,960	444,995
Contract fulfilment costs	859,581	556,540
	64,263,596	48,036,786
Less: Provision for impairment loss	(924,408)	(697,531)
	63,339,188	47,339,255

8. TRADE AND NOTE RECEIVABLES AT AMORTIZED COST

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Trade and note receivables		
– Trade receivables	37,199,712	34,367,460
– Note receivables	6,780,317	5,587,562
	43,980,029	39,955,022
Less: allowance for credit losses		
– Trade receivables	(1,400,738)	(1,482,721)
– Note receivables	(61,742)	(65,602)
	(1,462,480)	(1,548,323)
	42,517,549	38,406,699

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

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Below 3 months	31,696,901	29,183,011
Between 3 and 6 months	2,728,345	2,047,141
Between 6 months and 1 year	936,438	1,378,882
Between 1 and 2 years	708,810	1,114,153
Over 2 years	1,129,218	644,273
	37,199,712	34,367,460

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

9. BORROWINGS

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Secured		
Bank loans	<u>17,064,946</u>	<u>3,247,125</u>
Unsecured		
Bank loans	<u>62,975,985</u>	<u>65,001,596</u>
Debentures	<u>3,266,775</u>	<u>3,217,969</u>
Total unsecured borrowings	<u>66,242,760</u>	<u>68,219,565</u>
Total borrowings	<u>83,307,706</u>	<u>71,466,690</u>

At 31 December 2024 and 2023, the Group's borrowings were repayable as follows:

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	<u>69,549,174</u>	<u>22,109,985</u>
Between 1 and 2 years	<u>7,619,857</u>	<u>38,383,925</u>
Between 2 and 5 years	<u>6,016,675</u>	<u>10,839,625</u>
Over 5 years	<u>122,000</u>	<u>133,155</u>
	<u>83,307,706</u>	<u>71,466,690</u>

10. TRADE AND NOTE PAYABLES

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Trade and note payables		
– Trade payables	<u>92,800,426</u>	<u>72,530,465</u>
– Notes payables	<u>25,973,822</u>	<u>21,707,608</u>
	<u>118,774,248</u>	<u>94,238,073</u>

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

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Below 3 months	86,873,115	67,421,139
Between 3 and 6 months	2,392,548	1,838,583
Between 6 months and 1 year	1,609,844	1,597,946
Over 1 year	1,924,919	1,672,797
	92,800,426	72,530,465

11. SHARE CAPITAL

	Year ended 31 December 2024		
	Domestic listed	Overseas listed	Number of
	A shares	H shares	shares
	(RMB'000)	(RMB'000)	('000)
At the beginning of the year	7,025,769	–	7,025,769
Issuance of H share IPO	–	650,849	650,849
Issuance of shares under share schemes	51,910	–	51,910
Cancellation of shares	(69,808)	–	(69,808)
Treasury shares cancelled under share schemes	(2,764)	–	(2,764)
At the end of the year	7,005,107	650,849	7,655,956

	Year ended 31 December 2023	
	Domestic listed	Number of
	A shares	shares
	(RMB'000)	('000)
At the beginning of the year	6,997,273	6,997,273
Issuance of shares under share schemes	38,490	38,490
Treasury shares cancelled under share schemes	(9,994)	(9,994)
At the end of the year	7,025,769	7,025,769

12. RETAINED EARNINGS

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
At the beginning of the year	136,282,362	119,675,616
Net profit	38,538,987	33,721,536
Dividends	(20,764,776)	(17,144,264)
Appropriation to general reserves	(486,489)	(19,678)
Reversal of general reserves	21,213	49,152
	<hr/>	<hr/>
At the end of the year	<u>153,591,297</u>	<u>136,282,362</u>

13. DIVIDENDS

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Final dividends in respect of the previous year, declared or paid during the year (tax inclusive)	20,780,278	17,188,858
Dividends of lapsed restricted shares	(15,502)	(44,594)
	<hr/>	<hr/>
	<u>20,764,776</u>	<u>17,144,264</u>

The final dividend distribution of RMB20,764,776,000 in respect of the year ended 31 December 2023 was paid in 2024.

A final dividend distribution in respect of the year ended 31 December 2024 of RMB35 per 10 shares (tax inclusive) (2023: RMB30 per 10 shares) was proposed pursuant to a resolution passed by the Board of Directors on 28 March 2025 and subject to the approval of the Company's 2024 Annual General Meeting.

The proposed dividend is not reflected as dividend payable in the Group's consolidated financial statements.

FINANCIAL REVIEW

REVENUE

The table below sets forth the absolute amounts and percentages of the Company's revenue by business segment for 2024 and 2023:

	2024		2023		Change
	<i>RMB million</i>	<i>% of Revenue</i>	<i>RMB million</i>	<i>% of Revenue</i>	
Smart Home Solutions	<u>269,532</u>	<u>65.9%</u>	<u>246,351</u>	<u>65.9%</u>	<u>9.4%</u>
Energy Solutions and Industrial Technology	<u>33,610</u>	<u>8.2%</u>	<u>27,874</u>	<u>7.5%</u>	<u>20.6%</u>
Intelligent Building Technology	<u>28,470</u>	<u>7.0%</u>	<u>25,914</u>	<u>6.9%</u>	<u>9.9%</u>
Robotics & Automation	<u>28,701</u>	<u>7.0%</u>	<u>31,053</u>	<u>8.3%</u>	<u>-7.6%</u>
Other businesses	<u>13,715</u>	<u>3.3%</u>	<u>12,940</u>	<u>3.5%</u>	<u>6.0%</u>
Commercial & Industrial Solutions	<u>104,496</u>	<u>25.5%</u>	<u>97,781</u>	<u>26.2%</u>	<u>6.9%</u>
Others	<u>35,056</u>	<u>8.6%</u>	<u>29,578</u>	<u>7.9%</u>	<u>18.5%</u>
Total	<u>409,084</u>	<u>100%</u>	<u>373,710</u>	<u>100%</u>	<u>9.5%</u>

In 2024, the Company achieved revenue of RMB409.1 billion, representing a year-on-year growth of 9.5%, of which revenue from Smart Home Solutions amounted to RMB269.5 billion, representing a year-on-year increase of 9.4%; revenue from Commercial & Industrial Solutions reached RMB104.5 billion, up 6.9% year on year; and revenue from raw materials sales and other businesses amounted to RMB35.1 billion, representing a year-on-year increase of 18.5%.

From a business segment perspective, Smart Home Solutions recorded revenue of RMB269.5 billion, up 9.4% year on year, primarily driven by: (1) Accelerating global expansion with a focus on the Original Brand Manufacture (OBM) Priority strategy, strengthening localized operations overseas, and continuously enhancing overseas manufacturing, R&D, branding, channel, and service system development; (2) Leading new growth through unwavering commitment to Direct to Customers (DTC) transformation, focusing on retail capabilities, driving innovation in digital business models, and enhancing operational efficiency and user experience; (3) Continuously advancing the “COLMO + Toshiba” dual high-end brand strategy by leveraging Artificial Intelligence (AI) technology, scenario-based suite solutions, and innovative industrial design, thereby increasing market share in the high-end home appliance sector; (4) Promoting the integration of online and offline businesses in the domestic market, achieving breakthroughs in new business capabilities such as Online to Offline (O2O) and Online merge Offline (OMO), and capitalizing on the national subsidy policy benefits in the domestic market to drive sales growth.

Energy Solutions & Industrial Technology achieved revenue of RMB33.6 billion, reflecting a 20.6% year-on-year growth. Excluding the impact of acquisitions and consolidations, the year-on-year growth was 17.8%, primarily due to: (1) Deepening expertise in heating, ventilation and air conditioning (HVAC) appliance components, launching multiple innovative products, and continuously expanding in key markets and customers; (2) Energy Solutions & Industrial Technology focusing on providing comprehensive and effective green energy solutions spanning the entire energy value chain, including large-scale energy storage, commercial and industrial energy storage, residential energy storage, smart grids, and photovoltaic systems; (3) Strengthening its presence in green transportation components, with products widely adopted in best-selling models of emerging domestic New Energy Vehicle (NEV) brands and mainstream traditional automakers.

Intelligent Building Technology recorded revenue of RMB28.5 billion, up 9.9% year on year, primarily driven by: (1) Continuous product and technological innovation, achieving breakthroughs in core products such as heat pumps and rooftop units, precisely meeting the global demand for low-carbon transformation; (2) Upgrading energy management and regional heating & cooling solutions to drive the transition towards high-value-added services; (3) Expanding global channel presence by leveraging OBM breakthroughs in key overseas markets to fuel growth; (4) Establishing a standardized local operation system, strengthening dedicated product development and technical service capabilities, and enhancing full-chain efficiency and customer loyalty.

Robotics & Automation reported revenue of RMB28.7 billion, down 7.6% year on year, mainly due to cyclical fluctuations in industry demand. Factors such as the slowdown in global NEV growth and capacity adjustments in the photovoltaic and lithium battery sectors have exerted short-term pressure on the industrial robotics market.

From a regional contribution perspective, in 2024, revenue from Mainland China amounted to RMB240.1 billion, representing a year-on-year increase of 7.7%; revenue from other countries or regions amounted to RMB169.0 billion, reflecting a year-on-year increase of 12.0%. The following table sets forth the absolute amounts and their respective percentages of total revenue of the Company by region for 2024 and 2023:

	2024		2023		Change
	Amount	% of Total	Amount	% of Total	
	<i>RMB million</i>	revenue	<i>RMB million</i>	revenue	
Mainland China	240,050	58.7%	222,804	59.6%	7.7%
Other countries or regions	169,034	41.3%	150,906	40.4%	12.0%
Total	409,084	100.0%	373,710	100.0%	9.5%

GROSS PROFIT AND GROSS PROFIT MARGIN

The table below sets forth the absolute gross profit amounts and gross profit margins of the Company for 2024 and 2023 by business segment:

	2024		2023	
	Gross profit <i>RMB million</i>	Gross profit margin	Gross profit <i>RMB million</i>	Gross profit margin
Smart Home Solutions	<u>80,791</u>	<u>30.0%</u>	<u>70,677</u>	<u>28.7%</u>
Energy Solutions and Industrial Technology	<u>5,962</u>	<u>17.7%</u>	<u>4,927</u>	<u>17.7%</u>
Intelligent Building Technology	<u>8,590</u>	<u>30.2%</u>	<u>7,609</u>	<u>29.4%</u>
Robotics & Automation	<u>6,313</u>	<u>22.0%</u>	<u>7,374</u>	<u>23.7%</u>
Other businesses	<u>1,485</u>	<u>10.8%</u>	<u>1,673</u>	<u>12.9%</u>
Commercial & Industrial Solutions	<u>22,350</u>	<u>21.4%</u>	<u>21,583</u>	<u>22.1%</u>
Others	<u>3,961</u>	<u>11.3%</u>	<u>3,202</u>	<u>10.8%</u>
Total	<u>107,102</u>	<u>26.2%</u>	<u>95,462</u>	<u>25.5%</u>

In 2024, the Company's gross profit margin was 26.2%, reflecting a year-on-year increase of 0.7%. The improvement was primarily driven by: (1) Product portfolio optimisation, focusing on upgrading product structures by accelerating high-end and smart product transformation, thereby increasing the proportion of high-margin products and enhancing the competitiveness of high-margin business segments; (2) Supply chain integration, leveraging digital tools to establish a dynamic raw material inventory mechanism, while strengthening cost advantages through economies of scale, strategic sourcing, and flexible inventory management; (3) Advancement in smart manufacturing and digital management, implementing refined full-process control across the value chain to enhance operational efficiency.

SELLING AND MARKETING EXPENSES

The table below sets forth the Company's selling and marketing expenses and percentages of revenue for 2024 and 2023:

	2024		2023		Change
	<i>RMB million</i>	<i>Percentage of revenue</i>	<i>RMB million (Restated)</i>	<i>Percentage of revenue</i>	
Selling and marketing expenses	<u>38,753</u>	<u>9.5%</u>	<u>31,953</u>	<u>8.6%</u>	<u>21.3%</u>

In 2024, the Company's selling and marketing expenses amounted to RMB38.8 billion, representing a year-on-year increase of 21.3%. The percentage of selling and marketing expenses was 9.5%, up 0.9% year on year. This increase was primarily due to higher advertising and promotional expenses (including offline promotional fees, online platform service fees, brand promotion fees, and community marketing expenses for stores and products).

GENERAL AND ADMINISTRATIVE EXPENSES

The table below sets forth the Company's general and administrative expenses and percentages of revenue for 2024 and 2023:

	2024		2023		Change
	<i>RMB million</i>	<i>Percentage of revenue</i>	<i>RMB million</i>	<i>Percentage of revenue</i>	
General and administrative expenses	15,404	3.8%	13,976	3.7%	10.2%

In 2024, the Company's general and administrative expenses amounted to RMB15.4 billion, representing a year-on-year increase of 10.2%. The percentage of general and administrative expenses was 3.8%, up 0.1% year on year. This increase was primarily due to increased IT system construction costs due to the Company's digitalisation investments and higher employee compensation expenses.

RESEARCH AND DEVELOPMENT EXPENSES

The table below sets forth the Company's research and development expenses and percentages of revenue for 2024 and 2023:

	2024		2023		Change
	<i>RMB million</i>	<i>Percentage of revenue</i>	<i>RMB million</i>	<i>Percentage of revenue</i>	
Research and development expenses	16,233	4.0%	14,586	3.9%	11.3%

In 2024, the Company's general and administrative expenses amounted to RMB16.2 billion, representing a year-on-year increase of 11.3%, and research and development expense ratio was 4.0%, representing a year-on-year increase of 0.1%. This increase was primarily due to higher material consumption costs and increased technology development expenses related to the Company's R&D activities.

OTHER INCOME

The Company's other income increased from RMB8.1 billion in 2023 to RMB9.7 billion in 2024, primarily due to an increase in additional deductions for value-added tax (VAT). The additional VAT deduction was granted to certain subsidiaries of the Company pursuant to the Announcement on the Policy of Additional VAT Deduction for Advanced Manufacturing Enterprises (Announcement [2023] No. 43) issued by the Ministry of Finance and the State Administration of Taxation in September 2023. Under this policy, advanced manufacturing enterprises are permitted to deduct an additional 5% of the deductible input VAT for the current period from the payable VAT amount as additional VAT deductions.

OTHER GAINS/(LOSSES), NET

The Company's other gains/(losses) improved from a loss of RMB0.9 billion in 2023 to a gain of RMB0.4 billion in 2024, primarily due to an increase in the fair value of financial assets driven by fluctuations in the fair value of the Company's derivative instruments and certain equity holdings, partially offset by net exchange losses arising from foreign exchange fluctuations on currency monetary items held by the Company and certain subsidiaries.

FINANCE COSTS, NET

The Company's net finance costs decreased from RMB2.3 billion in 2023 to RMB1.0 billion in 2024. Specifically: (1) Finance income declined from RMB1.1 billion in 2023 to RMB0.9 billion in 2024, mainly due to adjustments in the Company's cash at banks and in hand structure in response to market interest rate dynamics, resulting in a reduction in financial assets held for cash management purposes in 2024. (2) Finance costs decreased from RMB3.4 billion in 2023 to RMB1.9 billion in 2024, primarily due to a decrease in interest expenses on borrowings from RMB2.7 billion in 2023 to RMB2.3 billion in 2024 as a result of lower market financing rates, as well as exchange gains or losses on foreign currency borrowings from a loss of RMB0.6 billion in 2023 to a gain of RMB0.5 billion in 2024 due to exchange rate fluctuations.

PROFIT FOR THE YEAR

The Company's profit for the year increased from RMB33.7 billion in 2023 to RMB38.8 billion in 2024, representing a year-on-year growth of 14.9%. The profit margin for the year improved from 9.0% in 2023 to 9.5% in 2024, as the Company continued to promote product portfolio upgrading and enhanced profitability by improving operational efficiency across the full value chain.

FINANCIAL POSITION

The table below sets forth the absolute amounts from the Company's consolidated statement of financial position as of 31 December 2024 and 31 December 2023:

	31 December 2024 <i>(RMB million)</i>	31 December 2023 <i>(RMB million)</i>
Total non-current assets	215,288	204,715
Total current assets	389,064	281,321
Total assets	604,352	486,036
Total non-current liabilities	24,865	60,492
Total current liabilities	351,820	251,246
Total liabilities	376,685	311,738
Equity attributable to owners of the Company	216,750	162,877
Net assets	227,667	174,298

The Company's total non-current assets increased from RMB204.7 billion as of 31 December 2023 to RMB215.3 billion as of 31 December 2024, primarily due to an increase in other financial assets at amortized cost.

The Company's total current assets increased from RMB281.3 billion as of 31 December 2023 to RMB389.1 billion as of 31 December 2024, mainly due to higher term deposits and restricted cash balances.

The Company's total non-current liabilities decreased from RMB60.5 billion as of 31 December 2023 to RMB24.9 billion as of 31 December 2024, primarily due to the reclassification of certain long-term borrowings due within one year to current liabilities.

The Company's total current liabilities increased from RMB251.2 billion as of 31 December 2023 to RMB351.8 billion as of 31 December 2024, mainly due to an increase in short-term borrowings and trade and note payables.

The Company's net assets increased from RMB174.3 billion as of 31 December 2023 to RMB227.7 billion as of 31 December 2024, primarily driven by Hong Kong stock market financing and net profit growth.

CASH FLOW

The table below sets forth the absolute amounts from the Company's consolidated statement of cash flows for 2024 and 2023:

	2024 <i>RMB million</i>	2023 <i>RMB million</i>
Net cash generated from operating activities	60,512	57,903
Net cash used in investing activities	(87,902)	(31,220)
Net cash generated from/(used in) financing activities	22,698	(17,910)
Net (decrease)/increase in cash and cash equivalents	(4,692)	8,773
Cash and cash equivalents at beginning of the year	59,887	51,132
Exchange losses on cash and cash equivalents	(76)	(18)
Cash and cash equivalents at end of the year	55,119	59,887

In 2024, the Company's net cash generated from operating activities amounted to RMB60.5 billion. The difference between the net cash generated from operating activities and the profit before tax of RMB46.7 billion was primarily due to the following: (1) Depreciation and amortization of non-current assets amounting to RMB7.8 billion; (2) Changes in working capital, mainly including an increase of RMB24.0 billion in trade and note payables and an increase of RMB7.9 billion in contract liabilities, and an increase of RMB18.2 billion in other payables and accruals, partially offset by an increase of RMB12.4 billion in trade and note receivables and an increase of RMB15.8 billion in inventory.

In 2024, the Company's net cash used in investing activities amounted to RMB87.9 billion, primarily due to net cash payments of RMB81.7 billion for the purchase of financial assets (payments for financial asset purchases less proceeds from the disposal of financial assets and interest received), as well as a net payment of RMB6.9 billion for the purchase of property, plant, and equipment, intangible assets, and other non-current assets.

In 2024, the Company's net cash generated from financing activities amounted to RMB22.7 billion, primarily due to the receipt of Hong Kong stock fundraising and borrowings totalling RMB70.0 billion, partially offset by RMB25.0 billion in loan repayments and RMB20.8 billion in dividend payments to Shareholders.

WORKING CAPITAL AND FINANCIAL RESOURCES

The Company maintains sufficient cash and cash equivalents to ensure capital flexibility. The Company's cash and cash equivalents mainly comprise cash at banks, cash in hand, and short-term bank deposits with initial terms within three months. The table below sets forth the absolute amounts of cash and cash equivalents of the Company as of 31 December 2024 and 31 December 2023:

	31 December 2024	31 December 2023
	<i>RMB million</i>	<i>RMB million</i>
Cash at banks and in hand	52,852	57,783
Short-term bank deposits with initial terms within three months	1,901	1,956
Other deposits at financial institutions	366	148
	<hr/>	<hr/>
Total	55,119	59,887
	<hr/> <hr/>	<hr/> <hr/>

The Company's cash and cash equivalents decreased from RMB59.9 billion as of 31 December 2023 to RMB55.1 billion as of 31 December 2024. This decrease was mainly due to the Company's adjustment of its cash at banks and in hand structure, leading to a reduction in short-term bank deposits.

The Company obtains financing based on market interest rates and its capital operation plans. The Company's bank loans and bonds are sourced from commercial banks and financial institutions in Mainland China and other countries or regions. The table below sets forth the absolute amounts of bank loans and debentures as of 31 December 2024 and 31 December 2023:

	31 December 2024	31 December 2023
	<i>RMB million</i>	<i>RMB million</i>
Bank loans	10,492	46,139
Debentures	3,267	3,218
	<hr/>	<hr/>
Subtotal of non-current	13,759	49,357
	<hr/>	<hr/>
Bank loans	69,549	22,110
Subtotal of current	69,549	22,110
	<hr/>	<hr/>
Total	83,308	71,467
	<hr/> <hr/>	<hr/> <hr/>

The Company's non-current borrowings decreased from RMB49.4 billion as of 31 December 2023 to RMB13.8 billion as of 31 December 2024, primarily due to the reclassification of certain borrowings with remaining terms of less than one year.

The Company's current borrowings increased from RMB22.1 billion as of 31 December 2023 to RMB69.5 billion as of 31 December 2024, mainly due to the reclassification of non-current borrowings and an increase in short-term financing.

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

The Company maintains a prudent capital ratio to support its business and manages its asset structure through asset-liability ratio. The table below sets forth the absolute amounts of total assets, total liabilities, and the asset-liability ratio as of 31 December 2024 and 31 December 2023:

	31 December 2024	31 December 2023
Total assets (RMB million)	604,352	486,036
Total liabilities (RMB million)	376,684	311,738
Asset-liability ratio	62.3%	64.1%

The Company's asset-liability ratio, defined as the proportion of total liabilities to total assets, decreased from 64.1% as of 31 December 2023 to 62.3% as of 31 December 2024. This decrease was primarily due to the increase in monetary assets resulting from the Company's Hong Kong equity fundraising and cash flow generated from operating activities during the Reporting Period.

The Company maintains a healthy cash flow level. In 2024, the Company's operating cash conversion ratio (defined as net cash generated from operating activities divided by annual profit) was 1.6 times. The cash generated from operating activities of the Company was used to support business operations. As of 31 December 2024, monetary assets accounted for more than 50% of the Company's total current assets. Considering the Company's available financial resources, including cash and cash equivalents, available bank financing, cash flows from operating activities, and net proceeds from global offerings, the Company has sufficient working capital to operate for at least the next 12 months.

CAPITAL COMMITMENT

The table below sets forth the absolute amounts of the Company's capital commitments as of 31 December 2024 and 31 December 2023:

	31 December 2024 <i>RMB million</i>	31 December 2023 <i>RMB million</i>
Contracted, but not provided for purchase of property, plant and equipment	4,595	4,006

In April 2024, the Company entered into an agreement with Arbonia AG to acquire all equity interest of its Climate division. The Company completed the acquisition with a consideration of EUR542 million in February 2025.

In June 2024, the Company entered into an agreement with Heritage B B.V. to acquire 97.38% equity interests of Teka Industrial, S.A., which designs and manufactures household appliances and sinks. The acquisition consideration of the transaction is approximately EUR175 million. The transaction has not been completed as of the date of this report.

CAPITAL EXPENDITURE

The table below sets forth the absolute amounts of the Company's capital expenditure for 2024 and 2023:

	2024 <i>RMB million</i>	2023 <i>RMB million</i>
Capital Expenditure	9,873	12,125

The Company's capital expenditures consist of buildings, overseas land, machinery and equipment, transportation vehicles, electronic equipment and others, construction in progress, leasehold improvements and land use rights. The Company's capital expenditure decreased from RMB12.1 billion in 2023 to RMB9.9 billion in 2024, which was mainly attributable to the Company's lump-sum capital expenditure of RMB3.5 billion for the acquisition of CLOU Electronics in 2023. Excluding the effect of above, the Company's capital expenditure realized a year-on-year increase of 14%, which was mainly due to the Company's increased investments in the construction of global production bases and R&D centers, the renovation of intelligent manufacturing production equipment and the iterative upgrading of IT systems in the current year.

The Company will fund these capital expenditures through cash generated from operations and proceeds from its global offering.

CONTINGENCIES

As at 31 December 2024, the amounts of the maximum potential loss in tax disputes involving a Brazilian subsidiary with 51% interests held by the Company were approximately BRL570 million (equivalent to approximately RMB661 million). Some of these cases have been ongoing for more than 10 years. The above amounts included the principal, penalties, related interest, etc. According to the agreement signed between the Company and the original shareholders of the Brazilian subsidiary prior to the acquisition (the “Original Shareholders”), the Original Shareholders have committed to compensating the Company according to verdict results of the above tax disputes. As at 31 December 2024, the maximum remaining compensation commitment of the Original Shareholders is approximately BRL131 million (equivalent to approximately RMB152 million). As at the date of this announcement, the relevant cases were still ongoing. Upon consulting the Group’s external legal counsel, management believes that the probability of losing the lawsuits is low. Accordingly, the Company’s management has made necessary provisions based on its best estimate.

FOREIGN EXCHANGE RISK

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

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

PLEDGED ASSETS

As of 31 December 2024, the net carrying amount of pledged or mortgaged assets to draw bank acceptance bills and secure bank borrowings of the Company amounted to RMB29.9 billion. These pledged assets primarily comprise constant return financial products, trade and note receivables, as well as certain property, plant, and equipment, leased land, and land use rights.

OFF-BALANCE SHEET ARRANGEMENTS

As of 31 December 2024, the Company had no material off-balance sheet arrangements.

MANAGEMENT DISCUSSION AND ANALYSIS

I. Industry Overview for the Reporting Period

(I) Home Appliance Industry

In 2024, amid escalating external pressures and multiplying internal challenges, domestic China's economy scaled a new height, surpassing the RMB130 trillion mark for the first time and retaining its position as the world's second-largest economy, with a 5% economic growth rate. The domestic home appliance industry also witnessed a surge in export scale, while retail market sales for domestic China reached unprecedented levels. According to figures from the General Administration of Customs, domestic China's cumulative exports of home appliances amounted to RMB712.2 billion in 2024, a 15.4% increase compared to the previous year. Meanwhile, data aggregated by the All View Cloud (AVC) indicates that the domestic retail market for home appliances (excluding Computer, Communication and Consumer (3C)) reached RMB907.1 billion in 2024, marking a 6.4% year-on-year growth. The growth in 2024 primarily exhibits three main features. The first is the substantial upgrading of the product structure in the mid-to-high price tier. Thanks to the implementation of the state subsidies policy in 2024, significant enhancements were observed in the high-end product structure across various categories in the offline market, encompassing air conditioners, refrigerators, laundry appliances, range hoods, cooktops, dishwashers, electric heaters, gas heaters, water purifiers, and rice cookers. Likewise, categories such as air conditioners and range hoods also witnessed an upgrade in their high-end product structure in the online market. The second is the overall high growth of quality-living industries. In 2024, driven by factors such as the state subsidies policy and water efficiency standards, quality-living products within seven key categories – clothes dryers, dishwashers, built-in microwave-steamer-oven units, water purifiers, cleaning appliances, air purifiers, and coffee machines – experienced rapid market penetration. Throughout the year, retail sales for these products exhibited double-digit year-over-year growth rates. The third is the robust growth of trending product categories. Throughout 2024, a series of trending products, including fresh air conditioners, water-servo constant temperature gas water heaters, large-capacity (12kg) laundry appliances, zero built-in refrigerators, flat cylinder electric water heaters, gesture control and cooktop-range hood synchronization kitchen hood, coated-inner rice cookers, and Energy Efficiency Grade 1 appliances, continued to penetrate the market. These products offer consumers a range of functional benefits encompassing enjoyment, comfort, efficiency, aesthetics, ease of use, health, eco-friendliness, and intelligence. Despite the boost from the state subsidies policy, which has led to increased sales volumes and prices for certain products, higher retail customer footfall, and an upturn in consumer demand, domestic home appliance enterprises still confront multiple changes and challenges. Firstly, it is imperative to transform consumers from passive buyers to active selectors, moving beyond merely experimenting with products due to subsidies to genuinely recognizing their value and

forming long-term consumption habits and loyalty. Secondly, increasing investment in product research and development and pioneering new technologies is essential, with a focus on humanized and personalized product design to cater to the aesthetic and usage needs of diverse consumer groups. Thirdly, the logic of acquiring customers in the home appliance retail sector has shifted, and the key lies in transitioning from consumers seeking products to products seeking consumers through effective marketing and services across both online and offline channels. Additionally, while the state subsidies policy can only alter the growth pace of some categories, future planning and considerations must still adhere to long-term industrial trends. According to forecasts by AVC, taking into account factors such as the partial pre-emption of home appliance demand in 2025 by 2024, the potential gradual decline in consumer interest in state subsidies for home appliances, and the high base effect of home appliance retail sales stimulated by the state subsidies policy in the second half of 2024, despite the continuation of the state subsidies policy in 2025, the overall retail scale of domestic home appliance categories in 2025 is projected to increase only marginally on a year-on-year basis.

According to the aggregated data provided by AVC, the retail sales of the domestic air-conditioning market amounted to RMB207.1 billion in 2024, marking a year-on-year decline of 2.2%. The first half of 2024 witnessed a downturn in the scale of the domestic air-conditioning retail market. However, in the second half of 2024, with the gradual implementation of the state subsidies policy across regions, the market demand for the air-conditioning industry was effectively stimulated. From a market perspective, the industry exhibited a notable brand siphon effect in 2024, with leading brands and high-end brands demonstrating stronger performances. In the online market, the top three brands captured a 61.8% share, representing a 4% increase from the previous year. Notably, following the implementation of the state subsidies policy, the offline market share of leading brands also increased significantly. From a structural perspective, the declining trend in the proportion of floor-standing air conditioners came to a halt, resulting in a relatively stable overall structure of floor-standing and wall-mounted units, with 1.5-HP wall-mounted units and 3-HP floor-standing units currently being the mainstream product types. From a product perspective, mainstream air-conditioning products continued to iterate and upgrade based on the four major functional trends of health, intelligence, energy efficiency, and integration. In terms of new Energy Efficiency Grade 1 products, their sales proportion in both offline and online retail markets has increased, reaching 91.6% and 86.5%, respectively. Similarly, health and comfort air conditioners have seen a rise in sales proportion, accounting for 21.5% in offline retail markets and 20.9% in online retail markets. Furthermore, smart voice-activated wall-mounted air conditioners experienced significant year-over-year growth, with sales increasing by 83.1% in offline retail markets and 62.4% in online retail markets. From a pricing perspective, the prices of the air-conditioning industry in domestic China fluctuated considerably in 2024. In the first half, there was a clear downward trend in prices, but in the second half, the structure was elevated as a result of policy incentives. In December 2024, the average prices of floor-standing air conditioners in the offline and online retail markets increased by 6.5% and 6.1% year on year, respectively, while the average prices of wall-mounted air conditioners increased by 7.1% and 5.1% year on year, respectively.

Drawing from the aggregated data provided by AVC, the laundry appliances market in domestic China witnessed retail sales of RMB100.4 billion in 2024, signifying a 7.6% year-on-year growth. Additionally, the clothes dryer market reached retail sales of RMB16.2 billion, up 25.7% compared to the previous year. The wash and care segment is characterized by its substantial market size, diverse scenarios for customer demand, and strong rigid demand, with washer-dryer suites serving as the key catalyst for growth. Fueled by the state subsidies initiative, retail sales of washer-dryer suite increased by more than 33% year-on-year in 2024. Meanwhile, the product structure has seen consistent and steady upgrades, marked by a significant rise in the share of products priced between RMB8,000 and RMB12,000. In terms of capacity, 10kg models continue to dominate the market, while the state subsidies policy has further propelled the adoption of 12kg models. Capacity upgrades appear to be the emerging trend in the industry, with Little Swan, a prominent brand, gradually intensifying its focus on 12kg products. According to AVC's figures, Little Swan dominated the 12kg product market in online channels from September to December.

As per the aggregated data released by AVC, the domestic refrigerator market recorded retail sales of RMB143.4 billion in 2024, experiencing a 7.6% year-on-year growth. Throughout the year, the market demonstrated a V-shaped growth trend, with both volume and price experiencing upward momentum across all sales channels. In terms of product technology, competition within the refrigerator market remains centered on built-in models. Thanks to sustained investments on the supply side, the market penetration of zero-clearance refrigerators has witnessed notable advancements. Notably, the combined retail sales share of zero built-in and zero-clearance refrigerators has climbed to 30.2% in the online markets and 58.4% in the offline markets. From the perspective of door assembly, the product mix of refrigerators exhibits considerable continuity in development. Specifically, in the online markets, cross-four-door and French-style four-door refrigerators have contributed over 40% and 20% of sales, respectively. Meanwhile, in the offline markets, their contributions exceed 43% and 26%, respectively. From a functional perspective, features such as “dual systems”, “freshness preservation”, and “intelligence” have gained further prominence and attracted considerable attention.

Based on aggregated data from AVC, within the domain of major kitchen and bathroom appliances, the retail sales volume of range hoods in domestic market reached RMB36.2 billion in 2024, marking a 14.9% year-on-year growth. Similarly, the retail sales of gas cooktops amounted to RMB20.4 billion, representing a 15.7% increase compared to the previous year. In the fields of range hoods, the market has seen a shift from conventional top-ventilation and side-ventilation models towards ultra-slim, cross-category, and dual-ventilation (top and side) designs, which are experiencing rapid market penetration. The “integrated embedding” design centered around “slimness” continues to be a primary area of competition. In 2024, new models, encompassing ultra-thin, dual-ventilation, and cross-category designs, accounted for 36.9% and 48.6% of retail sales in the online and offline markets, respectively, marking a significant increase compared to the previous year. Furthermore, advancements such as multi-cavity designs, functional integration, and low-noise technologies have fueled the upgrading of price structures in both online and offline range hood markets. By 2024, range hoods

priced above RMB4,000 comprised nearly 70% of the offline market share. In the gas cooktop industry, the emphasis is on rapidly enhancing thermal efficiency, as well as incorporating features such as intelligence and precise temperature control. In 2024, products with a thermal efficiency of 68% or higher accounted for 13.5% and 39.3% of retail sales in the online and offline markets, respectively. Additionally, timer-equipped gas cooktops captured 17.2% and 10.0% of retail sales in the online and offline markets, respectively, demonstrating rapid growth. Furthermore, features such as dry-burning prevention, stainless steel cooktop, and adjustable bases are experiencing accelerated market penetration. As per the aggregated data compiled by AVC, the dishwasher market witnessed a retail sales volume of RMB13.2 billion in 2024, registering a 17.2% increase compared to the previous year. The trend in product structure is increasingly towards pursuing larger capacities coupled with enhanced space utilization. Notably, the retail sales share of dishwashers equipped with 16 or more place settings increased to 32% and 45% in the online and offline markets, respectively. Furthermore, full-size built-in dishwashers, due to their compatibility with kitchen renovations and offering substantial capacity, have emerged as the dominant models. Their market share has steadily increased, nearing 50% and 80% of retail sales in the online and offline markets, respectively. According to the aggregated data from AVC, the retail sales volume of the water purifier market reached RMB24 billion in 2024, marking a year-on-year growth of 17.2%. The product structure in the market trends towards high flux rates, integrated purification and heating capabilities, and the inclusion of mineral elements, among other functional features. Specifically, the retail sales share of products with a flux rate of 1200G in the online market increased by approximately 10%. Integrated purification and heating products captured over 27% of retail sales in the offline market, while mineral-containing products accounted for nearly 10% of offline retail sales. Furthermore, AVC's aggregated data reveals that the retail sales of water heaters (including electric storage water heaters and gas water heaters) amounted to RMB53.2 billion in 2024, marking a 5.3% year-on-year increase. Gas water heaters exhibit faster growth, achieving an 8.8% year-on-year increase. In terms of capacity, larger electric water heaters are tending towards 60 liters, and gas water heaters towards 16 liters. Water heater products have undergone continuous optimization in terms of appearance, constant temperature control, health benefits, and energy efficiency. Notably, in 2024, flat-cylinder electric water heaters accounted for nearly 25% of retail sales in the online market, while gas water heaters with scale inhibition or filtration functions captured a 24.7% share of retail sales.

According to aggregated data from AVC, the total retail sales of small kitchen appliances in domestic China reached RMB60.9 billion in 2024, remaining largely unchanged from the previous year. Notable variations exist across different categories. Firstly, traditional categories such as rice cookers, electric kettles, and electric pressure cookers have exhibited stable market demand, with minimal fluctuations in overall scale. Secondly, with consumers' increasing health consciousness, health-oriented appliances such as juicers and health pots are anticipated to emerge as key drivers of industry growth. Thirdly, western-style small appliances, exemplified by coffee machines and desktop microwave-steamer-oven products, currently enjoy low penetration rates in China, signaling substantial growth potential. Additionally, categories such as air fryers and desktop electric ovens have seen a decline in sales volume due to competition from alternative products, underscoring the urgent need for product upgrades.

According to aggregated data from AVC spanning all sales channels, the retail sales of domestic China's cleaning appliance industry reached RMB42.3 billion in 2024, marking a 24.4% year-on-year growth. Notably, robotic vacuum cleaners contributed RMB19.36 billion to this total, experiencing a 41.1% year-on-year increase, accompanied by an upward trend in average selling prices. Meanwhile, floor-washing machines, amidst ongoing price competitions, exhibited a gradual deceleration in growth rates, with retail sales totaling RMB14.09 billion, a 15.4% increase from the previous year. Vacuum cleaners, benefiting from policy incentives and new social media e-commerce channels, achieved retail sales of RMB5.6 billion throughout the year, up 11.0% year on year. In the fields of product innovation and upgrading, Midea is dedicated to addressing critical issues faced by users. This includes ongoing enhancements in function applications, such as the development of robotic arms for robotic vacuum cleaners, edge-cleaning capability of floor-washing machines, self-cleaning dust collection and hair entanglement prevention in vacuum cleaners, hot water mop cleaning, and high-temperature drying. Additionally, leveraging large AI models, Midea has successfully integrated AI voice, AI recognition, and AI obstacle avoidance into its product offerings.

(II) Robotics and Automation Industry

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

Additionally, the latest data from the IFR reveals that, in terms of industrial robot density – defined as the number of industrial robots per 10,000 workers – the global average has set a new record in 2023, reaching 162 units. South Korea retains its top position globally with a density exceeding 1,000 units. Notably, China has witnessed a significant acceleration in the deployment of robots, resulting in a density of 470 units in domestic China in 2023, surpassing Germany and Japan for the first time and rising to third place globally. China has consistently served as a catalyst for growth in the global robotics market. Taking into account various dynamics, including the flexible demands of the manufacturing sector, the diminishing demographic dividend, the emergence

of new markets, and advancements in innovative technologies, the application scope of industrial robots is poised to broaden further, highlighting significant potential for future expansion and development. The IFR anticipates that the ongoing uncertainty in the global economy in 2024 would continue to impact the automation industry, leading to a stagnation in global robot installations year-on-year amidst the economic weakness of major economies. However, in the long run, despite macroeconomic challenges, the long-term growth trajectory of industrial robots remains intact. The annual compound growth rate of robot installations is projected to reach 4% between 2025 and 2027, culminating in over 600,000 units by 2027.

The “2025 China Industrial Robot Industry Survey Report” published by Gaogong Industrial Institute (“GGII”) indicates that the global macroeconomy underwent a gradual recovery in 2024. From a sector perspective, the consumer electronics sector observed an overall resurgence in demand, while the food and metal products industries demonstrated favorable year-on-year trends. Conversely, the growth momentum of the new energy vehicle industry slowed consistently, and the photovoltaic and lithium battery sectors continued to navigate through an adjustment phase, contributing to a subdued industry landscape. In summary, the market demand in domestic China for industrial robots faced near-term pressures, resulting in a decline in industrial robot sales. From the perspective of product categories, SCARA robots (Selective Compliance Assembly Robot Arm, a type of industrial robot) were notably influenced by the rebound in the consumer electronics sector, while the pressures faced by the new energy industry also resulted in notable negative effects. Collectively, this led to a modest year-over-year increase in demand for SCARA robots. Articulated robots, as the largest category in terms of market share, despite exhibiting varied market conditions across large, medium, and small payload six-axis models, were faced with significant overall pressure due to tightening demand in key industries such as automotive and new energy, resulting in an overall year-over-year decline. Delta robots, influenced by the combined effects of downstream industries such as food, daily chemicals, pharmaceuticals, and consumer electronics, coupled with inherent limitations in their application scope, were anticipated to maintain sales volumes comparable to the previous year. Collaborative robots sustained their relatively high growth trajectory, partly attributed to the increasing penetration in downstream industries, including significant breakthroughs in its applications within the new energy sector, and partly due to the rapid expansion of specialized products, such as collaborative welding and heavy-load collaborative palletizing. In terms of the overall market dynamics, domestic China’s industrial robot production volume reached 556,000 units in 2024, marking a robust 14.2% year-on-year growth. Conversely, market sales of industrial robots in domestic China totaled 302,000 units in the same year, a slight 4.5% year-on-year decrease. China’s status as the largest producer and consumer market for industrial robots globally remains firmly established. According to GGII projections, domestic China’s industrial robot market sales are anticipated to climb to 325,000 units in 2025, reflecting a year-on-year growth rate exceeding 7%.

(III) Intelligent Building Technology Industry

In the intelligent building technology industry, Midea focuses on products, services and related businesses with respect to buildings. It aims to provide users with comprehensive, intelligent and sustainable building solutions based on the digital building platform and by facilitating the logistics, information, feeling and energy flows. The intelligent building ecosystem mainly includes HVAC, elevator, intelligent building (building automation) and integrated energy management. These offerings cater to diverse scenarios, including industrial facilities, hospitals, infrastructure projects, campuses, commercial properties, hotels, and educational institutions. In terms of industry competition, the HVAC, elevator, and building automation in China exhibit similar competitive dynamics, characterized by two key features: a high proportion of foreign and joint venture brands, and a relatively low level of market concentration. According to data from Journal of HV&AC, ChinaIOL.com, and Changjiang Securities Research Institute, foreign brands accounted for approximately 42% of the central air conditioning market in 2024, with only four manufacturers holding a market share exceeding 10%, highlighting a notable long-tail effect. Meanwhile, according to the data from China Elevator Industry Business Yearbook, foreign and joint venture brands occupy 70% of the elevator market, while leading domestic brands still lag in revenue scale and market share. In 2023, Kone, Mitsubishi Electric, Hitachi, and Otis each generated revenues of approximately RMB20 billion in domestic China. Similarly, the building automation market is largely dominated by foreign brands such as Honeywell, Siemens, Johnson Controls, and Schneider Electric. Regarding market size and growth prospects, according to the data from ChinaIOL.com, the tax-exclusive sales revenue of China's central air conditioning industry amounted to RMB144.7 billion in 2024, marking a slight increase compared to the previous year, with domestic China sales comprising about 84% of the total. The applications of central air conditioning are primarily categorized into residential, commercial, industrial, and public buildings, with ToB business accounting for over 70% of sales in terms of business type. From an industrial development standpoint, the non-residential segment of the central air conditioning market experiences less volatility than the residential segment and is more closely tied to infrastructure investments. Segments such as government public buildings, transportation, data centers, cultural, educational, and recreational facilities, as well as healthcare, exhibit substantial growth potential and a strong likelihood of sustaining higher growth rates in the long run. Meanwhile, data from the National Bureau of Statistics of China indicates that the production volume of elevators, escalators, and lifts in China declined by approximately 8% year on year to 1.492 million units in 2024, affected by the short-term challenges faced by the real estate sector. Based on the operational figures from key manufacturers, when considering both the average ex-factory price per elevator unit and maintenance services, the output value per elevator stands at approximately RMB200,000. Consequently, the

annual market size for domestic elevator equipment has approached RMB300 billion. The Report on the Work of the Government (2024) has prioritized the installation of elevators in older residential communities as a key focus for this year, suggesting that the market for elevator retrofitting is poised for further expansion. According to the data from EqualOcean Intelligence, the current market size for intelligent building remains relatively modest. The equipment-based businesses such as commercial air conditioner and elevator are “organs” in building construction, whereas building control is the “nervous system” which controls various equipment for the high-efficiency and low-carbon operation of buildings, and determines the overall quality of building solutions. In aggregate, the domestic industrial scale of the intelligent building technology industry has surpassed RMB400 billion. Additionally, with the ongoing implementation of the “Action Plan for Promoting Large-Scale Equipment Upgrades and Replacement of Consumer Goods” issued by the State Council of the People’s Republic of China, industrial demand remains robustly supported.

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

operations within the building sector. Meanwhile, an increasing number of market participants are actively embracing the national strategy of “carbon peaking and carbon neutrality” goals and undertaking energy-saving retrofits. On the whole, within the context of the “carbon peaking and carbon neutrality” goals, buildings, as a significant contributor to overall energy consumption and carbon emissions, are accelerating their journey towards energy conservation and carbon reduction. This trend is stimulating a surge in demand for highly efficient and low-carbon building solutions. Amidst the shift towards a digital economy, buildings, which currently lag in development despite being a pivotal component of “smart cities”, are poised to witness a substantial increase in the demand for digitalization and intelligence. Meanwhile, advancements in communication technologies, computing capabilities, and algorithms are driving the industry’s evolution from system-level control – including HVAC and elevators – to building-level control. This shift encompasses two pivotal dynamics: the expansive transition from “control” to “services” and the narrowing disparity with foreign firms that hold a first-mover advantage. An even more encouraging and unequivocal trend is the role that digitization is currently playing in catalyzing the transformation and upgrading of the elevator industry. In 2018, the General Office of the State Council of the People’s Republic of China issued the “Opinions on Strengthening the Quality and Safety Management of Elevators”, aiming to facilitate the installation of elevators in existing residential buildings and to adopt a maintenance approach based on actual demand. This approach underscores the importance of “effectiveness”, allocating resources based on a comprehensive understanding of elevator operations, thereby highlighting the growing significance of big data, Internet of Things (IoT), and other information technologies. In 2020, the State Administration for Market Regulation of the People’s Republic of China established standards for differentiating elevator maintenance approaches, primarily based on the presence of IoT-enabled remote monitoring systems. The substitution of foreign brands by domestic counterparts in the central air-conditioning sector has progressed through three phases: unitary air conditioners, variable refrigerant flow (VRF) systems, and large chilled water units. By 2024, domestic brands collectively accounted for approximately 58% of the market share. Notably, domestic manufacturers have made continuous breakthroughs in the large chilled water unit segment, which possesses higher entry barriers. The central air-conditioning industry has fully entered the phase of domestic substitution, with considerable potential for future growth. The pace of domestic substitution within the elevator industry has been relatively gradual; however, amid the waning real estate boom, evolving maintenance models, and the adoption of IoT technologies, the optimization of the market landscape is poised to gather pace. In the medium to long term, the market structure marked by a “high proportion of foreign capital + low market concentration” presents an increasing number of competitive opportunities in the smart building sector. On one hand, buildings contribute substantially to energy consumption and carbon emissions, and the pursuit of “carbon peaking and carbon neutrality” goals is accelerating energy-saving retrofits and smart operations. On the other hand, advancements in digitalization and intelligence, coupled with the incremental application of AI technologies, are catalyzing a qualitative shift in the input-output efficiency of smart buildings.

II. Business Scope in the Reporting Period

In 2024, the domestic market witnessed a deceleration in consumption demand growth during the first half, placing considerable strain on the retail market for home appliances. In the second half, however, spurred by the “trade-in” subsidy policy, consumer demand for home appliances exhibited signs of recovery. Meanwhile, the overseas market confronted ongoing challenges stemming from economic volatilities, exchange rate fluctuations, and persistent geopolitical tensions. Midea Group has upheld its business philosophy, consistently adhering to the annual operational principle of “enhancing efficiency across the full value chain and achieving structural growth and upgrading”. With a continued emphasis on core businesses and products, particularly notable advancements in overseas operations, the Group has witnessed further growth in its overall scale. Additionally, key indicators including profitability and cash flow have undergone positive enhancements, reflecting Midea’s operational resilience and its enduring commitment to high-quality growth. In 2024, the Company’s revenue reached RMB409.1 billion, marking a 9.5% year-on-year increase, with net profit attributable to owners of the Company amounting to RMB38.5 billion, up 14.3% compared to the previous year.

(I) Deepening User-Centric Focus and Implementing Technology Leadership Strategy to Improve the “Three Generations” R&D mode, Supporting Domestic High-End Brands and Overseas OBM Priority Strategy

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

Residential air conditioners:

Based on three major directions of carbon neutrality, air value, and smart home, Midea has focused on its technological strategy layout of “cooling, heating, energy conservation, intelligence, health, and comfort”, exploring disruptive and differentiated product technologies to enhance product competitiveness. In 2024, targeting the European air conditioner market, Midea introduced the industry-first PortaSplit split air conditioner, designed for DIY installation by users. Its unique design surmounts regulatory hurdles related to outdoor unit installation, while slashing installation costs by thousands of euros. The PortaSplit boasts superior cooling and heating performance compared to traditional portable air conditioners, achieving EU A++ energy efficiency. Coupled with a revolutionary 3D airflow design, it ensures even and rapid temperature regulation throughout the home. The compressor incorporates

a multi-layered composite sound insulation system, significantly reducing operational noise compared to traditional portable units. The PortaSplit has earned numerous international awards, including the German iF Design Award, and has received praise from overseas professional media outlets such as The Verge. For the North American heating market, Midea unveiled the modular cold climate heat pump ducted system, incorporating an industry-first quick-disconnect modular design that dramatically curtails installation expenses. It allows for versatile integration of various sub-modules. Coupled with a compact heat exchanger featuring low flow resistance and high energy flow density, along with a proprietary constant air volume DC motor, the unit's reduced size enables direct installation as a seamless replacement for traditional gas boilers. By harnessing ultra-low temperature efficient heat exchange technology, the product's energy efficiency aligns with the CEE Advanced Tier standard in the U.S., delivering full heating capacity even at a low temperature of -15°C . Its dimensions and heating performance rival those of gas heating appliances. Furthermore, the integration of an industry-first adaptive wide voltage technology enables seamless operation across 230/115V voltage fluctuations, steering the trend towards heat pump heating in North American homes and bolstering the growth of Midea's proprietary brand. For the domestic high-end market, Midea launched the FreshPure T3 Series Floor-standing Air Conditioner, pioneering the industry with its four-drive airflow management technology. This technology, complemented by a novel four-air-duct design, caters to personalized user preferences and ensures optimal air distribution tailored to diverse settings. The unit showcases a contemporary naturalistic interface design embodying "full sense, full display", which blends seamlessly into home interiors while ushering in innovative interaction capabilities. This innovative product has earned the 2024 Germany IFA Global Product Technology Innovation Award. For the residential central air conditioning market, Midea introduced the FreshAir Explorer Series and Coolfree-Kujieneng Series. The FreshAir Explorer Series incorporates industry-leading innovations such as full-system dual-circuit enthalpy boost and electronic full-liquid cooling zone thermal management, enabling heating at ultra-low temperatures of -30°C and cooling at ultra-high temperatures of 60°C . With bidirectional fresh air technology, this series ensures that fresh air can be introduced into rooms while stale air is expelled, catering to diverse climatic conditions year-round and across different regions, and supporting the Smart Air Solution 2.0 for entire homes. On the other hand, the Coolfree-Kujieneng Series leverages a pioneering multi-split system with wide-load energy-saving and noise-reduction technology, systematically addressing the issue of high energy consumption associated with multi-split units in residential settings. It achieves a milestone by consuming only two kilowatt-hours of electricity for two bedrooms with two units running overnight under specific conditions, redefining the energy efficiency standards for residential central air conditioners. To address the domestic heating needs in China, Midea unveiled its "True Warmth" (Zhennuan) Series of integrated heat pump heaters, covering a power spectrum of 14-18kW. Equipped with cutting-edge technologies such as continuous enthalpy injection compression with a large pressure ratio and an efficient double-pipe heat exchanger featuring spiral groove and mesh teeth design, the heaters ensure stable operation at an ultra-low temperature of -35°C and across a broad voltage range of 150V-264V. Notably, they maintain an unwavering outlet water temperature of 60°C even at -20°C , achieving industry-leading Energy Efficiency Grade 1. In response to consumers' pursuit of energy efficiency and comfort, Midea introduced the Kushengdian Pro Series Wall-Mounted & Floor-Standing Air Conditioners. Incorporating AI-driven inverter technology and cloud-edge integrated energy-saving control, the units seamlessly adapt to users' needs, environmental loads, and equipment capabilities, achieving precise temperature control and offering an enhanced user experience characterized by exceptional comfort and energy savings.

Laundry appliances and refrigerators:

In view of the four demand directions of cleanness, health, efficiency and care, Midea comprehensively builds its core competitiveness in the global laundry and care industry. Midea's MA512 Stirring Fully Automatic Washing Machine Series, as domestic China's first A-level energy-efficient stirring washing machine exported to Brazil, incorporates advanced technologies such as flexible stirring, detergent dissolution cyclone, and lint filtration & collection through stirring. Available in capacities of 13kg and 15kg, this product excels in washing performance ratio, water and electricity consumption, and spin efficiency, positioning it prominently within the industry in terms of overall energy performance. Furthermore, the Toshiba series of drum washing machines showcases continuous enhancement in aesthetic design, reshaping the laundry experience through innovative technology. Catering to mainstream capacities ranging from 7-13kg, the series introduces the Japandi T37 washer-dryer suite specifically for overseas markets. Characterized by its zero built-in design and novel wooden texture control panel, this product is equipped with cutting-edge technologies including automatic detergent dispensing, ultra-micro bubble generation, full variable frequency, and LUXECARE steam. The COLMO TURING T1 Washer-Dryer Suite harmoniously blends into the home decor through its zero built-in design, pioneering the AI-enabled, all-scenario intelligent laundry and care era for dry cleaning and maintenance. Specifically, the T1 washing machine has been upgraded to feature the mousse foam gentle wash mode, skillfully balancing robust stain removal with fabric preservation. Meanwhile, the T1 clothes dryer has advanced to AI light dry cleaning 3.0, offering wrinkle removal in as little as 15 minutes and enhancing smoothness to a 4.0 level. The Little Swan Washer-Scrubber MAX showcases a revolutionary heat pump platform, leveraging a patented dual-efficiency heat pump system to enable rapid drying and low-temperature drying. It incorporates Little Swan's proprietary blue oxygen color preservation technology and introduces an expanded blue oxygen odor elimination feature, catering to diverse applications. By integrating advanced AI large model technology and the Lingxi Intelligent Voice Interaction System, and utilizing a robotic vacuum cleaner as a home mobile terminal, it facilitates the creation of entire-house smart scenarios, seamlessly integrating the five cleaning functions of washing, drying, care, vacuuming, and scrubbing into a singular, cohesive solution.

COLMO 990 Large Built-in Series, the industry-first largest zero built-in refrigerator, addresses the dual requirements of high-end consumers for substantial capacity and seamless home decor integration. Equipped with the industry-leading AI dynamic ingredient recognition feature, it intelligently identifies over 100 types of ingredients, and dynamically adjusts preservation modes and potent odor elimination functions according to ingredient conditions. Additionally, it offers expiration reminders for ingredients and the capability to generate personalized dietary plans. Furthermore, it uniquely features AI molecular-level nutrition management, effectively reducing purine levels in aquatic products, enhancing amino acid content in meat, and boosting the levels of 12 nutrients in fruits and vegetables. The series also incorporates the industry's pioneering wake-word-free AI-Door voice automatic door opening and closing function, facilitating intuitive interaction. This series has garnered the German iF Design Award. Addressing the integrated living and dining room trend, Midea unveiled the world's first large-capacity refrigerator with a 45cm zero built-in design for sideboards, pushing the boundaries of traditional refrigerator thickness while boasting a capacity exceeding 400 liters, embodying "maximal utilization of every millimeter." This refrigerator

innovates on the traditional method of mixed storage of refrigerated ingredients by introducing a partitioned layout with ready-to-eat items on the left and cooking ingredients on the right. It features three significant technological advancements in design: the industry-first centrally-located refrigeration system to enhance usable space, an upgraded insulation system that drastically reduces foam layer thickness, and the innovative “bottom heat dissipation + gull-wing hinge” technology, allowing for built-in with just 4mm of clearance on each side. The Toshiba Master Series flagship refrigerator, a culinary masterpiece at star level, offers a seamless high-capacity built-in design, energy efficiency, whisper-quiet operation, and proprietary star-rated freshness technology tailored for culinary excellence. The meat storage compartment is equipped with rapid chilling technology for ice-fresh preservation, while the fruit and vegetable section utilizes misting preservation technology. Boasting a generous 24-liter independent ice storage area with UV sterilization, it ensures swift and hygienic ice production within 60 minutes. The refrigerator also incorporates iTouch body-sensing technology for effortless door opening. This exceptional product has garnered numerous awards, including recognition as the 2024 Vietnam Best Energy-Efficient Refrigerator Brand, the China Home Appliance Red Top Supreme Award, and the American IDEA Design Award. For the European market, during the 2024 Internationale Funkausstellung (IFA) in Berlin, we introduced a new generation of built-in refrigerators equipped with an industry-first, innovative hinge system. This groundbreaking design transcends traditional built-in product dimensions and installation methods, boasting exceptional capacity and straightforward installation. The refrigerators seamlessly fit into kitchen cabinets and furniture, creating a perfect integration.

Kitchen appliances and other home appliances:

Catering to comprehensive water usage needs in the home, Midea’s UX8 electric water heater introduces an industry-first diamond-inspired heater. The heater surface features a lotus leaf-inspired coating certified by the U.S. FDA as food-grade, achieving an impressive 85% scale resistance. This not only prolongs the heater’s lifespan but also ensures water purity. With its innovative energy-concentrating rapid heating system, the UX8 can achieve relay heating in just five minutes, delivering an enjoyable bathing experience whenever needed. The product has been recognized with numerous awards, including the China Home Appliance Red Top Award. Midea’s M11S Ultra gas water heater, incorporating the industry-pioneering “Dolphin Cruiser” technology, takes cues from dolphins’ sensory abilities, such as point perception, magnetic sensing, and echolocation, for its biomimetic design. By leveraging water flow signal interaction, it achieves precise point-to-point preheating of bathing water. This innovation effectively tackles numerous pain points of traditional zero-cold-water heaters, such as water cross-contamination, frequent false activations, and excessive gas consumption, thereby enhancing users’ bathing experience. COLMO launched the AVANT gas water heater, featuring Energy Efficiency Grade 1 and no condensation pipe, is equipped with the internationally leading Reco dual-chip technology. It completely resolves the usage challenges associated with condensation water discharge in traditional gas water heaters with Grade 1 energy label, achieving a thermal efficiency approaching 105%. It breaks through the limitations of sensing and temperature control in complex water usage scenarios, with temperature control speed upgraded to 0.2ms, achieving 5A-level constant temperature performance under practical conditions such as mid-use pauses and multi-point water usage. In response to the evolving consumer preference from pure water to healthy drinking water, Midea’s Mineral (Xiankuang) Dual Water Series Water

Purifier introduces the industry-first fresh mineral water technology, incorporating wet-process carbon fiber and targeted titanium adsorption. This technology guarantees a 100% retention rate of beneficial minerals, removes over 99% of heavy metals, and enhances the desalination rate of chloride-free RO membranes to 97%. Furthermore, it is equipped with a self-developed five-chamber pump, reducing operational noise to just 31 dB. For under-sink installations tailored to kitchens with Chinese characteristics, Midea's MS153-1.2T Under-Sink Water Softener Master features three innovative technologies: an ultra-thin compact multi-valve control for softened water, a dual-tank integrated design with parallel water circuit regeneration, and a 360-degree gradient disc water distributor. Compared to its predecessor, this model boasts a 47% reduction in volume and a 20% increase in flux. Certified by the China Household Electric Appliance Research Institute (CHEARI), it is compatible with 96% of domestic China's kitchen under-sink spaces and has been honored with the German Red Dot Design Award.

Focusing on improving the comfort of kitchen environments, Midea introduces efficient and intelligent range hoods and cooktops, addressing both kitchen conditions and oil fume. To prioritize user health, Midea offers a range of products including dishwashers, steamer-ovens, and rice cookers that meet user needs in terms of kitchenware cleaning and sterilization, as well as healthy cooking practices. Midea's smokeless range hood series, YG28 and YG30, align with the "smokeless" user experience principle. Equipped with a new fan platform, they boost air volume to 32m³/min during intense cooking while reducing noise to 57 dB at high settings. Featuring an adjustable air divider cone, these range hoods can dynamically allocate airflow to the left and right intake vents based on the cooking status of the respective burners. With a newly designed air duct and front intake configuration, they meet the latest top-tier smoke removal standards. Midea's Premium Aroma-Enhancing Gas Stove is designed around the "aroma-enhancing" user experience principle. It incorporates a groundbreaking 4D Quantitative and Directional Turbo Oxygen Enrichment Technology to ensure more efficient combustion. The stove also features a unique four-layer wing-shaped vortex energy retention disc, which prevents heat loss from the inner layer, enhances heat recovery in the middle layer, provides windproof insulation in the outer layer, and leverages the pot stand's height for reflective energy storage. Additionally, the innovative dual inner flame design ensures that the flame remains lit even when blown on. With a thermal efficiency exceeding the Energy Efficiency Grade 1 and reaching 80%, this product has been awarded the Premium "Certification of Excellence for Cooking Aroma-Enhancing Household Gas Stoves" by the authoritative institution CVC.

COLMO TURING 2.0 Dishwasher introduces an innovative water curtain full-area fan spray technology, ensuring 100% coverage and more even water flow for thorough yet gentle cleaning of utensils. This technology has been certified by TÜV Rheinland to provide a care rate of over 99%. Additionally, the dishwasher features an innovative adjustable lifting basket that glides smoothly, having undergone rigorous testing, including 43,800 full-load cycles and a 144-hour corrosion resistance test. The highly integrated water system offers more usable space, achieving an industry-leading first-class volume-to-capacity ratio. Midea's Jingyan Wanxiang Dishwasher series has been awarded the industry's first Grade A Cleanliness Certificate. It utilizes a

variable-frequency pump with a water pressure of 55,000Pa and a five-arm spray technology. The dishwasher incorporates a groundbreaking hot air circulation drying technology, enabling rapid drying throughout the entire cavity at a high temperature of 120°C and achieving a sterilization rate of over 99%. Additionally, it is equipped with a self-developed phased intelligent detergent dispensing system, smart cloud washing control algorithms, and user washing prediction model algorithms, all of which significantly enhance the user experience.

Midea's SpeedTender (Sunenggan) Electric Pressure Cooker incorporates the industry-first SpeedTender 2.0 cooking technology, enabling the preparation of a dish in as little as 3 minutes and quick braising of hearty dishes in just 20 minutes. This marks a new trend in pressure cooking, emphasizing "tenderness" and "speed." The cooker's innovative air duct design, in conjunction with an efficient pressure system, significantly reduces food preparation time. Furthermore, the high-pressure hot steam technology effectively retains food's moisture and nutrients, enhancing its tenderness. Midea's Dual-Chamber Air Fryer, featuring an industry-first vertical design with upper and lower chambers, delivers highly uniform cooking results in a compact space. It ensures delicious meals without compromising on space or versatility and has been recognized with international honors such as the German iF Design Award. COLMO BLANC 2.0, a premium built-in steamer-oven, incorporates cutting-edge RF radio frequency technology and introduces an innovative AI-adaptive multi-functional cooking hub. This hub facilitates simultaneous cooking of diverse ingredients in distinct zones, ensures exceptional heating uniformity, and offers rapid and fresh thawing capabilities, thereby maximizing the retention of food's nutrition. Additionally, it is equipped with the AI vision feature, which leverages deep learning algorithms to sense food conditions in real-time and precisely match the appropriate heat settings. Midea's C15 Microwave-Oven-Air Fryer leverages an advanced microwave coupling and precision cooking algorithm to accurately control microwave infusion timing, enabling a microwave-assisted air crisp function that enhances food coloring and crispness. Furthermore, it is equipped with upgraded graphene hot air technology and features a streamlined overhead hot air system paired with a miniaturized microwave system, resulting in a more refined and compact product design.

In the realm of entire-house smart cleaning solutions, the Eureka J15 Max Ultra, an innovative intelligent robotic vacuum cleaner, pioneers a binocular fusion recognition system, which integrates both color vision and infrared vision technologies to address challenges posed by ambient light on camera performance, resulting in superior stain recognition capabilities. Furthermore, it boasts an enhanced dual-mechanical arm system for comprehensive cleaning without dead corners and hair entanglement prevention. With ObstaCross technology, the robotic vacuum is capable of crossing thresholds as high as 4cm, thanks to its obstacle-crossing wheels. Midea's cutting-edge floor-washing machine, the X11, incorporates innovative floating scraper technology to efficiently manage residual water marks on floors. It has been enhanced with a dense, double-looped comb scraper, achieving an impressive anti-tangling efficiency of 99% through rigorous testing. The base is capable of heating up to 85°C for high-temperature, deep self-cleaning, enabling rapid drying within five minutes while maintaining a dry flow path to effectively prevent the development of odors and bacterial growth. Furthermore, the machine features a unique three-directional edge-cleaning brush, ensuring thorough cleaning with zero gaps.

In terms of living and bedrooms, the Clover Series Entire-House Circulating Fan introduces an industry-first clover-inspired bionic blade design, which forms a “Möbius strip” like airflow channel. This innovation transcends traditional industry norms, enhancing the airflow diameter by 21.5% and reducing sharp, high-frequency noise by 53%, effectively addressing user needs for stress relief and silent sleep. Furthermore, the fan introduces comfort indicators such as turbulence intensity and power spectrum index, contributing to the advancement of industry standards and norms. Midea’s 2-in-1 Heating and Cooling 2.0 Platform Electric Heater, featuring a patented manual heating element adjustment technology, provides dual-season functionality for both winter and summer use, boasting superior heating and cooling performance that has garnered global recognition.

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

Midea remains committed to enhancing its R&D investment, establishing and refining a robust R&D system. In line with its strategic focus on technological leadership, the Company continuously optimizes its “Three Generations” R&D mode, “Four-Tier R&D framework”, and “Three-Level technical committee” operational mechanisms. This fosters the development of “TP3 elements” – Technologies, People, Projects, and Processes – within research organizations. By guiding these research organizations to strategically position themselves in frontier technology exploration, core technology breakthroughs, and technology project conversions, Midea ensures alignment between its technology strategies and medium – to long-term product planning. Through a dual-wheel drive approach combining technology and products, Midea drives industrial development.

As of the end of 2024, Midea has established 16 national-level scientific and technological innovation platforms, including national key laboratories, national artificial intelligence open innovation platforms, national cross-industry and cross-domain platforms, national industrial design centers and enterprise technology centers, national demonstration bases for talent and intelligence introduction, postdoctoral research stations, etc. Additionally, there are 82 provincial and ministerial-level scientific and technological innovation platforms, including provincial and ministerial-level enterprise technology centers, innovation centers, engineering technology research centers, industrial design centers or key laboratories, as well as doctoral workstations. Midea Group has always adhered to continuous investment in research on core technologies, achieving substantial breakthroughs in both its core business sectors and new technological domains. In 2024, Midea achieved notable accomplishments in scientific and technological research, including one new national science and technology award, 30 new provincial and ministerial-level science and technology awards, and 67 new internationally leading or advanced achievement assessments. Cumulatively, Midea has won four national science and technology awards, over 470 provincial and ministerial-level science and technology awards, and more than 350 internationally leading or advanced achievement assessments. Among these, several projects stood out: the project titled “Key Technologies and Applications for Efficient Supply of Multi-Grade Thermal Energy from Air Source Heat Pump Systems” received the Second Prize of the National Science and Technology Progress Award in 2023; the “Global Low-Carbon Heating Technology and Industrialization of Ultra-Low

Temperature Gas-Liquid Combined Injection Heat Pump Systems” project was honored with the First Prize of the Guangdong Provincial Science and Technology Progress Award in 2023; the “Key Technologies and Applications for Data-Driven Energy Efficiency Improvement in Green Public Buildings of Megacities” project won the First Prize of the Shanghai Municipal Science and Technology Award in 2023; the “Highly Reliable and Strongly Immune Magnetic Levitation Bearing Electric Drive System and Its Applications” project secured the First Prize of the Hubei Provincial Science and Technology Award in 2024; the “Research and Application of Key Technologies for Efficient and Comfortable Ventilation Based on Multi-Level Composite Biomimetic Optimization Systems” project received the First Prize for Outstanding Scientific Research Achievements from Shaanxi Universities and Colleges in 2024; the “Intelligent Manufacturing and Industrialization Application of the New Ultra-Micro Bubble Washing Technology and Devices” project was awarded the Second Prize of the Anhui Provincial Science and Technology Award in 2023; the “Research and Industrialization of Key Technologies for Space Purification Without Consumables Based on Molecular Catalysis and Electric Power Synergy” project earned the First Prize of the Science and Technology Progress Award from the China National Light Industry Council in 2023; the “Research and Industrialization of Key Technologies for Highly Adaptive Silent Variable Frequency Compressors” project also garnered the First Prize of the Science and Technology Progress Award from the China National Light Industry Council in 2023; the “Research and Industrialized Application of Active and Passive Frost Suppression and Energy-Efficient Technologies in Refrigeration Equipment” project received the First Prize of the Science and Technology Progress Award from the China Energy Conservation Association in 2024; the “Key Technologies and Industrialization of Intelligent Adjustable and Selective Filtration for Healthy Drinking Water in Multiple Scenarios” project won the First Prize of the Science and Technology Award from the Membrane Industry Association of China in 2024; in addition, Midea’s “Toshiba high-end residential air conditioners” were recognized with the 2024 All-Japan Energy Conservation Grand Prize. Furthermore, several projects have been recognized as achieving internationally advanced technological achievements, including: “Key Technologies and Applications of AI Data-Driven Variable Frequency Control”, “Research and Application of Energy-Efficient Drying Technologies for Clothes Dryers”, “Research and Industrialization of Atomization Freshness Preservation Technology”, “Research and Industrialization of Key Technologies for Creating a Low-Noise, Low-Carbon, Healthy Kitchen Environment Based on Biomimetic Anisotropic Superstructures”, “Research on Key Low-Salt Cooking Technologies and Their Application in Microwave-Steamer-Ovens”, “Research and Industrialization of Key Technologies for UH Dual-Frequency Integrated Cooking Appliances”, “Research and Industrialization of Key Technologies for Wide-Frequency, Full-Range, High-Efficiency, Silent Compressors”, “Energy-Saving Operation Technologies and Industrialization for Air Conditioning Systems”, “Development of a High-Performance Robot Control Platform Based on Multi-Core Heterogeneous SoC”, “Research and Application of High-Efficiency Thermal Insulation Materials in Household Appliances”. In the area of industrial design, with a focus on the dual high-end brands and prioritizing overseas OBM initiatives, Midea has consistently advanced product design innovation and enhanced user experience through deepening organizational reforms within its industrial design sector. This has significantly contributed to building a competitive brand portfolio. In 2024 alone, Midea received 126 industrial design honors, including 36 German Red Dot Design Awards, 47 German iF Design Awards, 29 IDEA Awards from the United States, and 14 G-Mark Awards from Japan. To date, Midea has amassed over 900 international industrial design awards.

In order to provide strong support for the fulfillment of the strategic objective of “Technology Leadership”, Midea further implements the “3+1” standardization strategy of “Innovation Patentability, Patent Standardization, Standard Internationalization and Midea Standard Goes Out”. And through a two-tier (Group-business divisions) standardization management system and the double drivers of “standard innovation + product innovation”, Midea shifts innovation achievements to advanced technological standards. In 2024, Midea actively participated in the formulation or revision of 230 technical standards, comprising 14 international standards, 106 national standards, 16 industry standards, and 94 local and group standards. To date, our cumulative involvement in the formulation or revision of technical standards exceeds 2,100. Additionally, Midea chairs an international standardization working group within the Institute of Electrical and Electronics Engineers (IEEE) and has been recognized with both the Standardization Organization Award and the Standard Project Award (Third Class) at the Guangdong Provincial Standard Outstanding Contribution Awards. While focusing on core technology research, Midea has continued to strengthen its efforts in transforming innovative achievements and patent protection. In 2024, Midea received over 11,000 newly granted patents worldwide, with more than 5,000 being invention patents. As of the end of 2024, Midea’s total global patent applications exceeded 150,000, and the number of granted patents stood at over 90,000. Midea remains committed to enhancing patent quality, with a cumulative total of over 130 awards in the China Patent Awards, including six Gold Awards and 14 Silver Awards.

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

Midea has enhanced the end-to-end retail experience through strategic infrastructure development in exclusive retail systems, optimization of store supply experiences, digital retail transformation, and DTC reforms. For offline channel clients, Midea has reconstructed the retail ecosystem with digital empowerment as the cornerstone. First, we have facilitated the transformation and upgrading of over 30,000 stores through comprehensive category integration, pre-installation solutions, digitalization, and online integration, achieving asset-light operations and high-efficiency store-level delivery. Second, the cloud warehouse + shared inventory model has achieved remarkable results. Combined with fully digitized services including home delivery, cloud credit, and returns/exchanges, we have realized visible delivery timelines, overtime compensation guarantees, and automated policy fulfillment, significantly reducing operational costs while improving delivery efficiency – directly benefiting roughly 30,000 clients. Third, leveraging Midea’s digital operations platform and shared inventory capabilities, we have established an O2O model encompassing all clients, inventories, SKUs, and subsidies, now covering 50,000 offline stores to drive sales growth.

Through omnichannel traffic aggregation and service upgrades, we have managed to attract customer flow by converging online and offline resources in creating seamless shopping experiences. We have strengthened consumer trust through transparent pricing with consistent product offerings, pricing, and benefits across channels. Multi-platform traffic diversion strategies have effectively attracted new customers while reactivating existing users via OMO coupons and trade-in programs, enhancing user retention. Continuous upgrades to user benefits – including hassle-free returns/exchanges, service productization, and real-time interaction – help establish a comprehensive service ecosystem. Brand capability development is deepened through digitalized omnichannel

marketing matrices spanning diverse traffic platforms. A new traffic acquisition and conversion system for B2B clients achieves precise customer targeting and efficient offline store referrals through data-driven marketing. Maintaining consumer-centric principles, we have innovated diversified interactive scenarios by deeply analyzing lifestyle patterns and shopping behaviors, enabling precise user engagement.

In 2024, Midea's domestic e-commerce sales accounted for over 50% of total revenue (including penetration into lower-tier markets), with the Midea ecosystem securing its 12th consecutive year as the industry leader in total online sales during the "Double 11" and "618" shopping festivals. Media has deepened its presence on interest-driven e-commerce platforms, achieving sustained breakthroughs through technology-driven product innovation. By offering comprehensive whole-house solutions tailored to diverse scenarios, Midea has persistently expanded its interest-based consumer base. User renewal experiences are elevated through business model innovations and capabilities such as the shared inventory system. Integrated online-offline domestic operations are strengthened via streamlined product integration, optimized supply chain warehouse-network systems, and unified marketing strategies, driving growth through simplified efficiency. In lower-tier markets and offline chain channels, Media actively aligns with national trade-in policies, ensuring platform client execution to achieve dual growth in both scale and market share during policy periods. Media also vigorously advances digital project integration with strategic partners, leveraging digital tools to refine procurement, sales, and inventory workflows, thereby enhancing operational efficiency and responsiveness. Tailored to varied user needs, joint, product suite-based and scenario-based displays highlight product synergies, delivering immersive shopping experiences. In the engineering sector, warehouse-network integration and shared inventory system significantly reduce client inventory burdens and shorten order fulfillment cycles, markedly improving customer satisfaction. Structural upgrades, such as COLMO's whole-house smart solutions, help generate new growth momentum. Cross-industry collaborations have expanded, driving notable progress in affordable housing, higher education institutions, energy retrofits, and government procurement projects.

In terms of marketing, Midea has leveraged innovation to deliver exceptional experiences in whole-house, full-scenario smart living. Multiple product suites, such as Ningjing and Xingrui, were launched to address diverse user needs, continuously elevating quality lifestyles centered on comfort and well-being while reinforcing the brand philosophy that "Smart Living Can Be Even Better." In response to fragmented marketing channels and evolving user media engagement habits, Midea has transitioned to digital and precision marketing, unifying brand strategy, content, and outreach. By prioritizing high-quality content and targeted delivery, a full-chain, closed marketing loop (exposure-search-conversion) has been established to amplify brand audience equity and operational efficiency. In 2024, Midea's total brand audience assets ranked first in the home appliance industry on both Xiaohongshu and Douyin platforms.

In terms of user operations, integrated interactive channels have been deployed to ensure consistent engagement experiences. Investments have been intensified to upgrade the Midea User Benefits System, introducing policies such as no-questions-asked return/exchange, Home Appliance Care, and complimentary maintenance for long-term users. Midea has strengthened proactive management across the entire appliance lifecycle, offering one-stop services spanning product manual, warranty, consumables, accessories, cleaning, and replacement. In 2024, proactive user engagement reached 25 million interactions, establishing an optimized model for user outreach efficiency.

In its unwavering pursuit of optimizing whole-house smart solutions and upgrading intelligent systems, Midea has progressively refined its “whole-house smart appliances + smart home products” portfolio. Strategic investments have been directed toward Artificial Intelligence-Generated Content (AIGC), alongside the proprietary development of Midea Smart Home Agent based on the AIGC Large Language Model (LLM). This initiative has delivered novel spatial intelligence experiences characterized by proactive sensing, alerts, and services. An integrated “appliance-home furnishing” model has been established, complemented by ongoing enhancements to COLMO stores’ full-scenario smart environments, which fuse smart appliances and home intelligence into seamless experiences, thereby further refining sales frameworks. The digital design tool Home Design Pro well elevates in-store planning efficiency, enabling end-to-end integrated design and installation services. A smart service network has been expanded to new regions, ensuring full-chain user experience excellence. Continuous optimization of the Midea Home App strengthens user engagement, achieving over 60 million registered users and surpassing 100 million connected devices on its IoT platform. In 2024, global shipments of appliances and smart home products equipped with Midea’s smart modules exceeded 60 million units.

In terms of user services, Midea deepens digital transformation to build a full-cycle smart appliance service ecosystem. First, upgraded service standards have driven dual improvements in satisfaction and Net Promoter Score (NPS), underpinned by transparent pricing and a “365-Day Replacement Policy for Small Appliances.” Second, we have pioneered the 5G video customer service and AI-powered diagnostics, alongside an integrated “delivery-disassembly-installation-collection” service network that streamlines returns with full-process visibility. Third, scenario-based service offerings such as Xi Yue Jia (CleanCare) and Mei Jia Bao (HomeGuard) have been launched, forming a closed-loop pre- and post-sales system. Additionally, green transformation is accelerated through an innovative closed-loop carbon asset model, which upgrades the appliance recycling system into a carbon management framework, positioning Midea as a sustainability leader.

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

In 2024, the overseas home appliance market was haunted by varied risks and challenges including macroeconomic fluctuations, dramatic exchange rate changes, and persistently high inflation. Nevertheless, Midea's overseas operations achieved robust growth. Midea persistently expands its overseas manufacturing landscape and vigorously ratchets up its "China-to-Global + Regional-to-Regional" model, promoting construction and commencement of production of overseas new factory while facilitating manufacturing synergy between domestic and overseas factories. In strengthening the management of overseas joint venture factories, Midea draws from the successful practices of domestic lighthouse factories, continuously cultivates overseas lean manufacturing specialists, and implements production line layout improvements and automation transformation projects at overseas manufacturing bases to enhance overseas manufacturing efficiency and delivery capabilities.

The Group continues to beef up investment in proprietary brand product development, and constantly improves regional product portfolio and competitiveness across the globe through localized user insights and innovations. In 2024, Midea-branded products achieved market breakthroughs across multiple countries and home appliance categories. For instance, Midea-branded refrigerators have secured market leadership in Malaysia, Saudi Arabia, and Chile, while rising to second place in Vietnam and Thailand. Midea-branded washing machines have attained first and second place market share in Malaysia and Saudi Arabia respectively. Midea-branded residential air conditioners maintain market leadership in Brazil and Egypt for consecutive years. Additionally, Midea-branded microwave ovens, dishwashers, fans, and electric pressure cookers rank among top positions in various emerging markets. Meanwhile, the Group continues to expand overseas smart home operations and enhance user experience. In 2024, Midea's smart home app successfully garnered over 2.1 million new overseas registered users, bringing the total number of registered users to more than 4.4 million. Additionally, the average monthly active users experienced a significant year-over-year growth of nearly 140%.

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

Midea also expedites the expansion and refinement of its overseas channel network by analyzing country-specific channel landscapes and prioritizing a curated list of global key accounts (KAs). It has deepened collaboration with major clients across North America, South America, Asia-Pacific, Europe, the Middle East, and Africa. Midea sustains efforts to enhance retail outlet development and achieve breakthroughs in specialized channels, while advancing holistic cooperation with channel partners in product placement, upgrades, terminal infrastructure, promotional campaigns, customer service, and system integration. These efforts have not only led to improved channel structure but also helped optimize new product displays at retail touchpoints to boost user engagement and brand recognition. Committed to digital transformation, Midea empowers overseas retail operations with digital tools, adding over 3,800 digitized retail outlets. These tools are deployed to enhance traffic acquisition, conversion, and user retention, with the introduction of a digital business assistant to elevate retail workforce efficiency and service responsiveness. Additionally, Midea has harnessed new media content marketing to strengthen product-user interactions, optimizing the quality and efficiency of content across all consumer touchpoints.

In 2024, Midea's overseas e-commerce sales revenue from self-owned brands increased by over 50% year on year, achieving dual growth in both scale and profitability. The Group delivered significant results across channel diversification, brand marketing, product innovation, and digitalization, while giving full play to its integrated strengths and benchmarking against industry leaders to markedly enhance e-commerce profitability. During major promotional campaigns such as Amazon Prime Day, Black Friday, and Cyber Monday, sales grew substantially year-on-year, with market share steadily rising. Midea's proprietary brands secured top-three sales rankings in over 60 product categories across Amazon's core marketplaces, claiming the top position in 29 of these categories. The Group vigorously expanded new global channels, adding nearly 30 new e-commerce channels/sites in 2024. It also partnered with leading emerging e-commerce platforms, promoted influencer-driven sales models, and increased brand and product visibility on social media. Midea has deepened its multi-domain strategic partnership with Amazon, spanning advertising, logistics, and operations. By 2025, the Group's overseas e-commerce operations will achieve full coverage across all 23 Amazon global marketplaces and deepen collaborations with 35 non-Amazon channels. By benchmarking against industry bestsellers and leveraging market big data insights for e-commerce-exclusive product planning, Midea has boosted sales of individual products by over 50%. Additionally, it implements AI-powered end-to-end operational empowerment, progressively building AI-driven capabilities across AIGC content generation, advertising optimization, product-market insights, and social media influencer partnerships.

Midea persistently refines its global service system and sharpens its service capabilities, maintaining a customer-centric approach through detailed improvements across five dimensions: spare parts delivery, customer engagement, service network, service digitization, and service technology engineering. To support its overseas OBM-first strategy, Midea allocated dedicated investments across all overseas service domains in 2024 to accelerate the development of foundational service capabilities and optimize customer service experiences. The Group continued to build a four-tier global spare parts supply chain, establishing warehouse networks near overseas manufacturing bases to ensure global spare parts supply availability. In 2023, Midea launched regional warehouses covering the Middle East and the European Union, followed by the

completion and operationalization of a regional warehouse at its Thailand manufacturing base in 2024. Market-facing spare parts delivery efficiency improved by 20% year on year in 2024. Since implementing Amazon Connect in 2022 as its globally deployed cloud-based omnichannel customer engagement system, Midea has iteratively upgraded its global call centers to achieve end-to-end closed-loop management from user outreach to service completion. The cloud-based transformation of call centers has reduced operational costs and improved voice call quality while utilizing Amazon Web Services (AWS) security tools to meet cross-border data compliance requirements, ensuring end-user privacy and data security. Midea has deployed its cloud call system in 16 countries and regions and introduced an overseas intelligent voice robot. Integrated with AIGC applications, this system enables voice analysis, semantic recognition, and social media connectivity, further advancing the development of a proactive and responsive global service system. Midea unwaveringly enhances its overseas after-sales service system (iService) and cloud call platform through its Digitalization 3.0 initiative, optimizing global service network and service engineering master data management to significantly improve service precision and efficiency. In 2024, the iService work order system was extended to 18 overseas subsidiaries, further elevating transparency and consistency in service management. In stepping up the digital transformation of services, Midea progressively refines end-to-end system processes to ensure standardization of service workflows. In parallel with making its overseas service network more user-centric, Midea expanded service network coverage in 2024 through multiple models, including direct-operated service centers, exclusive service centers, and dedicated service engineers, alongside empowering third-party partner service outlets to improve capabilities, eventually achieving a 30% year-on-year increase in work order processing efficiency. Additionally, to support new product launches, Midea managed to augment its backend technical support platform. In 2024, it completed the integration of New Product Introduction (NPI) service preparation processes and IT system functionalities, driving cross-functional collaboration across the value chain to ensure seamless service readiness for new product releases.

In 2024, despite challenges such as yen depreciation-induced cost pressures, sluggish demand in the home appliance market, and intensifying competition, TLSC remained steadfast in prioritizing user experience and navigating market uncertainties with agility. The subsidiary reinforced its growth mindset and a results-driven culture by strengthening collaboration with the Group and relevant product divisions in R&D and quality assurance. This synergy comprehensively enhanced product competitiveness and quality, optimized development processes, and ensured timely new product launches and supply chain reliability. On the branding front, TLSC has signed renowned Japanese actor Takashi Sorimachi as its brand ambassador while strengthening online and offline promotional campaigns to continuously elevate brand awareness through digital marketing tools. On the marketing front, TLSC enhances communication with key clients, improves terminal retail execution, and expands new channels to maintain leading market shares in categories such as refrigerators and microwaves. For the online market, it has intensified the development of standalone hit models and deepened collaboration with Midea's international e-commerce team. By leveraging big data analytics to empower e-commerce operations in Japan, a microwave oven newly launched by TLSC entered Amazon's top 20 rankings in its category within two weeks of release. In 2024, TLSC defied market trends to achieve 9% retail growth in Japan, increasing its aggregate market share across six major categories – refrigerators, washing machines, air conditioners, microwaves and rice cookers – to nearly 15%.

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

In advancing comprehensive digital transformation under its “Digitisation & Intelligence Driven” strategy, Midea has pushed ahead data-driven operations and platform-based management across the entire value chain to sharpen competitive edge in the digital age.

In the domestic China market, Midea advances its digital transformation by consistently implementing the “DTC Strategy,” “Worry-Free Retail 2.0,” and “Warehouse-Network Integration + Shared Inventory System,” alongside the integration of digital tools. Cloud-based inventory sharing has increased in-stock fulfillment rates by 13%. Midea has also improved on-time delivery rates and separated warehousing and distribution capabilities through cloud credit services to support flexible business scenarios. On the strength of policy automation and online implementation, automated client policy fulfillment has exceeded 99%, and online retail policy adoption has grown significantly. Additionally, Midea has kicked off the OMO multi-platform traffic initiative, focusing on Douyin, Meituan, and Gaode to leverage social media platforms for direct consumer engagement, enabling real-time local service experiences and product delivery. The initiative has generated a gross merchandise value (GMV) exceeding RMB2.5 billion. Full-chain digitization of marketing activities has contributed to efficiency enhancement, covering over 26,000 stores and 120,000 campaigns. With registered membership base topping 230 million, Midea gained over 50 million new members in 2024, while continuous improvements to user experience drove a 30% year-on-year increase in net promoter score (NPS). The Group iteratively upgrades the “Midea Cloud Sales” APP to enhance client operational efficiency and experience, achieving daily page views (PV) exceeding 3.2 million. During the 2024 national appliance trade-in subsidy program, Midea became the first to fully integrate its online system, enabling participation by over 40,000 stores and driving significant sales growth.

In overseas markets, the Group comprehensively promotes its “Digital 3.0” initiative to enhance global operational efficiency and digital transformation. Through end-to-end value chain analysis, Midea puts emphasis on advancing digital capabilities across overseas staff management, product management, order management, overseas manufacturing, logistics, e-commerce operations, direct user engagement, and supply chain optimization, while extending domestic digital transformation expertise to global operations to enable global breakthroughs. The iBOS overseas sales integration platform has achieved full coverage across international subsidiaries, consolidating end-to-end operational data spanning production, shipment, logistics, and order management to enable full-process data visualization, thereby improving overseas order fulfillment efficiency by 30%. The enhanced overseas channel management system has seen its registered channel partners surpassing 4,000 and facilitated over 35 million autonomous channel orders, substantially strengthening channel operational frameworks. The newly implemented Midea Club system is now operational in 12 countries, supporting professional installation channel development and accumulating more than 40,000 registered users by early 2025, thereby elevating the level of data digitization in overseas installation services. The establishment of the unified iEcom platform has enabled end-to-end integration of e-commerce operations – from consumer insights, market evaluation, product selection, procurement planning, inventory management, order fulfillment, after-sales service, advertising campaigns, to financial reconciliation – yielding an 85% improvement in fulfillment efficiency and a 75% enhancement in store digitization capabilities. Digital platforms have facilitated user insight-driven product

development and technological innovation, enabling continuous delivery of innovative solutions that address customer needs and optimize user experiences. The expanded after-sales knowledge base has enhanced Voice of Customer (VOC) analysis to support overseas proprietary brand innovation. Operational upgrades also include the digital transformation of overseas manufacturing facilities, with digital system deployments completed at production bases such as the Brazil factory.

On the R&D front, the Group aligns its efforts with the strategic pillars of “Technology Leadership” and “Global Breakthroughs,” supporting 15 key R&D initiatives and deepening the implementation of its “Three Generations” model. It further refines the R&D system to achieve full-process visibility across four project categories, three tiers, and leading-class projects, attaining a 98% on-time project approval rate for planned initiatives. The linkage between technology research and product development has been optimized to elevate research work-hour allocation, while AI tools are also harnessed to identify product opportunities and enhance product planning capabilities. A foundational structure for R&D knowledge, team expertise, and knowledge mapping has been established, with accumulated corporate R&D knowledge assets exceeding 2.5 million entries. Overseas OBM product efficiency and digital operations have been enhanced, driving a 36% reduction in product SKUs and a 13% simplification in configuration solutions. Through the integration of AIGC tools with R&D workflows, Midea puts focus on scenarios such as R&D knowledge Q&A, academic paper summarization, and AI-generated graphics to boost R&D productivity. The adoption of Failure Mode and Effects Analysis (FMEA) reliability design tools has improved reliability analysis efficiency by 25%, while the full digitization of electronic control software development processes has increased platform efficiency by 25% per product output. An ESG product carbon accounting platform has been established, elevating whole-unit carbon calculation efficiency to 50%. Cross-value chain collaboration between R&D and quality assurance, manufacturing, and sales has been strengthened through initiatives like intelligent lab scheduling, new process introductions, and IPDP system deployments. These efforts have collectively reduced abnormal labor hours by 42%, improved whole-unit testing efficiency by 20%, and enhanced product parameter retrieval efficiency by 10%.

On the manufacturing front, Midea actively accelerates the digital transformation of overseas production bases and vigorously explores the application of AIGC technologies for enhancing efficiency in overseas manufacturing, quality control, and supply chain management. This endeavor has strengthened overseas delivery capabilities while advancing standardization and consistency in the digital transformation solutions for factories. The Group has achieved a 58% reduction in supplier onboarding cycles through end-to-end global supply chain reforms, improved quality inspection efficiency by 30% via digitized paperless processes for incoming materials and finished product inspections, and increased production scheduling efficiency by 75% through online mixed-flow scheduling overseas. By synchronizing domestic and overseas planning systems, implementing box-level production scheduling, enabling one-click ordering, and automating reserve order deductions, KD component cycle time has been shortened by four days. Domestically, Midea continues advancing green manufacturing capabilities, with its Hefei Laundry Appliance Factory and Chongqing Intelligent Building Technology Factory being recognized by the World Economic Forum (WEF) as “Sustainability Lighthouse” and “End-to-End Lighthouse” factories respectively. Midea promotes green, low-carbon, and circular ecosystem development through an ESG digital management platform. Inventory stagnation has decreased by 27% via supply ratio optimization reforms, while supplier loss hours has also reduced by 37%

through vendor empowerment initiatives. For B2B manufacturing digitization, Midea has developed standardized templates featuring intelligent workshop scheduling, dynamic internal logistics coordination, and flexible machining solutions, cutting scheduling time by 50%. By establishing an integrated portal covering the entire electronic manufacturing domain, Midea implements a “single-code” traceability system to ensure full-process electronic quality monitoring. AIGC integration into business operations has facilitated the establishment of regional overseas supply chain resource systems and centralized procurement scale advantages. These efforts have supported the enhancement of domestic high-end manufacturing quality, facilitated intelligent distribution across the entire supply chain, and brought into being green, smart manufacturing factories that set benchmarks by integrating user interaction, factory-retail integrated services, and industrial tourism features. In regard to industrial empowerment, the M•IoT platform has by far connected over 4 million industrial devices, provided more than 1,200 industrial applications, and developed over 5,000 industrial models, serving nearly 600,000 enterprises. M•IoT application cases were selected for inclusion in the 2024 “Digital Transformation General Tool Product Application Cases” catalog of the Ministry of Industry and Information Technology.

In the B2B business domain, availing itself of a multi-industrial operational model, Midea has progressively completed the design and development of recurring and project-based business templates, establishing the integrated, multi-format B2B digital marketing platform Sale Smart. This platform has been implemented in select business units of Midea’s New Energy & Industrial Technology and Intelligent Building Technology divisions, improving the efficiency of core end-to-end fulfillment processes by 46% and 72% for domestic China and overseas markets in New Energy & Industrial Technology respectively. Through the restructuring of B2B project templates, Midea has achieved full customer coverage in Intelligent Building Technology’s channel business via downward penetration of digital tools, driving notable channel business growth. Process optimization reforms, data governance, and AI tool implementation have also enhanced operational efficiency by over 40% in scenarios including inquiry-quotation and order fulfillment, supported an increase in complete kit delivery rate to over 75%, and enabled full-order-cycle visibility with early warning capabilities, thereby significantly improving transparency and predictability in B2B business management.

In operational management, focusing on business empowerment through cost optimization, efficiency enhancement, compliance, and risk control, Midea has executed digital transformation across functional support domains including finance and human resources. It has digitalized overseas employee compensation and performance management, enhanced the efficiency and consistency of international financial accounting processes, and supported global financial sharing models. Concurrently, digital tools are deployed to beef up global tax compliance and trade compliance capabilities.

Midea continues to deepen data-driven business empowerment, utilizing “Data+AI” technologies to deliver intelligent data-driven solutions that span core operational scenarios including R&D, marketing, supply chain management, overseas markets, and B2B operations. The Group has established and advanced the implementation of its AIGC data initiative, which deeply empowers operations through the development of “1 general capability + 5 specialized application capabilities.” For general capability enhancement, the AI Data Assistant supports intelligent Q&A and smart search functions across data indicator systems in all value chain domains, well improving data retrieval and analysis efficiency. With regard to specialized application capabilities,

the initiative covers core R&D, production, and sales domains, with applicability in scenarios such as product planning, market analysis, customer feedback integration, and market intelligence. By applying AIGC capabilities to digital planning, Midea has created AI Planning Assistants for B2C/B2B operations. Through research on overseas residential spaces, it has also enhanced efficiency in identifying product innovation opportunities and reduced overseas OBM product planning costs. Building upon supply chain data strengths, Midea has developed an Intelligent Control Tower for cross-border material supply, enabling unified management of cross-border material supply plans. The implementation of an online inventory refinement analysis model has enabled smart full-chain operations to optimize inventory levels. Additionally, the establishment of a real-time scheduling operations center for manufacturing site management has facilitated instantaneous risk alerts and interventions, thus elevating factory operational efficiency. Focusing on domestic DTC transformation, Midea has achieved online connectivity and sharing of multi-channel, multi-dimensional, multi-role, and multi-terminal operational data, delivering accurate and efficient data empowerment to stores, merchants, operators, and logistics centers to advance terminal retail digitalization. Concurrently, it prioritized product portfolio upgrades and content digitization, establishing a million-follower live-streaming studio to enhance content seeding efficiency, which supported over 240 core structural products in meeting retail targets. For overseas digital 3.0 transformation, Midea enhanced data-driven capabilities across the entire value chain, creating an internationalized dashboard for transparent global operational data visibility. It has redesigned its global Voice of Customer (VOC) platform using AI technologies, enabling precise tagging of user feedback, granular analysis of customer issues, and closed-loop improvement tracking. In the B2B domain, Midea has deepened market intelligence analysis and business opportunity mining through AIGC capabilities, empowered client expansion via data insights, and developed an end-to-end business dashboard for B2B project-based and recurring models, ensuring online data connectivity and sharing across operations, channels, and customers.

In strengthening its digital infrastructure and information security framework, Midea launched the Global Neutral Cloud (GNC) platform with initial deployments in Asia-Pacific and North America, thereby achieving “two unifications” in digital infrastructure – domestic-international integration and public-private cloud convergence – while establishing a “global unified network” through a cross-cloud virtual network architecture. These measures eliminate redundant multi-cloud adaptation and development for upper-layer applications, enhance public cloud flexibility, and improve R&D and deployment efficiency for global business responsiveness. Midea holds steadfast to advancing data platform development by deploying self-developed cloud host platforms at its Gui'an Data Center and select overseas locations, which are projected to save over RMB10 million in annual costs, with data processing volumes and computational tasks going up by over 30%. By applying advanced security model technologies, Midea has elevated information security defenses and protection efficacy, automated security response mechanisms, and safeguarded secure business operations. Additionally, Midea continues exploring new breakthroughs in enterprise digital transformation through emerging technologies such as AIGC, middle-platform systems, and big data. On one front, the Company has actively trialed and successfully implemented LLMs across administrative operations, visual-textual descriptions, intelligent Q&A, and digital avatars, collectively saving nearly 400,000 work hours and significantly enhancing operational efficiency. On another front, by applying AIGC in maritime logistics, Midea executed an automated cabin booking project, which improved overall efficiency in clause-based booking operations by 20%, achieved 80% automation coverage, and boosted total business efficiency by over 8%.

In advancing its “Digitisation & Intelligence Driven” strategy, Midea accelerates comprehensive AI integration by exploring the application of LLM and Agent technologies. “Meiyan”, a proprietary home appliance-focused LLM developed by Midea and trained on in-house data, empowers smart products such as voice-controlled air conditioners, dual-station washing systems, sweeping robots, and ovens. This LLM delivers natural dialogue interactions, fuzzy semantic controls, home-related Q&A, and scenario generation, enabling seamless whole-house appliance integration and comprehensive intelligent housekeeper services. Midea pioneered the application of Agent capabilities in home scenario generation, achieving rapid response and controllable output. Furthermore, Midea’s research teams have actively contributed to industry-wide AI advancements, publishing multiple papers at international conferences including the Conference on Neural Information Processing Systems (NeurIPS), the Association for the Advancement of Artificial Intelligence (AAAI), the Conference on Computer Vision and Pattern Recognition (CVPR), and the Asia-Pacific Signal and Information Processing Association Annual Summit and Conference (APSIPA). These efforts have expanded cutting-edge research in the fields of embodied intelligence, multimodal LLMs, and image generation technologies.

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

In 2024, Midea continued to promote the “COLMO+TOSHIBA” dual high-end brand strategy. In the Reporting Period, the overall retail sales of the dual high-end brands saw a year-on-year growth of over 45%. COLMO takes the three major capabilities of “smart interaction”, “smart evolution” and “smart care” as the core, allowing home appliances to think on its own, make independent decisions and self-upgrade, in order to create life value and advanced experience for global elite users with evolving AI technology. In terms of products, in September 2024, COLMO launched TURING 2.0 high-end suite home appliances at the IFA exhibition in Germany, allowing users to gain a high-level experience beyond the basic material life with the new technology luxury. Specifically, the TURING 2.0 central air conditioner features the first AI three-pipe operation mode, which can maintain the balance of temperature and humidity in all seasons and create a comfortable climate. The standard 12.3-inch AI smart screen allows users to control the AC in the whole house with one screen. TURING 2.0 Dry Cleaner-Carer features the first AI voice interaction, and can wash or dry clothes with voice commands thanks to Smart Home Agent, a self-developed AI all scenario technology, bringing a comprehensive upgrade of AI washing and care experience. TURING 2.0 range hood reconstructs the full-hidden lifting mode, is equipped with AI super-sensing linkage system to realize AI smoke cleaning, and integrates smart lighting and safety protection. TURING 2.0 DMO gas stove features innovative AMOLED HD color screen smart knob and built-in star chef recipes, and is customizable. COLMO BLANC built-in steam ovens adopts the world’s leading RF technology, and directional and accurate control of food energy, and allows various food to be cooked in different areas at the same time, with ultimate consistent molecular cooking effect. It won German iF Design Award, German Red Dot Design Award, USA IDEA Awards, and many other honors. COLMO AVANT series refrigerator “Big Cube” subverts the simple 1+1 expansion mode of traditional refrigerator, features the first free combination of AB double cabinet for a variety of flexible formation. It won the Honorary Award of China Refrigerator Industry Summit and the German iF Design Awards. COLMO Cloud White Washer-Dryer suite has gained awareness beyond the circle, with more than 1.18 billion UV exposure in the year for a single product, and most search volume in TikTok in washing and drying

industry. Equipped with the black technology of making ice with live spring, COLMO Diamond pipeline ice maker can make transparent and melt-resistant ice fast. Together with its water purifier of ten years long service life, it will fully protect the health of drinking water for family, and create a hidden/built-in smart drinking water center of full temperature. In terms of branding, COLMO has further promoted the rapid growth of brand presence by cooperating with the elite circle KOL and star & seeded users, and focusing on the marketing of COLMO AVANT & COLMO TURING 2.0 collections and of the main products in various categories, to achieve an 11-fold increase in crowd assets and a 6-fold increase in overall search volume. In terms of users and markets, COLMO has constructed a user rights system centered around the entire lifecycle of home appliances, enhancing the overall user experience and launching highlight benefits and services such as deep appliance cleaning, 1V1 butler service, and exclusive member activities, covering nearly 2.6 million member users. Currently, it has established 18 COLMO urban experience centers in 17 cities and over 940 COLMO smart experience stores in more than 270 cities across the country. According to the data from AVC, the proportion of COLMO products in the high-end market increased significantly in 2024, with floor-standing air conditioners and drinking water products accounting for over 20% in the high-end market, and wall-mounted air conditioners, front-loading washing machine and water purification products also accounting for over 10% respectively in the high-end market.

Toshiba upholds its positioning as “making artistic home appliances”, committed to creating a breakthrough star-level lifestyle for consumers with its inherited Takumi and exquisite aesthetics. As a globally renowned home appliance brand with a century of history, Toshiba has emerged as a new choice for high-end consumer groups in the domestic market. In 2024, Toshiba’s retail sales in the domestic market exceeded RMB5.5 billion, a significant year-on-year increase. In terms of products, the retail sales of washing machines increased by more than 130%, the retail scale of refrigerators increased by more than 60%, and its domestic market share ranked first among Japanese brands. The scale of desktop stoves ranked first among JV brands, and that of embedded ovens increased by 600% year on year. A50pro dishwashers, “Fengdaiyue” series fans, White Dew rice cookers and other products have also achieved excellent market performance. In terms of branding, with the brand philosophy of “Details Matter in Century-old Toshiba”, Toshiba has positioned the brand, and rebuilt the brand’s impression and image in the high-end customers. It has launched a series of campaign, including: official announcement of Sorimachi Takashi as the brand Japanese spokesman, flash launch of scenario-based product suites in Beijing, debut at the IFA exhibition in Germany, and interaction with store designers. From brand image to sales channel, from online awareness to offline store promotion, Toshiba has established a complete brand touch chain, to convey the new idea of artistic home appliances. In terms of sales channels, in China, Toshiba completed the cooperation with over 300 brand operators, built over 500 Toshiba brand stores and over 1,000 Toshiba brand halls, to promote the realisation of a final unified terminal image and complete the building of the national retail system.

WAHIN positions itself as a brand of “young, high-tech and trendy appliances”, and aspires to create a trendy home for users with the philosophy of “Trendy Designs, Practical Functions and Fun Interactions”. With keen insight into young generation’s demands for home appliance, it focuses on product performance R&D, and trendy and interactive design. In terms of branding and marketing, WAHIN has continued to made effort in marketing targeted at the youth and carried out various cross-industry collaboration. Specifically, in 2024, during the China’s Youth Day, WAHIN, with

the Polaris Youth and other pioneer youth communities, made deep interaction with young consumers with the help of cutting-edge AIGC technology. During the June 18 shopping festival, WAHIN, with Bilibili Graduation Singing Party, made a home appliance purchase guide for graduates and helped young people start a new life. During the summer vocation, WAHIN, with outdoor brands, invited users to break the boundaries of home, and exploded the spiritual corner at home. During the Double 11 shopping festival, WAHIN, with the leading AI creation community in China, launched an AI creation competition of “WAHIN Magic Machine”, attracting a large number of young users to participate in user-generated content (UGC) creation. Altogether, WAHIN carried out 4 integrated marketing and 2 offline campaigns throughout the year, achieving over 700 million UVs and 8 million user interactions, and attracting over 100 million new users across the 5A customer journey. In terms of products and channels, WAHIN has continued to differentiate and innovate around users, products and experience. It has expanded its multi-category product portfolio, pursued best product functions, and provided consumers with smart, comfortable and scenario-based experience. Continued efforts have been made to improve the conversion chain, promote synergy between sales and marketing, boost e-commerce sales, and consolidate the “social + content + e-commerce” model to drive sales growth.

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

Midea Energy Solutions and Industrial Technology is a co-builder in key components and green sustainable development across the world. With the vision of “Technology Drives the Whole World to Jointly Create a Wonderful Industry”, it provides innovative, reliable and eco-friendly key components and solutions for global customers based on its core scientific and technological strength in HVAC & home appliance components, green energy and green transportation. Based on the solid root technology system, such as thermal management technology, drive control technology, energy storage technology, power and electronic technology, etc., a complete industrial chain layout and product matrix have been put in place. Continuous efforts are also made to increase the investment in key and cutting-edge technologies.

By maintaining the focus on the field of HVAC & home appliance components, Midea Energy Solutions and Industrial Technology continued to consolidate its leading position in the industry. In 2024, Midea Energy Solutions and Industrial Technology has released a number of innovative products, including: i) to establish a “Joint R&D Center of All DC Variable Frequency Kitchen Air Conditioner” with Xiamen Xiaoyang Technology Co., Ltd. once again; ii) to equip large-capacity automotive interior coolers with DC variable frequency vehicle-mounted micro compressors for the first model of Nio’s sub-brand Onvo; iii) the “efficient mini-sized drive motor system for front-loading washing machine” and “integrated rotary compressor” won the 2024 AWE Award for Core Components; iv) “green and high-quality thin permanent magnet motors” won the “golden prize” at the China Refrigeration Expo 2024; and v) “energy storage thermal management compressors” and “R290 rotary heat pump heating compressors” won the “Innovative Product Award” at the China Heat Pump Exhibition (HPE) 2024. In 2024, Midea Energy Solutions and Industrial Technology received a number of awards in the industry, including: i) the “key technologies research and application of efficient supply of multi-grade heat energy by air source heat-pump” won the second prize

of “2023 State Science and Technology Advancement Award”; ii) the “research and industrialisation of key technologies for highly adaptable silent variable frequency compressor” led by us won the first prize of 2023 Science and Technology Progress Award of China National Light Industry Council; iii) the “research and industrialization of key technologies for high power density permanent magnet motor and its compressor” won the first prize of 2023 Science and Technology Progress Award of China General Chamber of Commerce; and iv) Guangdong Welling Motor Manufacturing Co., Ltd., for its new generation of air conditioning fan motor BLDC for home air conditioners, was included by the Ministry of Industry and Information Technology into the 2023 List of National Champion Manufacturing Enterprises for a Single Segment (8th batch) published jointly by Ministry of Industry and Information Technology of PRC and China Federation of Industrial Economics. In 2024, the following projects led by Midea Energy Solutions and Industrial Technology have been recognized by bodies of experts in the industry as “Internationally Advanced”: i) key technologies research and application of efficient silent variable frequency compressor based on mixed working fluid; ii) key technologies research and application of superefficient ferrite fan motor system; iii) key technologies research and application of efficient HPMSM for compressors; iv) key technologies research and application of 15-slot 10-pole motor for compressors; v) key technologies research and industrialisation of broadband panoramic efficient silent compressor; vi) research and industrialisation of precise flow control technology and low noise technology for electronic expansion valves; and vii) high torque density, low torque pulsation, direct drive & permanent magnet motor. In 2024, Midea Energy Solutions and Industrial Technology has lodged more than 1,400 patent applications, been granted more than 2,900 invention patents accumulatively, and won 1 Excellence Award in the 24th China Patent Award, 1 Golden Award in the 10th Guangdong Province Patent Award, and 1 Silver Award in the 11th Anhui Province Patent Award.

According to the 2024 data from ChinaIOL.com: the global market share for residential AC compressors continued to rank first in the world, and the sales were up 16% year on year; the sales in segments such as heat pump compressor for clothes dryers and AC compressor for base stations were up more than 50%; in September 2024, the billionth air conditioning compressor produced by Midea’s sub-brand GMCC rolled off the production line, and the “cumulative sales record of rotary compressors” was certified by Guinness World Records; the global market share of refrigerator compressors ranks among the forefront in the industry, with overseas sales increasing by 20% year on year, of which the sales of variable frequency products increased by more than 30%; the global sales share for residential AC motors and laundry appliances motors maintained the leading position in the industry, increasing by more than 20% year on year, and continued to made breakthroughs in key overseas markets and key customers. Midea Energy Solutions and Industrial Technology has firmly invested in digital and intelligent upgrade, and constantly improved the supply capacity and service level. In 2024, 11 new motor production lines were set up, and an industry-leading high-level intelligent manufacturing base for refrigerator compressors was built, to increase the supply capacity for the key components across the world. Additionally, Midea Energy Solutions and Industrial Technology continued to invest more in R&D of chip products and technologies, as 14 chip products of four major series (namely, master control, touch control, inverter, and IPM) have been put into mass production and introduced to the market (especially the cumulative sales of MCU chips exceeded 100 million), with an internationally advanced performance regarding the quality indicators for the same type of products.

In response to the rapid growth of the renewable energy industry, Midea Energy Solutions and Industrial Technology focused on providing comprehensive, effective and integrated green energy solutions throughout the entire energy value chain. These solutions encompass large-scale energy storage, commercial and industrial energy storage, residential energy storage, smart grids, photovoltaic, etc. In the energy supply segment, it offered photovoltaic solutions; in the energy allocation segment, it provided intelligent power distribution system solutions; in the energy consumption segment, it delivered variable frequency drives that achieve higher energy efficiency; in the energy regulation segment, it offered energy storage solutions that enhance load adjustability and ensure power supply reliability; and in the energy management segment, it provided intelligent energy solutions.

In terms of green energy, in 2024, CLOU Electronics has transformed from an equipment supplier to a system integrator in the overseas energy storage market, upgraded from product manufacturing to EP Package whole-life cycle one-stop solution services, and provided customers with energy storage overall one-stop solution covering product selection, station level planning and design, one-stop installation and commissioning, full stack data monitoring and optimization, and unified operation, maintenance and after-sales service. CLOU Electronics achieved breakthrough in the North American market, with successful commercial practice of its new generation of energy storage system Aqua-C2.5, fully demonstrating its product strength. In the South American market, CLOU Electronics has obtained energy storage project contracts in Chile, Argentina and other countries. The EP Package whole life cycle one-stop service is now available in all overseas markets. CLOU Electronics was listed in the Global Tier1 Energy Storage Manufacturers and Tier1 Photovoltaic Inverters & Energy Storage PCS Manufacturers in 2024 published by BloombergNEF, a world-renowned research institution. In terms of products, Aqua C series energy storage products have obtained third-party certification issued by DEKRA, an international authoritative certification body, for the world's first energy storage system-level MTBF. CLOU Electronics also released Aqua E series industrial and commercial energy storage products at the 2024 EESA China International Energy Storage Expo.

Hiconics has accelerated the development of residential energy storage, photovoltaic inverters and related power electronic products, continued technological innovation, improved product portfolios, in order to meet the diversified needs of customers. In 2024, Hiconics Test Center for Residential Energy Storage & Photovoltaic Inverters has obtained the qualification of "TÜV NORD Eyewitness Laboratory", "TÜV Rheinland Eyewitness Laboratory", "TÜV SUD Accredited Laboratory" and "CSA Authorized Laboratory". Hiconics' photovoltaic EPC businesses is growing rapidly in 2024. Its sub-brand Hefei Media Hiconics Photovoltaic Technology Co., Ltd. won the title of "PVBL 2024 Fastest Growing Enterprise in Global Optical Storage Industry" in the 9th Century Photovoltaic Conference (CPC) 2024. Its product model of "FlashEx" of commercial and industrial PV broke the barriers of high cost and large investment of traditional PV model; M-Ecolux Villa, a green power solution, won the "Most Scenario-oriented Application Award" in the 2024 Solarbe Awards for its leading technology and market application; single-phase and three-phase integrated residential energy storage systems has realized small floor area by extreme aesthetic narrow body design, AI-driven operation and maintenance platform, and one-button smart strategy. The products have passed global high-level certification such as the PL-d level ISO13849 functional safety standard, North American UL9540A safety standard and German system level VDE-AR-N4105/E2510 safety standard, namely, their safety and reliability reach the industry's first-class level. As a domestic top brand in the field

of high-voltage variable frequency drives, Hiconics has continued to promote product technology development and application innovation. It launched the first “high voltage inverter high-speed direct drive electric feed pump” solution for high-voltage variable frequency drives in China, creating a new application scenario for high-voltage variable frequency drives. Hiconics’s HC1000W, a water-cooled high voltage variable frequency drive, has 60MW super-power, and has passed 20-year life simulation reliability verification. HC2000, a new generation of four-quadrant high voltage variable frequency drive launched at the 24th China International Industry Fair, achieves a 53% increase in power density and a reduction in volume of more than 60% over the previous generation. Based on the new control architecture of FPGA+DSP, HC2000 features high integration, intelligence, stability and reliability, to meet the industrial application needs of mining, power, port, testing, etc. With the excellent quality of high voltage variable frequency drives, Hiconics also won the title of “Stably Qualified Products of National Quality Inspection” granted by China Association for Quality Inspection (CAQI).

Deepening its focus on green transportation components, Midea Energy Solutions and Industrial Technology leverages its solid core technology in the field of HVAC & home appliance to quickly develop three major product lines: Automotive Grade thermal management, electric drive systems, and chassis actuation systems. By the end of 2024, the cumulative product supply of these three lines has reached 3 million units, and the cumulative production of electric compressors has reached 1 million units. Its compressors continue to be recognized by a number of customers, and cover the best-selling models of many domestic emerging auto manufacturers and traditional mainstream auto makers. The newly launched air pump has also made market breakthrough by obtaining projects designated by overseas well-known car manufacturers. Besides, Midea and NIO signed a strategic cooperation agreement in April 2024, to carry out extensive cooperation in fields of new energy vehicle parts, automation, digitalization, low-carbon sustainable parks and smart logistics, and to build a model of intelligent manufacturing in the new energy vehicle industry. In terms of technological innovation, over 60 new patents are granted, and the newly launched thermal management integrated air suspension pump has officially obtained the project designated by mainstream customers. All materials of intelligent power module (IPM) for auto compressor and hardware integrated circuit (IC) are from domestic suppliers now. 900V, a new generation of production line for stators and round wires has been launched to match customers’ new model vehicles. The production line can significantly improve production efficiency and manufacturing quality with leading automation.

Furthermore, Midea Energy Solutions and Industrial Technology actively works on key component technology in industrial automation. It has completed the development of harmonic reducer with high torque, short cylinder, integration, customization and other series, which may be used in multi-joint robot, SCARA robot and collaborative robot. A number of new products (such as SW-HMG harmonic reducer with high tilting stiffness, HP-40 harmonic reducer with super torque, and new servo motor for heavy-duty robot) have been launched in 2024 and won a number of industry honors. Especially, the servo motor for heavy-duty robot features perfect combination of high performance and high reliability, and has been applied to heavy-duty robots of international famous brands. With industry-leading product performance and fast service response, it has reached cooperation with many leading brands at home and abroad, and won the title of “2024 Quality Enterprise for Humanoid Robot Supply Chain” at the 2024 China Humanoid Robot Technology Application Summit. With Media’s mature manufacturing management system and supply chain advantages, it has a smart manufacturing capacity of annual output of 80,000 harmonic reducers and 120,000 robot servo motors.

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

Midea Intelligent Building Technology, with the vision “to be a global leader in building technology” and the mission of “co-building sustainable smart space”, has transformed from a commercial air conditioning product supplier to an integrated solution service provider for intelligent building ecosystems. Midea Intelligent Building Technology has seven major product manufacturing bases and six R&D centers worldwide, with a sales network covering global markets. It has formed the largest and most comprehensive professional smart building product matrix and service network in China. In 2024, according to the data from ChinaIOL.com, Midea continued to rank No. 1 in terms of commercial air conditioner sales in the domestic market, and the market shares of Midea’s core products, such as unitary units and modular units, were the highest among domestic brands, accounting for around 39% and 12% separately. Meanwhile, Midea also holds a leading position in the domestic commercial VRF market. As shown by Commercial Air Conditioner Market data, in 2024, Midea accounted for more than 15% of China’s market share of centrifuge products, ranking first among all domestic brands. In January 2025, the World Economic Forum (WEF) announced a new list of Lighthouses. Midea Intelligent Building Technology Chongqing Factory won the title of “End-to-End Lighthouse” with its excellent intelligent manufacturing capabilities and green industrial practices. It is the first full-process AI-enabled lighthouse in the field of commercial air conditioning chiller unit in the world, representing Midea’s leading position in the sector of intelligent manufacturing. In March 2024, Midea held a groundbreaking ceremony for its Thailand base, Midea Thailand Technology Industrial Park, in Rayong, Thailand, the development of which will make Midea’s HV products more competitive in the global market. In April 2024, the Company signed an agreement with Arbonia, a listed building supplier in Switzerland, to wholly acquire its business in the climate division. By doing this, Midea is able to reinforce its production capacity, brand and channel advantages in HV lines, improving its competitiveness in the European market. In December 2024, the Company signed an equity subscription agreement with Toshiba Elevator and Building Systems Corporation (hereinafter “Toshiba Elevator”) to acquire the shares of Toshiba Elevator (China) Co., Ltd. and Toshiba Elevator (Shenyang) Co., Ltd. (collectively referred to as “Toshiba Elevator China”). The Company will obtain the controlling interests of Toshiba Elevator China upon the transaction, which is expected to benefit its development in elevator business in terms of brand, channel, product and technology.

Midea Intelligent Building Technology launched the MDV8 Pro series VRF under its fluorine machine brand MDV in 2024. The MDV8 Pro series VRF features ultra-high-efficiency and strong cooling/warming capacity, with an APF value of up to 6.3. It realizes low-carbon emission through the whole life cycle, supports any topological structure of communication lines, and boasts ultra-strong anti-jamming ability. This has reshaped a new experience for VRF installation. A new generation of magnetic levitation centrifugal unit was also launched under its water machine brand K WING. Featured by reliability, high-efficiency, and intelligence, the unit is sure to deliver accurate and stable operation under extreme working conditions by using, among other technologies, an integrated electromechanical control design, comprehensive thermal management technology, magnetic levitation bearing technology and smart anti-surge algorithms. Through innovative design and the application of high-efficiency compressors, new high-efficiency heat exchangers and AI adaptation technology, the unit performs better than the National Dual Grade I Energy-Efficiency Standard, with a reduction close to 50% in operating costs, contributing to energy saving and emission reduction. High-efficiency selection software is available when using the unit to simplify the selection process and smart operation and maintenance services is able to be provided through the Chiller Smart Operation Platform and expert-level diagnosis from Chiller Doctor. The full range of R290 commercial heat pumps, launched for the European market, adopt full variable frequency, EVI compressor, with the power ranging from 26 to 70 kW. Eight heat pumps can be connected in parallel to achieve maximum outlet temperature of up to 85 °C and the heating capacity remains undiminished in the environment with -10 °C. This ensures the demand for space heating, cooling and hot water. KONG, its building automation brand, released KONG DDS, a smart space perception control system and KONG Smart Control, a HVAC operation optimization system. The latter has three major capabilities of system simulation prediction, real-time global optimization, and health diagnosis and analysis, effectively enabling the building HVAC system to operate in high-efficiency. LINVOL, its elevator brand, released its Chinese name “領沃(Lingwo)”, as well as the vertical transportation solutions covers all scenarios of smart buildings, including the smart elevator solutions developed by LINVOL for commercial, residential, sightseeing, medical, villa, and private house scenarios and WINONE’s freight elevator solutions for industrial parks, aiming to resolve the needs of special scenarios, such as heavy-duty freight elevators, high-speed freight elevators, and freight elevators for special goods. In 2024, Midea Intelligent Building Technology also participated in the 14th China Heat Pump Exhibition (HPE), the Mostra Convegno Expocomfort (MCE) in Milan, Italy, the China Refrigeration Expo 2024, the 89th China International Medical Equipment Fair (CMEF), the ISH China & CIHE 2024, the China Hospital Construction Conference & International Hospital Build and Infrastructure Exposition (CHCC), the 17th SNEC PV POWER EXPO (SNEC) to demonstrate a series of product development results and solutions. These included Midea Flame Series Full Variable Frequency Air-source Heat Pump Unit and Midea N Series Air-source Heat Pump Unit for Cooling and Heating and Hot Water, which were awarded the second prize of the 2024 China Simulation Federation Scientific and Technological Award, the second prize of 2024 China Building Materials Circulation Association Scientific and Technological Award and the “Innovative Product Award” in 2024 China Heat Pump Exhibition (HPE), and High-efficiency and High-reliability Integrated Electromechanical Control Magnetic Levitation Variable Frequency Centrifugal Unit and M-MASTER Photovoltaic, Energy storage, Thermal and Flexibility Controller, and N Series Air-source Heat Pump Unit for Cooling and Heating and Hot Water that won “Innovative Product Award” in China Refrigeration Expo 2024.

With respect to market expansion, Midea Intelligent Building Technology continued to engage in benchmark projects in various industries in 2024. We started our first overseas high-efficiency machine room project, Lens Technology (Vietnam), with a total equipment cooling capacity of 18,500 refrigeration ton, encouraging Chinese enterprises to go overseas. We offered our smart elevator solutions to foreign rail transit project in the subway renovation project in Venezuela, LINVOL Elevator's first overseas large-scale public construction project. Midea MDV8 Unbounded VRF Unit lifecycle smart solutions were provided to the NIO House in Hefei Xinqiao Industrial Park, helping to build a "zero-carbon" NIO House with world's largest floor area. We provided the Beijing Dinghao DH3 renovation project with our high-efficiency machine room solutions, enabling the building's HVAC system to be upgraded in a green and low-carbon manner. By doing this, it is expected to see an annual comprehensive energy efficiency rate (EER) of over 5.5 for the cooling machine room and a reduction in annual power consumption of around 1 million kWh compared with using a regular system, which is equivalent to a carbon emission decrease of nearly 800 tons. Alibaba's global headquarters were equipped with the full range of Midea fluorine system products to create an intelligent experience that was low-carbon, energy-saving, and green. In addition, we also participated in many other benchmark projects including China Telecom's first large-scale full liquid cooling intelligent computing data center in the Greater Bay Area of Guangdong-Hong Kong-Macao, Lanzhou Zhongchuan International Airport, Suzhou Subway Line 6, Dezhou Intelligent Agricultural Industrial Park, Chongqing Guangyang Island, Midea Cloud Data Center in Gui'an, and the flagship store in Shanghai LI-NING Center.

In regard to technological innovation and standardization, Midea Intelligent Building Technology continuously strengthened R&D input and made remarkable results. For example, the "Key Technology and Application of Air Source Heat Pump for Efficient Supply of Multi-grade Thermal Energy" won the second prize of the 2023 National Science and Technology Progress Award. The "Ultra-low Temperature Gas-Liquid Co-injection Heat Pump System Global Low Carbon Heating Technology and Industrialization" won the first prize of Guangdong Provincial Science and Technology Progress Award. The "Efficient AC Cooling Equipment Room Key Technology Research and Application" was awarded the 2023 China Award for Science and Technology in Construction. The "Sub-micron Magnetic Levitation Key Technology and its Application on Centrifugal Compressor" won the first prize of 2023 Chongqing Science and Technology Award. The "MDV-Link Communication Technology Research and Application" won the 2023 Science and Technology Award of the Chinese Institute of Electronics. The project "Key Technology and System Research and Application of Digital Workshop in Home Appliances Industry", cooperated by Midea, won the Second Prize of 2024 Machinery Industry Science and Technology Award issued by the Chinese Mechanical Engineering Society. At the end of 2024, Midea Intelligent Building Technology's technical achievement, the "Ultra-high Temperature Single-machine Two-stage Variable Frequency Centrifugal Industrial Heat Pump", was evaluated by the expert team of academicians organized by the China Energy Conservation Association (CECA) and recognized as "Internationally Advanced". The Heat Pump adopts a single-machine two-stage variable frequency compressor, with the highest operating pressure ratio of 5.5. It can recycle industrial afterheat and waste heat to produce hot water at steam level with ultra-high-temperature of 130 °C and completely replace traditional industrial boilers, achieving an energy saving of more than 75%. All these make great sense to energy saving and carbon reduction. The

Magnetic Levitation Centrifugal AC Compressor, Gear Centrifugal AC Compressor and High-efficiency Air Compressing System Solutions were released at ComVac ASIA 2024. The Magnetic Levitation Centrifugal AC Compressor adopts a high-speed motor direct drive structure and magnetic levitation bearing technology, eliminating the need for lubricants. It can deliver 100% oil-free air, enabling the compressed air to be of high-quality. Combined with horizontal opposed technology, high-speed bearing control technology, permanent magnet synchronous motor and other technologies, the Magnetic Levitation Centrifugal AC Compressor achieves an 20% energy saving compared with traditional air compressors. The service life of its host can be extended to be as long as 20 years by using high-precision magnetic levitation bearing control technology. The Gear Centrifugal AC Compressor has also achieved standard family-based design. With a power coverage ranging from 300 to 4000 kW, its energy efficiency has been significantly improved in comparison with traditional units. It has six major safety systems including temperature protection, pressure protection, overload protection, component failure protection, mechanical vibration protection and anti-surge protection. In combination with PLC and 5G Internet of Things, it can realize intelligent remote monitoring and fault diagnosis. At the beginning of 2024, Midea set up the Guangdong Provincial Key Laboratory of Thermal Energy Storage Technology for Buildings upon the approval from Guangdong Provincial Department of Science and Technology. Midea has also been actively involved in the preparation or revision of various standards, including “Energy Storage Thermal Management – Refrigeration (Heat Pump) Units”, the first national standard for thermal management in the energy storage industry, and “Method of Measurement & Rating of Air Conditioning System with Ice (Thermal) storage (GB/T19412)”. In addition, Midea’s wholly-new commercial heat pump product MARS has received the certificate for ultra-high-temperature and heating performance by Intertek. iBUILDING, Midea’s digital building service platform, has been successfully SOC2TypeII- and SOC3-certified. Covering five dimensions of security, availability, confidentiality, process integrity and privacy, the platform boasts the world’s leading multi-dimensional integrated service capabilities as well as the long-term and sustained operating effectiveness of controls.

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

KUKA, a subsidiary of Midea, is a world-renowned robotics manufacturer. Relying on its industry-leading motion algorithms, KUKA can ensure the superior motion performance of robotics products throughout their life cycle, and its mature design philosophy continuously gives rise to new products able to lead the market. In 2024, KUKA achieved significant progress in technological innovation and product development, launching new products that target specific market segments and exhibit better performance. As demand for precision assembly continues to grow in high-end manufacturing fields such as consumer electronics, semiconductors, healthcare, and automotive parts, KUKA has launched a new KR SCARA robot, furthering enhancing its portfolio of four-axis robots. The new model features an increased payload capacity of up to 60 kg, a more flexible range of motion, and improved high-precision and high-speed performance. Widely applicable in diverse industries, it can effectively increase production efficiency and manufacturing precision, and generate products that meet CE quality and safety requirements. In response to industry pain points and needs such as cycle time loss, limited space in production areas, and high precision

requirements in certain scenarios, KUKA has introduced KR 12 R1450-3 HW and KR 35 R1840-3 HW as the latest additions to its KR CYBERTECH-3 HW series. Both of these new models feature lightweight designs and stable performance, and can meet automation demands in industries such as automotive manufacturing, electronics assembly, metal processing, and food processing. The latest version of KUKA's KR FORTEC industrial robot offers advantages such as being highly dynamic, cost-effective, and reliable. Its excellent dynamic performance and compact exterior design make it an ideal choice for handling and spot-welding tasks. With a maximum reach of 3,700 mm, this heavy-duty robot features a cross-model modular design that ensures the interoperability of robot parts and reductions in spare part storage costs, leading to a lower total cost of ownership (TCO). At the 2024 International Trade Show for Intralogistics Solutions and Process Management (LogiMAT) held in Stuttgart, Germany, KUKA debuted the KMP 3000P, an omnidirectional heavy-duty AMR robot that integrates laser SLAM and QR code navigation technologies. With a rated payload of up to 3,000 kg, it is capable of omnidirectional motion while carrying a heavy load, and features 360° collision detection, five-fold comprehensive safety measures, and fast inductive charging. The use of a brand-new inductive charging concept allows the robot to operate 24/7, and the integration of a 3D vision system and laser scanners help ensure flexibility and safety around human beings in the work environment. The KMP 3000P is ideally suited for material handling and assembly tasks in the automotive, aerospace, photovoltaic, lithium battery, construction machinery, and other industries. On the logistics automation front, Midea subsidiary Swisslog Logistics introduced MegaStore, a pallet shuttle system with paired aisle and row carriers suited for handling palletized goods. This multi-deep automated storage system offers a customizable logistics solution with a high return on investment. It has a maximum load capacity of 1,500 kg, and the aisle and row carriers travel at speeds of up to 3.5 m/s and 1.36 m/s, respectively. The system is also equipped with a single-column high-speed vertical conveyor, which reaches a height of up to 40 meters and operates at a speed of up to 1.5 m/s. In addition to being efficient and reliable, the system allows for high-density storage and high throughput, significantly increasing storage capacity by 40-60% compared to traditional flat storage systems.

KUKA and its subsidiary Swisslog have also been actively exploring industrial applications for artificial intelligence (AI). KUKA has been training an AI chatbot using large quantities of robot programming code and is working on putting it into use with customers, with the aim of having it respond to voice commands from customers in the future. Swisslog has been enhancing service quality for customers by promoting seamless interaction between AI, cameras, and robots. Its AI model is already capable of precisely recognizing items, thereby enabling automated picking in order to fulfill combination demands in customer delivery orders. In 2024, KUKA established KUKA Digital, a digital business segment, with the aim of realizing end-to-end digitalized production, from 3D simulation through connectivity and data analysis to the use of artificial intelligence. The segment is dedicated to helping customers achieve comprehensive digitalization. KUKA will also be launching a new cloud platform named mosaixx. An open, collaborative cloud platform for industrial software as a service (SaaS), mosaixx will feature a combination of software tools, data management, cloud computing, and process understanding, forming the basis for the digital twin. Combined with KUKA's many years of experience in the project business, mosaixx offers a future-proof and specialized end-to-end solution for customers.

In 2024, with regard to market development, KUKA signed a framework agreement with Volkswagen Group for the delivery of more than 700 robots to Volkswagen Navarra in Spain in the same year and over the next two years. The robots, which include the bestseller KR QUANTEC, will be used for body-in-white production. Furthermore, KUKA is helping its customers transition to more sustainable mobility using state-of-the-art technology. For an order in the double-digit million Euro range, KUKA is supplying 23 friction stir welding cells with integrated robots to an automotive customer for use in the production of electric vehicles. On the basis of successful, longstanding cooperation with dm-drogerie markt, Europe's largest drugstore retailer, as well as extensive experience in data planning and software-based automation projects, Swisslog won an automation project contract from dm-drogerie markt for its third distribution center. Swisslog was also chosen by Nowaste Logistics for an automation project in Helsingborg. To help Nowaste improve the efficiency and productivity of its logistics center, Swisslog will build an automated pallet warehouse system that includes ten Vectura stacker cranes, 56,000 pallet locations, conveyor systems, and the SynQ WMS management system. In addition, Swisslog partnered with European food distributor La Réserve des Saveurs to develop a food storage and preparation facility, for which it was honored with the "Kings of the Supply Chain 2024" award presented by Supply Chain Magazine. The project integrates two AutoStore systems under the control of Swisslog's SynQ WMS/WCS system, and enables ambient, chilled, and frozen products to be handled within a single system.

KUKA continuously promotes the integration and expansion of resources in the domestic China market and intensifies organizational reform and product iteration with a focus on industrial applications and key customers. In 2024, KUKA China achieved breakthroughs in technological innovation and product development for robots and mobile robots. It released a total of 27 new products over the course of the year, including SCARA robots, small robots, medium and low payload robots, heavy-duty robots, and mobile robots. Many of the new products were able to achieve considerable success in the market within the same year. On the market development front, data from MIR indicates that, in 2024, KUKA's industrial robots occupied a steadily increasing share of the domestic market, rising to approximately 8.2%. In 2024, KUKA China saw growth in both sales revenue and order volume, with a significant increase in the proportion of overseas business. In particular, for mobile robots, overseas sales now account for over 50% of total revenue.

In the field of manufacturing, KUKA China continued to sharpen its technological edge and improve the quality of its service. The industrial robot business achieved rapid growth for two consecutive years in the 3C consumer electronics industry, strengthened cooperation with a number of well-known enterprises, and continued to enrich the product line of small and medium-load robots. In the new energy vehicle industry, it strengthened its cooperation with leading enterprises, and achieved a record high number of orders. In addition, it continued to achieve breakthroughs in customer acquisition and rising orders in the photovoltaic, aviation, glass, education and other industries. On the logistics front, the application of palletizing robots has expanded into new frontiers such as the tobacco and tire industries. Meanwhile, breakthroughs continued in the pharmaceutical and chemical industries. Contracts for various integrated projects were signed and implemented, and order and shipment volumes grew rapidly. In addition, KUKA has made efforts in market development overseas. The competitiveness of mobile robots in the North American market has gradually begun to surface. In 2024, breakthroughs were made with leading local customers and significant growth was

attained. Meanwhile, KUKA's advantages in terms of technology, quality, and service network have already allowed it to achieve comprehensive coverage of the Asia Pacific market. Breakthroughs have been achieved in the field of healthcare. In 2024, KUKA secured a series of comprehensive logistics projects with various institutions, including Shenzhen Bao'an Air and Sea Rescue Hospital, Zibo Linzi District People's Hospital, Shenzhen Longgang Maternal and Child **Healthcare** Hospital, Shenzhen Shekou People's Hospital, and Wuhan Union Hospital, Jinyinhu Campus. In addition, KUKA has developed and implemented the "Golden Lancet" project at the First Affiliated Hospital of Chongqing Medical University and other sites. By employing Swisslog Healthcare's TransGuard electric track vehicle system, the project expands the transport capacity for goods and provides a better user experience, thereby establishing a new benchmark for smart hospitals. KUKA China led the development of the new KMP 3000P, an omnidirectional, heavy-duty, latent mobile robot that was honored with the "CIIF Robot Award" at the 2024 China International Industry Fair. Additionally, two of KUKA China's technological advances were evaluated to be "Internationally Leading". These include "A Highly Dynamic, Highly Reliable Servo Motor with High Power Density for Heavy-Duty Industrial Robots" and "Development of a High-Performance Robot Control Platform Based on a Heterogeneous Multicore SoC". KUKA China also received various awards from its customers, including FAW-Volkswagen's Outstanding Partner Award, Wuxi Lead's Best Supplier Award, XPeng's Business Partner Award, Chery's Outstanding User Empowerment Award, and NIO's Quality Premium Partner Award. Furthermore, KUKA has proactively assisted Midea Group in boosting its intelligent manufacturing. By the end of 2024, Midea reached a robot density of 640 units per 10,000 persons, and will further increase its input to boost its intelligent manufacturing capacity.

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

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

Specializing in industry-specific supply chain services, Annto upholds a "customer-centric" business philosophy. By providing clients with end-to-end digital-intelligent system solutions spanning production logistics from raw materials to finished products, online-offline shared inventory management, and unified delivery-installation services, Annto assists enterprises in driving channel transformation and optimizing supply chain efficiency to sharpen competitive edge. The company remains committed to supporting new growth through supply chain innovation, facilitating clients' achievement of high-quality growth and sustainable development. Building upon the industry-leading channel transformation expertise of top-tier enterprise clients like Midea and an increasingly sophisticated domestic intelligent supply chain warehouse network, Annto has served thousands of brand clients and distributors across industries including FMCG, personal care, beverages, alcohol, food, home appliances, furniture, and new energy, with its market share and brand visibility steadily strengthening.

In the digital domain, Annto consistently strengthens its digital capability development, utilizing diverse innovative applications to achieve business cost reduction, efficiency enhancement, and operational quality improvement. It has deepened end-to-end service capabilities and realized full-channel “shared inventory management” and integrated “warehousing-trunking-distribution” efficiency upgrades, while offering cross-industry clients a one-stop “consulting + digital products + logistics operations” service through its “1+3” end-to-end digital-intelligent supply chain solutions. To address industry channel transformation demands, Annto launched the Annto Chain Cloud digital solution, leveraging an integrated “commerce-flow + logistics” digital platform to deliver transparent and highly efficient full-chain data solutions in supporting clients’ DTC strategic transformations. In production logistics, building on its long-honed digital capabilities from “lighthouse factories” and manufacturing-end warehousing-distribution expertise, Annto has expanded into smart equipment, planning-design innovation, supply chain sharing platforms, and modern logistics industrial park-based five-tier logistics services. In 2024, it released nine standardized scenario-based products, including VMI, in-production logistics, smart equipment, and milk-run logistics. Digitally, Annto has introduced three product series – Smart Logistics E-SOS, Smart Manufacturing E-MOM, and Smart Equipment E-EOS – while continuously reinforcing end-to-end operational capabilities from raw material delivery to production-line integration. This has given shape to the triple foundational pillars of “product + operations + digitalization,” driving transformative advancements in production logistics services. On the trunking (line-haul transportation) front, guided by the route-based operational model, Annto consolidates route resources, establishes a route traffic monitoring system, and develops cost management capabilities for route operations. It advances the online management of individual trucks and achieves end-to-end online visibility across the supply chain, aggregating independent transport resources to build an efficient full-truckload (FTL) fulfillment platform. Focusing on industrial clusters and ecosystem partnerships, Annto enhances logistics transformation through resource integration and structural optimization, establishing capabilities for front-end cargo consolidation and nationwide distribution. This initiative supports the creation of a standardized, route-based less-than-truckload (LTL) network. On the warehousing front, centered on warehouse network optimization and lean efficiency improvement, Annto implements core initiatives such as mobile operations across all scenarios, digitalized warehouse-distribution coordination, and lean efficiency management to enhance storage productivity and cost-effectiveness. By digitizing production workflows, business processes, and management systems while deploying IoT-enabled smart park applications, Annto has built a digital service platform with comprehensive warehousing capabilities. This end-to-end system spans from regional distribution centers to manufacturing base warehouses, establishing an industry-leading operational architecture that delivers full-scenario, integrated warehousing solutions. On the urban distribution front, Annto pushes ahead operational transformations focusing on warehouse network planning, traffic consolidation, route optimization, and transport capacity innovation. These efforts have elevated digital management capabilities and last-mile delivery networks, achieving same-day/next-day fulfillment for over 85% of

orders and 98%+ next-day delivery compliance. The comprehensive implementation of intelligent truck dispatch algorithm has culminated in a 98%+ adoption rate, while pilot programs for unmanned automated truck dispatching at central hubs are also underway to further streamline operations. On the front of last-mile services, Annto has upgraded the “Annto Home Delivery” delivery and installation service platform, in addition to developing a web platform for small business clients that enables self-service ordering, independent transactions, and end-to-end order visibility. Also, Annto has strengthened its integrated delivery and installation capabilities for B2C services, facilitating enterprise-customer connections. Building upon terminal service capabilities, it advances both dealer and direct-managed engineer models. Through B2C direct distribution with direct management of trucks/drivers, Annto has achieved service upgrades establishing direct control, management, and payment capabilities. Digital management and service tools have been introduced to enable online management and operation of nationwide installation engineers. As of the end of 2024, Annto’s domestic service network spanned more than 4,000 locations, supported by a workforce of over 40,000 installation engineers. Focusing on home appliances, furniture, new energy, and personal mobility sectors, Annto has rolled out comprehensive solutions including integrated delivery-installation for appliances, three/five guarantees for furniture, survey-installation services for new energy products, and multi-category maintenance solutions. Through optimizations in pre-appointment scheduling, SMS rescheduling, precise delivery, and location-based receipt confirmation, Annto enhances three major services: integrated delivery-installation, full set delivery-installation, and integrated delivery-collection, while comprehensively improving last-mile service experience through integrated, digitally intelligent supply chain capabilities. Additionally, Annto continues to iterate its DTC delivery model, improving delivery efficiency through enhanced cloud warehouse inventory sharing and operational model innovations.

(XI) Deepened the long-term incentive and protected the interests of shareholders

In 2024, Midea continued to encourage the core management to take responsibility for the Company's long-term development and growth by further enhancing its long-term incentive schemes. Midea has launched nine stock option incentive schemes, seven restricted share incentive schemes, eight global partner stock ownership schemes, five business partner stock ownership schemes and the 2023 and 2024 stock ownership schemes, which have helped, in a more effective manner, to align the long-term interests of senior management and core business backbones with that of all shareholders. Midea Group protects its shareholders' interests by ensuring a consistent dividend policy. It shares its growth with shareholders with a cumulative amount of cash dividend payouts (including the proposed profit distribution in 2024) that is about to exceed RMB134 billion since the Group's listing in 2013. In addition to the consistent dividend payouts, the Company has carried out a string of share repurchase plans. To further stabilize the market capitalization and protect the shareholders' interests, the Company has launched share repurchase plans for four consecutive years since 2019. And the repurchased shares would be used for equity incentive schemes and employee stock ownership schemes.

III. Core Competitiveness Analysis

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

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

As a leading global technology company in smart home and commercial and industrial solutions, Midea provides services to customers in over 200 countries and regions. It leads the way in various markets, including various household appliances and their key components, commercial air conditioners, robotics and automation. In 2024, Midea Group's revenue reached RMB409.1 billion, marking its ninth consecutive year on the Fortune Global 500 list, demonstrating its global leadership and outstanding performance. Midea persists in consolidating its market leadership in the global home appliance industry. According to a report by Frost & Sullivan, based on sales volume and revenue in 2023, Midea is the world's largest home appliance supplier. Currently, Midea has an extensive brand matrix targeting high-end, mass-market, and young consumer segments, and provides various smart home appliance products. According to the data from AVC, in 2024, Midea ranked first in market share (by retail sales) across nine product categories in both online and offline markets in domestic China. Furthermore, Midea has become a sizable provider of commercial and industrial solutions, leading the way in multiple markets. According to the data from ChinaIOL.com, in 2024, Midea maintained its position as the global leader in sales of residential AC compressors, and its global market share in residential air conditioner and laundry appliance motors also ranked among the top in the industry. According to the data from ChinaIOL.com, Midea continued to lead the domestic central air conditioning market in 2024 in terms of sales volume, maintaining the top market share in core products such as unitary units and modular units, while also securing the leading share in the domestic market for commercial VRF products. As shown by Commercial Air Conditioner

Market data, Midea occupied more than 15% of the market share of centrifuge products in China, ranking first among all domestic brands. According to a report by Frost & Sullivan, Midea's subsidiary, KUKA Group, is one of the "Top Four" global industrial robot companies and, based on 2023 sales and revenue, is the world's second-largest heavy-duty robot company. Furthermore, according to MIR statistics, in 2024, KUKA's industrial robot sales share in the domestic China market steadily increased to approximately 8.2%.

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

Midea possesses leading research and development capabilities and is committed to allocating significant resources to R&D efforts. From 2022 to 2024, the total R&D investment exceeded RMB43 billion, with R&D spending surpassing RMB16 billion in 2024 alone, representing a year-on-year increase of more than 10%. By the end of 2024, Midea has over 23,000 R&D personnel worldwide, accounting for over 50% of its non-production staff. In January 2024, the US business patent database (IFI Claims) released its "2023 Global 250: The World's Largest Patent Holders" list, which ranked Midea eighth globally in terms of patent families, and first among privately-owned companies in China.

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

While strengthening its global R&D network, Midea also works on constructing an open platform of innovative ecosystems. Through deepening the implementation of technology projects to integrate quality technological resources across the world, a global innovation system has been put in place. By way of integrating various resources of large companies, technology companies, universities, research institutes

and innovation consulting agencies, a technology ecosystem has been put in place and continuously expanded, which has access to enormous resources for technological innovation. Additionally, a scientist system has been established with seven academician workstations/workshops and 18 academicians on more than 300 cooperation projects. These projects cover green, energy-saving, health, intelligent, robotics, automaton, medical and energy technologies, among others. In terms of basic research, the Group cooperates with domestic and foreign scientific research institutions, such as the UC Berkeley, University of Illinois at Urbana-Champaign, University of Maryland, The University of Sheffield, Tsinghua University, Shanghai Jiao Tong University, Zhejiang University, the Chinese Academy of Sciences, Harbin Institute of Technology, Xi'an Jiaotong University, Huazhong University of Science and Technology and South China University of Technology, in order to establish joint labs for deepening technological cooperation. The Group also upgrades and make innovations on cooperation models by carrying out strategic cooperation with tech companies such as BASF, Honeywell, 3M, and SCHOTT to build a global innovation ecosystem through multiple channels. Midea continues to achieve major technological breakthroughs and product innovations through R&D investment, and its R&D achievements continue to optimise its product portfolio and refine its brand image, as well as contributing to the technological progress of the industry.

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

Every operational link of enterprises, including supply chain, manufacturing, sales, and product development, faces intricate processes and vast scales. Every year, Midea procures raw materials and components worth hundreds of billions of RMB from over 5,000 suppliers and sells products across more than 200 categories to tens of thousands of small and medium-sized retailers and other customers. Therefore, digitisation is crucial for the Company's operations. More than 5,000 professionals within the Group are dedicated to the digital transformation and upgrade of the Group.

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

With respect to intelligent manufacturing, leveraging digital technologies, Midea is committed to building high-quality, flexible, green and efficient factories. Six factories have been recognised as "Lighthouse Factories" by the World Economic Forum, representing significantly improved production efficiency. After digital transformation, the residential AC factory in Nansha, Guangdong, has reduced operating costs by 23% and increased production efficiency by 36%. The experience of Lighthouse Factories is rapidly promoted across multiple production bases globally. Midea's intelligent manufacturing capabilities combined with efficient supply chains enable a rapid response to customer demands, aligning production with customer needs, increasing production efficiency, and reducing inventory.

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

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

High-performance operations and economies of scale throughout the value chain has brought operational efficiency advantages that are difficult to replicate. Midea’s “T+3” model, supported by comprehensive digitisation, efficient supply chain management, and production and sales channel operations, has led to improvements in multiple efficiency indicators year by year. For example, the average cycle time from order placement to delivery in the domestic market decreased from 21 days in 2021 to 12.5 days in 2023, significantly lower than the industry average.

(IV) A comprehensive and continuously deepening global network

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

operation, and all-product-category retailing capabilities, among others. In addition, Midea is also accelerating the development of new channels such as Pinduoduo, Douyin, Kuaishou, and Xiaohongshu. These efforts, together with membership operation, product suite promotion and intelligent transformation, can drive sales and user growth.

In overseas markets, Midea has put in place a global network for research and development, manufacturing, and marketing, representing the capability for global development. With 22 overseas research and development centres in 11 countries, Midea integrates global R&D resources to build complementary advantages in global technological research and development. Among the 44 major production bases globally, 23 are located overseas. As such, Midea is able to realise global production and delivery, seizing growth opportunities in overseas markets. Overseas sales contribute to over 40% of Midea's total sales, with products exported to over 200 countries and regions worldwide. In many overseas markets, online and offline sales networks have been established, with approximately 5,000 after-sales service outlets. Continuously deepening the application of digital sales platforms in overseas markets, over 10,000 retailers in Southeast Asia have joined Midea's overseas sales platform. By the end of 2024, Midea has over 35,000 overseas employees. Midea also continuously deepens and expands its global business network through strategic acquisitions and joint ventures. The rapid growth of Midea's overseas original brand manufacture (OBM) business is evident, with OBM revenue reaching 43% of overseas revenue of smart home in 2024. Mainly featuring Toshiba, Midea, and Comfee brands, OBM products have demonstrated strong competitiveness in numerous overseas markets. Additionally, TLSC achieved a turnaround from loss to profit within approximately three years after the acquisition, showcasing Midea's capabilities in global business integration and global brand management.

(V) *Sustained growth in the business of commercial and industrial solutions*

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

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

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

With KUKA Group at its core, the robotics and automation systems business, as one of the world-renowned providers of intelligent robotic automation solutions, KUKA provides comprehensive products, system integration, and services to customers in various industries such as automobile, electronics, consumer goods, logistics/e-commerce, healthcare, and more. KUKA continues to consolidate and enhance its market leadership in the field of robotics and automation solutions. In 2023, both revenue and profit of KUKA Group hit record highs. Its business performance in China was particularly outstanding, with revenue contribution from KUKA China increasing from 15% in 2020 to over 22% in 2024.

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

(VI) Advanced corporate governance and values

Midea is built to grow on the back of advanced governance mechanism, future-proof values, and managerial mindset growth. Midea's corporate governance emphasises the shared responsibilities, rights and obligations, striving to establish an internal entrepreneurial group and fully inspire entrepreneurial spirit. Midea has long been committed to creating maximum value for employees, customers, shareholders, and society. To recognise employee contributions and acknowledge performance, Midea has established a multi-tiered long-term incentive mechanism primarily based on stock incentives. As of the end of 2024, Midea has launched nine Stock Option Incentive Schemes, seven Restricted Share Incentive Schemes, and 15 Stock Ownership Schemes for its management teams and key employees at different levels. Midea is committed to providing the best experience for customers, striving to deeply understand their needs and preferences, and optimising product development and business models accordingly. Over the years, Midea's product portfolio has continuously expanded to meet diverse customer needs. The trust and support from shareholders are crucial to Midea's development. Midea is dedicated to creating value for shareholders and sharing growth with them. Since its listing in 2013, Midea has paid out cumulative cash dividend (including the proposed profit distribution for 2024) exceeding RMB134 billion and implemented share repurchases totaling over RMB27.1 billion. Midea attaches great importance to environmental and social responsibility, striving for sustainable development. It was recognised on the 2024 Fortune China ESG Impact List and the 2024 Fortune Most Admired Companies in China list.

IV. Future Prospects of the Company

(I) Development strategies of the Company

Midea adheres to the strategic focus of "Technology Leadership, Direct to Users, Digitization & Intelligence Driven, and Global Impact", focuses on "Comprehensive Digitalization and Comprehensive Intellectualization", drives balanced development of To Consumer (ToC) and To Business (ToB) businesses under the guidance of the strategic focus, as well as builds a complementary cycle among diverse industries.

The Company drives profitability improvement through the enhancement of product strength and core technologies in the ToC end, providing strategic support for the transformation of the ToB business. Also, it continues to strengthen its globalisation capability, striving to transform from a China-based company to a global one. While maintaining its superiority in efficiency, the Company drives growth through innovation and builds product and technological advantages. Midea are built to grow on the back of advanced governance mechanism, future-proof values, and managerial mindset growth. Midea will continuously improve the governance mechanism by empowering responsibilities, rights and obligations, clarify decentralization and authorization, constantly refine the agent mechanism, optimize the incentive and constraint system, encourage entrepreneurship and boost organizational vitality, and establish a flat and agile organization and optimization process. It will also adhere to the values of long-termism and altruism, truly put employees, users, customers and partners at the center of all things, and improve the EHS governance and ESG rating. Additionally, the Management will endeavor to achieve all-round growth both spiritually and intellectually. Meanwhile, Midea will continue to improve the talent structure, build diverse teams that are inclusive and collaborative, and create a simple, straightforward, flat and equal environment. In the meantime, it will constantly improve consistency management across the Group, so as to achieve consistent operations, corporate culture and values and philosophies, which will ensure the sustained and steady development of the Company.

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

(II) Operational focus in 2025

In 2025, Midea will continue to drive its four core strategic pillars centered on technology leadership, adhering to the core business philosophy of “simplification for growth and self-disruption to confront challenges.” The Company will firmly implement the following six key business initiatives: Firstly, adhering to fundamentals for excellence across the value chain. Midea will uphold fundamental business principles, continuously enhancing efficiency metrics, optimizing operational management, maintaining cost advantages, improving cash flow, and strengthening product competitiveness to achieve excellence across the entire value chain. Secondly, simplification as the key driver of growth. The essence of driving growth through simplification lies in streamlining operations. Midea will simplify its business structure, organizational framework, product categories, and work models to focus on core businesses, unleashing the entrepreneurial spirit and creativity of its teams. Thirdly, self-disruption to confront challenges. Facing numerous challenges – including domestic economic structural transformation, emerging industry competitors, geopolitical conflicts, and anti-globalization – Midea will embrace self-denial and continuous innovation. The Company will leverage excellent short-term cycles to navigate broader macroeconomic shifts, prioritizing transformation in the Chinese Market DTC business model, and achieving breakthroughs in ToB operations. Fourthly, taking global expansion as the top priority. Midea is committed to boldly expanding into both deep and shallow waters of the global market, aggressively pursuing overseas market breakthroughs with a focus on the OBM Priority strategy. The Company will drive organizational transformation and innovation across processes, collaboration, and decentralization to fully unlock the vitality of its global teams. Simultaneously, it will optimize overseas production capacity, narrowing cost disparities between international and domestic manufacturing to strongly support the OEM Priority strategy. Fifthly, accelerating the technology leadership strategy. Technology is the key to long-term success across business cycles. Midea will reinforce the execution of its “Three Generations” R&D approach, further defining the positioning of its research systems. The Company will focus on user-centric, differentiated product technologies, using quality and technological innovation to break free from industry involution. Sixthly, embracing the dual competition of the digital and physical worlds. Midea will accelerate its comprehensive digital transformation, achieving full-scale “cloud integration” and reshaping product forms and service models. The Company will enhance user interaction and engagement, leveraging AI-generated content (AIGC) to upgrade work processes, business models, and commercial strategies. Through a dual-engine approach integrating “business and technology”, Midea will embed AIGC across its products, services, and value chain to enhance operational efficiency.

Midea aims to drive scale growth through structural expansion, global market penetration, and ToB business breakthroughs, while continuously optimizing cash flow, cost management, and industrial upgrades. The Company is committed to steadily achieving high-quality annual targets while further advancing decentralization and governance improvements. By fostering an internal community of entrepreneurs, Midea seeks to fully unleash entrepreneurial spirit and remain steadfast in its pursuit of excellence through all business cycles. Key tasks for 2025 include:

- (1) Midea will further implement its strategy of technology leadership, continuously refine the “Three Generations” R&D system, and leverage digitalization to drive its evaluation framework. By strengthening pioneering research, differentiating product portfolio and breakthroughs, the Company aims to build a leading product matrix, achieving dual breakthroughs in sales and reputation, propelling industry advancement, and supporting the sustained enhancement of brand value. Midea will reinforce the TP3 framework within its research organizations, continuously optimizing talent structures and establishing a scientist talent system. The Company will actively recruit global research leaders and PhD-level experts, ensuring full coverage of top-tier talent in core technology domains. Simultaneously, it will optimize R&D project planning, forming a matrix of frontier technology, core breakthroughs, and technology commercialization projects to accelerate research outcomes and enhance product competitiveness. The Company will further strengthen its global R&D footprint, enhancing overseas R&D capabilities and refining its global research network. It will accelerate product localization in key countries and regions by optimizing overseas user research teams and expanding independent brand R&D teams, enabling local product innovation and differentiation to support overseas R&D centers. To refine the “Technology Leadership” framework, Midea will: Focus on strategic R&D project planning to improve project quality; Introduce AI tools to enhance innovation and efficiency; Expand platform-based and modular R&D to boost product development quality and speed; Strengthen value chain integration through business model innovation, process efficiency optimization, and seamless front-to-back-end collaboration, enabling full value chain empowerment.
- (2) Midea will keep a high-quality development direction and stick to organic, sustained and effective growth. In the process of implementing new strategies to boost new growth, the key lies in improving operational efficiency. Therefore, Midea will optimize the delivery cycle, enhance the inventory turnover, improve the cash cycle, and implement the shared inventory system. Being customer-oriented, Midea will strive to be “Direct to Users” through user research, user insight, product plan transforming and user operation. Midea will promote the T+3 business model reform and high performance operations in the whole value chain in every link from product planning to after-sales service, so as to increase efficiency in the whole value chain and the data-driven efficiency. Channel reform will be firmly pushed forward for the front-end market. In order to win in competition, it is important to develop high-end products to refine the product mix. Midea will plan for, establish and refine business middle platforms, especially data and technology middle platforms. In the meantime, it will maintain overall consistency by sticking to “One Midea, One System, One Standard”. In face of common challenges such as fluctuations in exchange rates and prices of bulk raw materials, as well as sourcing management in supply chain, Midea will firmly promote its internal coordination and sharing mechanism and keep perfecting the relevant solutions. It will also maintain effective investments, control strictly non-operating expenses, increase labor productivity, improve human resource allocation efficiency, promote lean management and provide fresh impetus for continual growth through relentless innovation.

- (3) In 2025, Midea will focus on five key priorities in the domestic market: “delighting users, revitalizing the brand, driving transformation, expanding product offerings, and strengthening retail operations”. Retail-Focused Growth: Midea aims to achieve breakthroughs in new e-commerce models, increasing the share of self-operated online sales. The Company will integrate online and offline product offerings through O2O (online-to-offline) models to enhance inventory turnover efficiency. Additionally, Midea will accelerate traffic acquisition, continuously optimize and expand its offline retail network, and implement a seamless digital marketing strategy to enhance advertising efficiency across all channels. Business Transformation: Midea will fully implement shared cloud warehousing and empowerment, advancing to Cloud Warehouse 3.0 to enhance customer benefits and satisfaction through cloud-based credit and return services. The Company will adopt a unified inventory approach across all sales channels while further streamlining SKU offerings to improve sales efficiency. Additionally, Midea will simplify digital tools for customers and users by integrating platforms such as Midea Home Delivery, Midea Service, and Midea Mall, ensuring a seamless user journey and strengthening customer benefits. The Company will also continuously integrate Midea Cloud Sales to optimize customer and user management. To enhance user rights and experiences, Midea will introduce specialized services, including hassle-free returns and exchanges, home appliance concierge services, and Midea Fan 2.0, further upgrading user benefits and fully enhancing user experience. User Service Enhancements: Midea will improve service network efficiency through logistics capacity modeling, significantly increasing on-time fulfillment rates and delivering faster service. The Company will enhance pricing transparency by introducing upfront service fee estimates, price expectation management, and a double-compensation commitment for overcharges. Additionally, Midea will expand its 365-day “replacement over repair” policy for small appliances to elevate the user experience. Service Infrastructure Expansion: Midea plans to establish over 600 hands-on training centers nationwide to further enhance the technical capabilities of service engineers, ensuring first-visit problem resolution for users. Furthermore, the Company will continuously optimize the product return and exchange experience by broadening the range of exchangeable products, implementing automated model recommendations, and ensuring that all returns and exchanges are completed within 120 hours.
- (4) Regarding the overseas market, Midea will continue to drive the expansion and deep penetration of its overseas business, further identifying untapped markets and planning strategic entries into new regions. The Company will expand its network of overseas subsidiaries and refine operations in key markets to enhance localized management and growth. On the brand marketing front, Midea will strengthen brand building and enhance marketing capabilities, developing a younger, more modern visual identity while refining its brand portfolio strategy and audience segmentation. The Company will establish influencer marketing strategies, optimize digital media placements, and cultivate new social media engagement capabilities. Additionally, Midea will enhance ToC retail activation, collaborating with business units to improve product promotion and in-store branding. In the realm of sports marketing, the Company will explore sponsorship opportunities for regionally and globally influential sporting events to amplify brand presence. On the channel development front, Midea will leverage digital applications to enhance channel efficiency and customer relationship management, integrating market

data to establish a commercial intelligence system and develop a comprehensive channel mapping strategy. The Company will strengthen key customer operations, compiling a global key customer list and fostering deeper collaboration through automated system integration and executive-level engagement. Furthermore, Midea will advance channel visibility, increasing sales and distribution data coverage by digitizing offline data and establishing real-time data dashboards to support business decision-making.

Midea will enhance its overseas infrastructure capabilities. In terms of the overseas service system, the Company will improve spare parts supply chains and contact centers, optimize the service network, and elevate service engineering capabilities. It will establish a global after-sales spare parts management system with scientific forecasting and automated monitoring, improving the supply efficiency of spare parts from regional warehouses to market endpoints. The global cloud customer service system and iService after-sales system will be expanded to cover more countries and regions, with standardized operations and performance metrics for customer contact centers, leveraging intelligent customer service and AI-powered assistance. The Company will continue to build and expand exclusive authorized service outlets to enhance service response speed. Additionally, it will refine the end-to-end new product service introduction process, delivery quality, and Design for Serviceability (DFS) rules and quantitative models. In terms of organizational talent, Midea will establish robust organizational mechanisms and employer branding, clarify the roles and responsibilities of different organizational units, optimize communication, decision-making, and governance mechanisms, and strengthen the global consistency of its employer brand. The Company will build a global OBM talent supply chain, aligning talent standards, talent review and assessment, and talent development under the global OBM strategy. It will focus on key positions, create a talent reserve pool, and enhance the overseas digital learning platform. Furthermore, Midea will strengthen management consistency and digital construction, ensuring uniformity in HR policies, processes, and regulations while accommodating country-specific characteristics. It will standardize processes, improve employee experience, and advance HR digitalization to enable fully online operations. In the digital domain, Midea will empower overseas employees with digital tools to enhance global collaboration. It will refine overseas e-commerce operations, implement digital supply chain strategies, and leverage AI to boost analytical and operational efficiency. The Company will improve end-to-end order visibility, continue to build overseas sales and operations planning (S&OP) capabilities, and optimize OBM order fulfillment data. It will also implement refined management and monitoring of the entire service delivery process, using digital tools to drive service upgrades and cost efficiency. In risk management, Midea will enhance its risk control capabilities by implementing a comprehensive risk management framework, ensuring coordinated efforts between headquarters and regional offices, and improving incentive and evaluation mechanisms to foster a culture of teamwork and compliance. The Company will thoroughly review business processes, identify risk and control points at each stage, and develop and refine internal control systems with clear role responsibilities. It will utilize information technology to monitor operations in real time, detect and warn potential risks, and prepare contingency plans to ensure timely identification and resolution of issues.

- (5) In 2025, Midea will continue to deepen the implementation of its dual high-end brands strategy, further strengthening the dual-engine power of COLMO and Toshiba brands. The COLMO brand will advance the combination of territory retail and precision distribution, continue to expand brand store construction, deepen cloud warehouse transformation, while focusing on crowd assets, layout sales accounts, and achieve online and offline full-domain operations. COLMO will further evolve around products and user experience, launching more product series to consolidate and enhance the high-end market position of air conditioners and refrigerators, and build a diversified portfolio of high-end products around the comprehensive smart air and water heating solutions for the whole house. In the field of comprehensive smart home, based on its self-developed large language model capabilities, COLMO will provide users with more complete, reliable, and intelligent smart home appliances and integrated home solutions. To further enhance the brand store image and experience, COLMO will provide one-stop purchase through entire-house smart home appliance solution design services, and enhance user repurchase and recommendation rates through integrated delivery and installation, 1V1 manager services, appliance cleaning, and other membership benefits and services. Toshiba will continue to expand its retail network, enhancing brand awareness and reputation to better meet customer needs. The brand will drive continuous product innovation, improving product quality and performance to cater to diverse customer demands while refining its product portfolio to further capture the high-end market. Additionally, Toshiba will continuously enhance channel integration capabilities, leveraging new retail models such as OMO and O2O to integrate online and offline channels. This approach will empower branded stores by generating sustained in-store traffic. Moreover, Toshiba will place greater emphasis on customer service excellence, introducing exclusive membership benefits and services for both new and existing customers to strengthen user engagement and brand loyalty. WAHIN will continue to focus on user-centric, product-driven, and experience-led innovation, expanding into a diverse range of product categories while delivering superior performance. The brand aims to create intelligent, comfortable, and seamlessly connected smart living experiences for consumers. WAHIN will also pursue innovative marketing strategies, targeting trendsetting young consumers through diverse cross-industry collaborations. To further enhance conversion efficiency, the brand will optimize the sales funnel, maintaining a synergistic approach between brand building and sales performance. It will also reinforce the “Social + Content + E-commerce” model to drive sales growth.
- (6) Midea will continue to drive its “Digitization & Intelligence Driven” strategy, focusing on key digital transformation initiatives, including Digitalization 3.0, DTC transformation, ToB business platforms, and user operations. Domestically, Midea will advance its DTC transformation, enabling multi-channel, multi-dimensional, multi-role, and multi-terminal online business data integration and tiered data sharing. This will provide precise and efficient data empowerment to frontline sales teams, merchants, and stores, facilitating the Company’s retail digitalization transformation goals. In terms of marketing and growth, Midea will deeply integrate online and offline channels, implement 360° user operations, optimize product portfolio structures, and enhance hassle-free return and exchange policies. By leveraging AIGC-driven intelligent scenarios, Midea will support the core product structure’s retail targets, establish million-view livestreaming sessions, and improve content operation efficiency. Midea will further accelerate its transition toward digitalization and intelligence, utilizing data as the core driver to optimize business processes and enhance operational efficiency. In 2025, Midea’s data-driven initiatives will focus on “Data+AI” breakthroughs in AIGC, international expansion, and DTC transformation, reinforcing its vision of a fully digitalized Midea.

- (7) Midea will drive incremental growth in new energy and industrial technology businesses, continuously expanding its business boundaries and accelerating its growth trajectory. In the HVAC and home appliance components sector, Midea will increase R&D investment, enhance technology and platform research processes, and optimize product mix to improve both profitability and scale. The Company will reinforce the market competitiveness of its core product categories while achieving breakthroughs in new products and technologies, providing customers with green, efficient, and low-noise solutions. Midea will continue making advancements in niche markets, with a strategic focus on developing scroll compressors and HVAC valves, and achieving breakthroughs in commercial air conditioning and heat pump heating solutions. Midea will also expand production lines for air conditioner compressors and motors for air conditioners and washing machines, while launching a new smart manufacturing base for refrigerator compressors in Hefei. The Company will further enhance global supply chain capabilities, leveraging the advantages of overseas manufacturing facilities to strengthen global market competitiveness. To expand its international presence, Midea will establish a professional overseas service platform, offering one-stop services for small and medium-sized customers and tailored solutions for key accounts, ensuring breakthroughs in overseas strategic customer acquisitions and increasing its global market share. In the home appliance chip sector, Midea will continue deepening its expertise and competitive edge, focusing on the development of high-quality industrial-grade chips for main control, touch control, and variable frequency applications. The Company will also drive chip integration strategies and expand its partnerships with leading home appliance manufacturers.

In the green energy sector, CLOU Electronics will further develop its EP Package full-lifecycle turnkey service capabilities, catering to the diverse localization and customization needs of global users. The Company will conduct in-depth market trend analysis for overseas markets, expanding into emerging markets while strengthening its presence in the Americas and Europe. Simultaneously, CLOU Electronics will actively expand its footprint along the Belt and Road Initiative, tapping into the Middle East, Africa, and Asia-Pacific markets to empower partners and enhance rapid responsiveness to end customers. Domestically, CLOU Electronics will focus on achieving breakthroughs with strategic clients, with particular emphasis on major power generation enterprises in China. Hiconics will remain committed to advancing three core businesses: green energy solutions, residential energy storage and photovoltaic (PV) inverters, high-voltage variable frequency drives (VFDs). The Company aims to achieve balanced growth in business scale, profitability, and cash flow, ensuring the steady expansion of its residential PV solutions business. On the market front, Hiconics will deepen its existing distribution channels while actively expanding into green zero-carbon industrial parks and premium villa green energy solutions. The Company will drive growth in residential energy storage and PV inverter businesses, accelerate the commissioning of the Anqing manufacturing base, expand its global footprint in residential energy storage, and increase penetration of PV inverters in the domestic EPC solar market. Additionally, Hiconics will reinforce its position in the general-purpose high-voltage VFD market, deepen its presence in high-precision industry projects, and continuously explore new business opportunities.

In the green transportation sector, Midea will increase investment in product technology, achieving new breakthroughs in new energy vehicle (NEV) components while continuously expanding its market and acquiring new clients for thermal management modules. The Company aims to secure breakthroughs in domestic economy vehicle projects and overseas mainstream automaker collaborations. To enhance manufacturing capabilities, Midea will complete the construction of overseas factories, launch operations, and strengthen global logistics and delivery systems. Additionally, Midea's New Energy and Industrial Technology division will further expand its harmonic reducer product line, continue acquiring top-tier industry clients, and achieve breakthroughs in scale expansion.

- (8) Leveraging China's rapid response and advanced manufacturing capabilities, Midea aims to establish a highly efficient, world-class full-value chain operating system, continuously strengthening KUKA's global competitiveness. Regarding localization strategy, Midea is committed to building strong local capabilities in China, positioning itself as a local startup to compete effectively with domestic enterprises. By leveraging localized operations to support overseas business growth, Midea will drive the expansion of its global footprint. The Company will further optimize and expand its product portfolio, accelerate localization, regionalization, and in-house production of core materials, and enhance delivery efficiency. Regarding internationalization strategy, Midea will actively support Chinese clients in their overseas expansion while also seizing opportunities to collaborate with international clients seeking Chinese partners. The Company will continue to increase the share of international sales from KUKA China. Regarding market expansion, Midea will continuously identify new growth opportunities by capitalizing on synergies in customer base, technology, and product offerings. While steadily expanding its automotive clients, the Company will also focus on significantly increasing business in emerging industries, including new energy, general industry, electronics, healthcare, logistics, and services. Midea will continue to increase investment in R&D, strengthening its differentiated technological advantages. The Company will enhance its AI and application software capabilities through external partnerships, and concentrate resources to accelerate the launch of the next generation of collaborative robot products.

(III) Risks faced by the Company and countermeasures

1. Risk of macro economy fluctuation

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

2. Risks in the price fluctuation of production factors

The raw materials required by Midea Group to manufacture its consumer appliances and core components primarily include different grades of copper, steel, plastics and aluminum. At present, the household appliance manufacturing sector belongs to a labor intensive industry. If the price of raw materials fluctuates

largely, or there is a large fluctuation in the cost of production factors (labor, water, electricity, and land) caused by a change to the macroeconomic environment and policy change, or the cost reduction resulted from lean production and improved efficiency, as well as the overall sale prices of end products cannot offset the total effects of cost fluctuations, the Company's business will be influenced to some degree.

3. *Risk in global asset allocation and overseas market expansion*

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

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

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

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

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

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

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

For the year ended 31 December 2024, the Company had repurchased and cancelled certain restricted A Shares (the “Repurchase and Cancellation”) granted to certain participants (the “Repurchase Participant”) under the rules of the Restricted Share Incentive Schemes. None of the Repurchase Participant was a connected person of the Company. A special resolution in relation to the Repurchase and Cancellation was submitted to the extraordinary general meeting for consideration and approval. The summary of the Repurchase and Cancellation is set out below:

In March 2024, the Company, in accordance with the rules of the 2018, 2019, 2021, 2022 and 2023 Restricted Share Incentive Schemes, repurchased and canceled an aggregate of 920,814 restricted A Shares granted to certain participants under such schemes, with a total consideration of RMB22,767,547.44. The repurchase prices under the 2018, 2019, 2021, 2022 and 2023 Restricted Share Incentive Schemes were RMB14.96 per share, RMB18.46 per share, RMB35.75 per share, RMB23.97 per share and RMB25.89 per share, respectively.

In December 2024, the Company, in accordance with the rules of the 2018, 2019, 2021, 2022 and 2023 Restricted Share Incentive Schemes, repurchased and canceled an aggregate of 1,843,398 restricted A Shares granted to certain participants under such schemes, with a total consideration of RMB40,644,141.56. The repurchase prices under the 2018, 2019, 2021, 2022 and 2023 Restricted Share Incentive Schemes were RMB11.96 per share, RMB15.46 per share, RMB32.75 per share, RMB20.97 per share and RMB22.89 per share, respectively.

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

ISSUANCE OF SHARES

On 17 September 2024, the Company issued 565,955,300 H Shares at the price of HK\$54.80 per Share, which are listed on the Main Board of the Hong Kong Stock Exchange. Subsequently, on 25 September 2024, the Company issued 84,893,200 H Shares at the price of HK\$54.80 per Share under the over-allotment option. A total of 650,848,500 H Shares were issued by the Company with total proceeds of HK\$35.666 billion (approximately RMB32.399 billion), with net proceeds of approximately RMB32.146 billion (a net price of approximately RMB49.39 per share) after deducting issuance costs incurred directly by issuing new shares.

During the Reporting Period, a total of additional 51,910,434 A shares were completed registration through exercise of rights by the participants under the A Share Option Incentive Plans of the Company at their own discretion.

Save as disclosed above, no other Shares of the Company were issued during the Reporting Period.

DIVIDENDS

The Board of Directors proposes a cash dividend distribution for 2024, with a distribution of RMB35 per 10 shares. The proposed dividend distribution is subject to approval at the Company's 2024 annual general meeting and is expected to be distributed within two months from the 2024 annual general meeting. Dividends for H shares shall be paid in Hong Kong dollars. As at the date of this announcement, the Company holds a total of 28,452,226 treasury A shares. Such treasury shares will not receive the dividends distribution.

There were no arrangements under which Shareholders had waived or agreed to waive any dividends during the Reporting Period.

SUBSEQUENT EVENTS

Apart from the aforementioned dividend distribution, there were no other material subsequent events since the end of the Reporting Period.

AUDIT COMMITTEE

The Audit Committee of the Board (the “**Audit Committee**”) comprises four independent non-executive Directors of the Company. The Audit Committee has reviewed with management of the Company the accounting principles and practices adopted by the Group and discussed financial reporting matters, including the review of the Group's consolidated annual financial statements for the year ended 31 December 2024, and matters in relation to risk management and internal control. There was no objection to such matters.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the annual results announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the annual results announcement.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency.

The Company has adopted the code provisions of the CG Code contained in Appendix C1 to the Hong Kong Listing Rules as the basis of the Company's corporate governance practices.

The Board is of the view that throughout the period from the Listing Date to 31 December 2024, the Company has complied with all the applicable code provisions as set out in the CG Code, save as disclosed below.

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

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code as set out in Appendix C3 to the Hong Kong Listing Rules.

Specific enquiry has been made of all the Directors and Supervisors, and the Directors and Supervisors have confirmed that they have complied with the Model Code throughout the period from the Listing Date to 31 December 2024.

The Company has also established Administrative Measures for Information Disclosure (《信息披露管理辦法》) and Administrative Measures for the Compliance of Inside Information and Stock Trading (《內幕信息及股票交易合規管理辦法》) (the “Regulations on Information Disclosure”) no less exacting than the Model Code for securities transactions by employees who, because of such office or employment, are likely to possess inside information in relation to the Company or its securities. The Regulations on Information Disclosure regulates the principles of information disclosure, content, responsibilities for information disclosure and confidentiality, and the process of assessment and disclosure and ensures that inside information could be identified timely and remain confidential until the disclosure of such information is appropriately approved, and the dissemination of such information shall be accurately, effectively and consistently made. To the best knowledge of the Company, no incident of non-compliance of the Regulations on Information Disclosure by the employees was noted by the Company from the Listing Date to 31 December 2024.

PUBLICATION OF ANNUAL RESULTS AND 2024 ANNUAL REPORT

This results announcement is published on the websites of the Company (www.midea.com.cn) and the Hong Kong Stock Exchange (<http://www.hkexnews.hk>). The 2024 annual report of the Company will be available on the websites of the Company and the Hong Kong Stock Exchange stated above in due course.

DEFINITIONS

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

“A Shares”	domestic shares of the Company with a nominal value of RMB1.00 each, which are listed on the Shenzhen Stock Exchange and traded in Renminbi
“Annto Smart Logistics”	Annto Logistics Supply Chain Technology Co., Ltd. (安得智聯供應鏈科技股份有限公司), a PRC subsidiary of ours established on 24 February 2011
“Board” or “Board of Directors”	the board of Directors of the Company
“BRL”	Brazilian real, the lawful currency of Brazil
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules
“China” or “the PRC”	the People’s Republic of China
“CLOU Electronics”	Shenzhen CLOU Electronics Co. Ltd (深圳市科陸電子科技股份有限公司), a PRC company established on 12 August 1996 and acquired by us in 2023, the shares of which have been listed on the Shenzhen Stock Exchange (stock code: 002121)
“Company Law”	the Company Law of the People’s Republic of China
“Company”, “the Company”, “we”, “us” or “our”	Midea Group Co., Ltd. (美的集團股份有限公司), a PRC company established on 7 April 2000, the A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 000333), and the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 0300)
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“domestic China” or “Mainland China”	mainland China, for the purpose of this report only, excluding Hong Kong, Macau and Taiwan

“H Shares”	foreign shares of the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“Hiconics Eco-energy”	Hiconics Eco-energy Technology Co., Ltd. (北京合康新能科技股份有限公司), a PRC company established on 11 June 2003 and acquired by us in 2020, the shares of which have been listed on the Shenzhen Stock Exchange (stock code: 300048)
“HK” or Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“KUKA China”	the subsidiaries of KUKA Group in China
“KUKA Group” or “KUKA”	KUKA Aktiengesellschaft, a stock corporation incorporated under the laws of the Federal Republic of Germany and one of our subsidiaries
“Listing Date”	17 September 2024, the date on which the H Shares of the Company were listed and commenced trading on the Main Board of the Hong Kong Stock Exchange
“Little Swan”	Wuxi Little Swan Co., Ltd. (無錫小天鵝股份有限公司), a PRC company established on 29 November 1993 that we acquired in 2008, and its subsidiaries
“M IoT”	the industrial internet platform developed by us
“M-Smart”	our app and mini-program for consumers to manage our smart home appliances and enjoy additional benefits and services
“Midea”, “Midea Group”, “the Group” or “our Group”	the Company and its consolidated subsidiaries
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules
“Reporting Period”	1 January 2024 to 31 December 2024
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC

“Securities Law”	the Securities Law of the People’s Republic of China
“Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising A Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Supervisor(s)”	the supervisor(s) of the Company
“Toshiba Lifestyle” or “TLSC”	Toshiba Lifestyle Products & Services Corp. (東芝生活電器株式會社), a company established in Japan and acquired by us in 2016
“WAHIN”	Guangzhou Hualing Refrigerating Equipment Co., Ltd. (廣州華凌製冷設備有限公司), a PRC subsidiary of ours established on 13 June 2010
“Winone”	WINONE Elevator Company Limited (菱王電梯有限公司), a PRC subsidiary of ours established on 8 February 2002 that we acquired in 2020, and its subsidiaries
“year-on-year”	compared with the same period last year
“%”	percent

By order of the Board
Midea Group Co., Ltd.
Mr. Fang Hongbo
*Chairman, Executive Director and
Chief Executive Officer*

Hong Kong, 28 March 2025

As at the date of this announcement, the Board comprises: (i) Mr. Fang Hongbo, Mr. Wang Jianguo, Dr. Gu Yanmin and Mr. Guan Jinwei as executive Directors; (ii) Mr. Zhao Jun as non-executive Director; and (iii) Dr. Xu Dingbo, Dr. Xiao Geng, Dr. Liu Qiao and Dr. Qiu Lili as independent non-executive Directors.