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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)

**OVERSEAS REGULATORY ANNOUNCEMENT
AND INSIDE INFORMATION
IN RELATION TO THE PROPOSED SPIN-OFF AND
LISTING OF A CONTROLLED SUBSIDIARY**

This announcement is made by Midea Group Co., Ltd. (the **“Company”**, together with its subsidiaries, the **“Group”**) pursuant to Rule 13.09(2)(a) and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **“Listing Rules”**) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 29 April 2025, the Company convened the eighth meeting of the fifth session of the board (the **“Board”**) of directors (the **“Directors”**) of the Company and all Directors unanimously approved the following resolutions:

- I. Consider and approve the “Resolution Regarding the Compliance of the Spin-off and Listing of Annto Supply Chain Technology Co., Ltd., a Subsidiary of the Company, for Listing on the Main Board of The Stock Exchange of Hong Kong Limited with the Requirements of Relevant Laws and Regulations”**

The Company proposes to spin off (the **“Spin-off”**) its controlled subsidiary, Annto Supply Chain Technology Co., Ltd. (**“Annto”**) for listing on the Main Board of The Stock Exchange of Hong Kong Limited (the **“Hong Kong Stock Exchange”**).

In accordance with the provisions of the Company Law of the People's Republic of China (the **“Company Law”**), the Securities Law of the People's Republic of China (the **“PRC Securities Law”**), the Rules on the Spin-off of Listed Companies (Trial) (the **“Spin-off Rules”**) as well as other relevant laws, regulations, and regulatory documents, the Board, after careful self-examination and discussion based on the actual situation and relevant matters of the Company, is of the view that the Spin-off complies with the relevant laws and regulations.

This resolution has been considered and approved at the special meeting of the independent non-executive Directors of the Company.

This resolution shall be submitted to the general meeting of the Company for consideration.

II. Consider and approve the “Resolution on the Plan of Annto Supply Chain Technology Co., Ltd. for Initial Public Offering of H Shares and its Listing on the Main Board of The Stock Exchange of Hong Kong Limited”

The preliminary issuance plan for the Spin-off is as follows:

1. Place of listing: The Main Board of the Hong Kong Stock Exchange.
2. Types of shares to be issued: The shares to be issued by Annto are overseas-listed foreign-invested shares (H shares) listed on the Main Board of the Hong Kong Stock Exchange, all of which are ordinary shares.
3. Par value of shares: Par value is denominated in RMB, and subscribed for in foreign currency, with a par value of RMB1.00 per share.
4. Target subscribers: Shares under the issuance are intended to be offered globally to institutional investors, enterprises, and natural persons outside of China (for the purposes of this plan, including the Hong Kong Special Administrative Region, Macau Special Administrative Region, Taiwan Region, and other countries), qualified domestic institutional investors, and other investors in compliance with the regulatory requirements.
5. Time of issuance: Annto will choose the appropriate timing and issuance window to complete the issuance and listing within the validity period of the resolution of the general meeting. The specific date of issuance will be determined by the board of directors of Annto and its authorized persons as authorized by the general meeting of Annto, taking into account the domestic and international capital market conditions, the progress of obtaining approval from and filing with the domestic and overseas regulatory authorities, and other relevant circumstances.
6. Method of issuance: Annto will issue new shares by way of Hong Kong public offering and international offering. Based on international practices and the conditions of the capital market, international offering may be conducted by way of (including but not limited to) (1) offerings conducted outside the United States under Regulation S under the Securities Act of 1993 (the “**U.S. Securities Act**”) and its amendments; or (2) offerings made to qualified institutional buyers in the United States under Rule 144A (or other exemptions) of the U.S. Securities Act and its amendments. The specific method of issuance will be determined by the board of directors of Annto and its authorized persons as authorized by the general meeting of Annto in accordance with legal requirements, subject to approvals from or filing with the regulatory authorities, and based on market conditions.
7. Size of issuance: The initial size of the issuance of Annto shall not exceed 20% of the enlarged total share capital immediately after the issuance (prior to the exercise of the over-allotment option), and the overall coordinator(s) (for and on behalf of international underwriter(s)) shall be granted an over-allotment option not exceeding 15% of the aforementioned initial issuance size of H shares. The final issuance ratio and the number of shares to be issued shall be determined by the board of directors of Annto and its authorized persons as authorized by the general meeting of Annto in accordance with legal requirements, subject to approval from or filing with the regulatory authorities, and based on market conditions.

8. Pricing method: The issue price will be jointly negotiated and determined by the board of directors of Annto and its authorized persons as authorized by the general meeting of Annto, along with the overall coordinator(s) (for itself/themselves and on behalf of the underwriter(s)), after due consideration of, among others, the interests of existing shareholders of Annto, the acceptance of investors, and the risks of issuance, in accordance with international practices, taking into account the domestic and overseas capital market conditions at the time of issuance, the general valuation level of the industry in which Annto operates, and the subscription situations in the market, and based on the results of the roadshow and book-building process.

9. Principles of offering:

The number of shares allocated to subscribers in the Hong Kong public offering will be determined based on the number of valid applications received from subscribers. The allocation benchmark may vary according to the number of shares validly applied for by subscribers in the Hong Kong public offering, but it shall be strictly allocated in accordance with the proportions specified (or waived) by the Listing Rules. Where appropriate, the allotment of shares may also be made by drawing of lots, whereby some subscribers may be allotted more shares than other subscribers who have applied for the same number of shares, while subscribers whose applications are not successful may not be allotted any shares. The allocation ratio of the Hong Kong public offering portion to the international offering will be subject to a “clawback” mechanism in accordance with the oversubscription multiples under the Listing Rules and relevant waiver as may be granted by the Hong Kong Stock Exchange.

The proportion to be taken up by the international offering depends on the proportion of the Hong Kong public offering (after clawback). The targeted investors and the offer size of the international offering will be determined based on accumulated bids, with due consideration of various factors, including but not limited to: the overall oversubscription multiples, the quality of the investors, the importance of the investors and their performance in past transactions, the timing of the investors’ orders, the size of the orders, the sensitivity of the price, the level of participation in the pre-roadshows, and the anticipation of such investors’ after-market behavior. Priority will be given to the cornerstone investor(s), if any, in the allocation of the international offering in accordance with the relevant agreements with the cornerstone investor(s).

The announcement regarding the issuance does not constitute an offer to sell the shares and Annto does not induce any person to make an offer to purchase the shares in any country or jurisdiction where the offer or sale of the shares of Annto is not permitted. Annto may not sell the shares or accept an offer to purchase the shares (other than to/from the cornerstone investor(s), if any) until the prospectus is published officially.

10. Conversion to a company limited by shares offered and listed overseas: Annto will be converted to a company limited by shares offered and listed overseas in accordance with the requirements of the laws and regulations and the regulatory authorities, and will issue H shares on the terms and conditions set out in the H share prospectus and be listed on the Main Board of the Hong Kong Stock Exchange.

11. Other matters related to the issuance: Matters such as strategic placement, use of proceeds, and underwriting methods involved in the issuance will be further confirmed and adjusted by Annto based on the implementation situation of the plan for the issuance and listing, market conditions, policy adjustments, and the opinions of regulatory authorities.
12. Application for conversion of domestic unlisted shares into H shares: Subject to the compliance with the regulatory policies and requirements of the China Securities Regulatory Commission (the “CSRC”) and the relevant regulatory authorities of the jurisdiction where the Company is listed, the Company intends to apply, before the Spin-off or after the Spin-off, to convert all or part of the domestic unlisted shares issued prior to the Spin-off into H shares to be listed and traded on the Main Board of the Hong Kong Stock Exchange, and to file with the CSRC.
13. Validity period of the proposal: The validity period of this proposal shall be 24 months from the date on which it is considered and approved at the general meeting. If Annto has obtained the approval or filing documents from the relevant regulatory authorities for the issuance and listing within the validity period, the validity period of the resolution shall be automatically extended to the later of the completion date of the issuance and listing or the date of exercising the over-allotment option (if any).

This resolution has been considered and approved at the special meeting of the independent non-executive Directors of the Company.

This resolution shall be submitted to the general meeting of the Company for consideration.

III. Consider and approve the “Proposal on the Spin-off of its Subsidiary, Annto Supply Chain Technology Co., Ltd., for Listing on the Main Board of The Stock Exchange of Hong Kong Limited”

To implement the Spin-off, the Company has prepared the “Proposal of Midea Group Co., Ltd. on the Spin-off of its Subsidiary, Annto Supply Chain Technology Co., Ltd., for Listing on the Main Board of The Stock Exchange of Hong Kong Limited” in accordance with the relevant provisions of the PRC Securities Law, the Spin-off Rules, and other laws, regulations, and regulatory documents. For details, please refer to the “Proposal of Midea Group Co., Ltd. on the Spin-off of its Subsidiary, Annto Supply Chain Technology Co., Ltd., for Listing on the Main Board of The Stock Exchange of Hong Kong Limited” dated 29 April 2025, which was published by the Company on the website of the Shenzhen Stock Exchange, as well as the overseas regulatory announcement published on the website of the Hong Kong Stock Exchange on the same day.

This resolution has been considered and approved at the special meeting of the independent non-executive Directors of the Company.

This resolution shall be submitted to the general meeting of the Company for consideration.

IV. Consider and approve the “Resolution Regarding the Plan on the Spin-off and Listing of the Company’s Subsidiary, Annto Supply Chain Technology Co., Ltd., on the Main Board of The Stock Exchange of Hong Kong Limited under the Provisions on the Spin-off of the Listed Companies (Trial)”

After prudent assessment, the Spin-off is in compliance with the relevant requirements of the Spin-off Rules for a listed company spinning off its subsidiary for overseas listing, details of which are as follows:

1. The listed company satisfies the spin-off conditions stipulated in Article 3 of the Spin-off Rules

(1) Shares of the listed company have been listed in the PRC for over three years

The Company was listed on the main board of the Shenzhen Stock Exchange on 18 September 2013 through a share swap merger with GD Midea Holding Co., Ltd. (廣東美的電器股份有限公司), and has been listed domestically for over three years. Therefore, the Company is in compliance with the provisions of item (I) of Article 3 of the Spin-off Rules.

(2) The listed company has recorded profits for the last three consecutive fiscal years

According to the reports issued by PricewaterhouseCoopers Zhong Tian LLP (Special General Partnership) (“**PwC ZT**”), namely PwC ZT Shen Zi (2023) No. 10017 (普華永道中天審字(2023)第10017號), PwC ZT Shen Zi (2024) No. 10017 (普華永道中天審字(2024)第10017號), and PwC ZT Shen Zi (2025) No. 10014 (普華永道中天審字(2025)第10014號), the net profit of the Company attributable to the shareholders of the Company for 2022, 2023, and 2024 (calculated at the lower value before or after deducting non-recurring profit or loss) was RMB28.608 billion, RMB32.975 billion, and RMB35.741 billion, respectively. The Company has reported net profits for the last three consecutive fiscal years. Therefore, the Company is in compliance with the item (II) of Article 3 of the Spin-off Rules.

(3) The cumulative net profit attributable to the shareholders of the listed company, after deducting its share of net profit in the subsidiary to be spun off according to its equity interest held for the last three fiscal years, shall not be less than RMB600 million (the net profit shall be calculated at the lower of the value before and after deducting non-recurring profit or loss)

Based on the Company’s audited financial statements for the last three years and the unaudited financial data of Annto, the Company has achieved continuous profitability in the last three fiscal years, and the cumulative net profit attributable to the shareholders of the parent company, after deducting its attributable net profit in Annto according to its equity interest, is RMB96,725,622,900, not less than RMB600 million (the net profit is calculated at the lower of the value before or after deducting non-recurring profit or loss). Therefore, the Company is in compliance with the item (III) of Article 3 of the Spin-off Rules.

- (4) The net profit of the subsidiary to be spun off attributable to the listed company according to its equity interest held as shown in its consolidated statements for the most recent fiscal year shall not exceed 50% of the net profit attributable to the shareholders of the listed company; and the net assets of the subsidiary to be spun off attributable to the listed company according to its equity interest as shown in its consolidated statements for the most recent fiscal year shall not exceed 30% of the net assets attributable to the shareholders of the listed company

(i) Net profit

According to the Audit Report namely PwC ZT Shen Zi (2025) No. 10014 issued by PwC ZT for the Company and the unaudited financial data of Annto, the Company's net profit attributable to the shareholders of the parent company after deducting non-recurring profit or loss for 2024 is RMB35,741,418,000, and the Company's share of the net profit in Annto according to its equity interest (after deducting non-recurring profit or loss) for 2024 is RMB243,699,500.

(ii) Net asset

According to the Audit Report namely PwC ZT Shen Zi (2025) No. 10014 issued by PwC ZT for the Company and the unaudited financial data of Annto, the Company's net assets attributable to the shareholders of the parent company at the end of 2024 amounted to RMB216,750,057,000, and the Company's share of the net assets of Annto according to its equity interest for 2024 is RMB1,235,501,600.

In the consolidated financial statements of the Company for the most recent fiscal year (2024), the Company's share of net profit in Annto according to its equity interest held does not exceed 50% of the net profit attributable to the shareholders of the parent company. In the consolidated financial statements of the Company for the most recent fiscal year (2024), the net assets of Annto attributable to the Company according to its equity interest held does not exceed 30% of the net assets attributable to the shareholders of the parent company. Therefore, the Company is in compliance with the item (IV) of Article 3 of the Spin-off Rules.

2. The listed company does not fall into any of the circumstances prohibited for spin-off by Article 4 of the Spin-off Rules

- (1) Funds and assets are embezzled by the controlling shareholders, de facto controllers and their related parties, or the interests of the listed company are severely harmed by the controlling shareholders, de facto controllers and their related parties

The funds or assets of the Company are not embezzled by the controlling shareholder, de facto controller and their related parties, and the interests of the Company are not severely harmed by the controlling shareholder, de facto controller and their related parties.

- (2) The listed company, its controlling shareholders or de facto controllers have been subject to administrative penalties imposed by the CSRC within the last 36 months

None of the Company, its controlling shareholder or de facto controller has been subject to administrative penalties imposed by the CSRC in the last 36 months.

- (3) The listed company, its controlling shareholders or de facto controllers have been publicly reprimanded by any stock exchange within the last 12 months

None of the Company, its controlling shareholder or de facto controller has been publicly reprimanded by any stock exchange in the last 12 months.

- (4) The listed company has received an audit report with qualified, adverse or unexpressed opinions from a certified public accountant on its financial accounting report for the most recent year or period

PwC ZT audited the Company's financial accounting report for 2024 and issued a standard unqualified audit report (PwC ZT Shen Zi (2025) No. 10014 (普華永道中天審字(2025)第10014號)). The Company has not had any audit reports issued by certified public accountants containing qualified, adverse or unexpressed opinions on its financial accounting reports for the most recent year or period.

- (5) The aggregate shares of the subsidiary to be spun off held by the directors and senior management of the listed company and their related parties exceed 10% of the total share capital of the subsidiary before the spin-off and listing, except for the shares indirectly held by directors and senior management and their related parties through the listed company

As at the date of this announcement, in addition to the shares indirectly held through the Company, the current directors and senior management of the Company and their related parties held a total equity interest of 4.87% in Annto, which does not exceed 10% of the total share capital prior to Annto's spin-off and listing.

In summary, the Company does not fall into any of the circumstances prohibited for spin-off by Article 4 of the Spin-off Rules.

3. The subsidiary of the listed company does not fall into any of the circumstances prohibited for spin-off by Article 5 of the Spin-off Rules

- (1) The principal business or assets are funded by or invested with the proceeds of the listed company's share issuance and capital raised within the last three fiscal years, except where the aggregate amount of proceeds used by the subsidiary in the last three fiscal years does not exceed 10% of the subsidiary's net assets

In the last three fiscal years, the Company's issuance of shares includes the public offering of H shares in 2024, where H shares refer to the shares issued by the Company and listed on the Main Board of the Hong Kong Stock Exchange. The proceeds from the public offering of H shares by the Company in 2024 were primarily be allocated to: (1) worldwide research and development efforts, accounting for approximately 20%, mainly including relevant efforts in "research generation", "reserve generation", and "development generation"; (2) upgrading intelligent manufacturing system and supply chain management, accounting for approximately 35%, mainly including expanding manufacturing capacity overseas, and enhancing the level of digitalization and intelligence of the Company's manufacturing infrastructure and supply chain; (3) enhancing distribution channels and sales networks around the world and increasing overseas sales under the Company's own brands, accounting for approximately 35%, mainly including building and strengthening the Company's brand and product portfolio in overseas markets, as well as expanding and upgrading the sales network around the world; and (4) working capital and general corporate purposes, accounting for approximately 10%.

The principal business or assets of Annto are not funded by or invested with the proceeds of the Company's share issuance and capital raised within the last three fiscal years.

- (2) The principal business or assets are acquired by the listed company through major asset restructuring in the last three fiscal years

The Company has not undergone any major asset restructuring in the last three fiscal years, and the principal business or assets of Annto are not acquired by the Company through major asset restructuring in the last three fiscal years.

- (3) The principal business or assets are the principal business or assets of the listed company at the time of its initial public offering and listing

Annto is mainly engaged in integrated supply chain logistics business, and the principal business or assets of Annto are not the principal business or assets of the Company at the time of its listing on the main board of the Shenzhen Stock Exchange.

- (4) The subsidiary to be spun off is mainly engaged in financial business

Annto is committed to providing customers with integrated and intelligent supply chain solutions, and offers supply chain solutions for the manufacturing industry from raw materials to finished products, as well as consumer supply chain solutions that encompass online and offline omnichannel inventory management and integrated delivery and installation services. It does not engage in supply chain finance business and is not a company engaged in financial services.

- (5) The aggregate shares of the subsidiary to be spun off held by the directors and senior management of the subsidiary and their related parties exceed 30% of the total share capital of the subsidiary before the spin-off and listing, except for the indirect shareholding by directors and senior management and their related parties through the listed company

As at the date of this announcement, the directors and senior management of Annto and their related parties held 7.60% of the share capital of Annto (excluding the equity interest indirectly held through the Company). The total share capital held by them does not exceed 30% of the total share capital of Annto prior to the Spin-off.

In summary, Annto does not fall into any of the circumstances prohibited for spin-off by Article 5 of the Spin-off Rules.

4. Matters that the listed company shall fully disclose and explain as stipulated in Article 6 of the Spin-off Rules

- (1) The Spin-off is beneficial to the listed company to highlight its principal business and enhance its independence

The Group is a globally leading technology group covering businesses in smart home, new energy and industrial technology, smart building technology, robotics and automation, healthcare, and smart logistics. Annto is a business segment of the smart logistics business under the Group's commercial and industrial solutions, serving as the only external platform for supply chain management (logistics) business, which is distinctly separate from the principal businesses of the Company and other enterprises controlled by the Company. The Spin-off is beneficial for both parties to focus on their respective market areas and highlight their core businesses, further enhancing the independence.

- (2) After the Spin-off, both the listed company and the subsidiary to be spun off would be in compliance with the regulatory requirements in relation to competition within the same industry and related-party transactions of the CSRC and the stock exchange; and in the case of spin-off for overseas listing, there is no competition within the same industry between the listed company and the subsidiary to be spun off

(i) Competition within the same industry

The Group is a globally leading technology group covering businesses in smart home, new energy and industrial technology, smart building technology, robotics and automation, healthcare, and smart logistics, and has established a business matrix that focuses on both ToC and ToB development, thereby providing consumers with various smart home products and services, as well as offering diversified commercial and industrial solutions to corporate clients.

Annto is an innovative business incubated by the Group during the transformation of its business model. It is capable of offering supply chain solutions for the manufacturing industry from raw materials to finished products, as well as consumer supply chain solutions that encompass online and offline omnichannel inventory management and integrated delivery and installation services, and is the Group's only external platform for supply chain management (logistics) business. There are substantial differences between the Company and its subsidiaries (excluding the entities and assets to be spun off) and Annto in terms of principal business model, the scope of services provided, the content of services provided, etc.

To avoid future competition within the same industry and protect the interests of minority investors, each of the Company, Midea Zhilian (Shanghai) Supply Chain Technology Co., Ltd. (美的智聯(上海)供應鏈科技有限公司) (“**Midea Zhilian**”), and Annto has issued a “Letter of Undertaking to Avoid Competition Within the Same Industry”.

Accordingly, after the Spin-off, there would be no substantial competition within the same industry between the Company and Annto. The Spin-off are in compliance with the requirements of the CSRC and the stock exchange in relation to competition within the same industry, as well as the provisions of item (2) of Article 6 of the Spin-off Rules.

(ii) Related-party transactions

Upon the completion of the Spin-off, the Company will still maintain control over Annto, and Annto will still be a subsidiary within the scope of the Company's consolidated statements, and related-party transactions of the Company will not change significantly as a result of the Spin-off.

In respect of Annto, the Company will still be the indirect controlling shareholder of Annto after the Spin-off, and relevant transactions between Annto and the Company and its related parties will continue to be counted as part of Annto's annual amount of related party transactions. Over the years, Annto, as one of the few suppliers in the market that are capable to respond to the Company's service needs in a fast and high-quality manner, has been providing stable and high-standard supply chain management (logistics) services to the Company, and has formed a long-term and stable cooperative relationship with the Company with a high degree of synergies. Such related-party transactions between Annto and the Company and its related parties are incurred from actual production and operational needs with reasonable commercial background, and are conducive to enhancing the synergistic development of the Company's internal operations. Moreover, the aforementioned transactions are priced fairly in accordance with market principles, and there are no related-party transactions that materially affect the independence or are obviously unfair.

After the completion of the Spin-off, the Company and Annto will ensure the compliance, reasonableness, necessity, and fairness of related-party transactions, and maintain the independence of the Company and Annto. The Company and Annto will not use related-party transactions to adjust financial indicators, thereby harming the interests of the Company and its Shareholders (especially minority shareholders), as well as the interests of Annto and its shareholders (especially minority shareholders).

To reduce and regulate the related-party transactions after the completion of the Spin-off, each of the Company, Midea Zhilian, and Annto has issued a "Letter of Undertaking on Reducing and Regulating Related-Party Transactions".

Accordingly, after the Spin-off, both the Company and Annto, the subsidiary to be spun off by the Company, are in compliance with the requirements of the CSRC and the stock exchange in relation to related-party transactions, as well as the provisions of item (2) of Article 6 of the Spin-off Rules.

- (3) The listed company and the subsidiary to be spun off shall be independent in terms of assets, finance, and organizations

As at the date of this announcement, each of the Group and Annto possesses independent and integral operating assets with clear ownership; has established their independent financial department and financial management system, and independently register, account for, and manage all of their own assets. The organizational structure of Annto is independent from its controlling shareholders, de facto controller, and other related parties. Each of the Group and Annto has sound functional department and internal management organization, which exercise their powers independently, with no instances of confusion between the organizations of Annto and the Group. The Group neither embezzles or controls the assets of Annto or interferes with Annto in managing its assets, nor is there any institutional confusion between the Company and Annto. After the Spin-off, the Group and Annto would maintain independence in assets, finance, and organizations.

- (4) There is no overlap in senior management and financial personnel between the listed company and the subsidiary to be spun off

As at the date of this announcement, Annto had independent senior management and financial personnel, and there were no instances of overlapping positions with the senior management and financial personnel of the Group. After the Spin-off, the Company and Annto would continue to maintain the independence of senior management and financial personnel, avoiding overlaps.

- (5) There is no other serious deficiency in independence

As at the date of this announcement, the Group and Annto were completely independent in terms of assets, each of which maintained independence in finance, organizations, personnel, and businesses, and possessed a complete business system and the ability to operate independently in the market. There is no other significant deficiency in independence.

In summary, the spin-off and listing of Annto on the Main Board of the Hong Kong Stock Exchange complies with the relevant requirements of the Spin-off Rules and is feasible.

This resolution has been considered and approved at the special meeting of the independent non-executive Directors of the Company.

This resolution shall be submitted to the general meeting of the Company for consideration.

V. Consider and approve the “Resolution Regarding the Spin-off of the Company’s Subsidiary, Annto Supply Chain Technology Co., Ltd., on the Main Board of The Stock Exchange of Hong Kong Limited Is Beneficial for Safeguarding the Legitimate Rights and Interests of Shareholders and Creditors”

After the Spin-off, from the perspective of value discovery, it will help fully release the intrinsic value of Annto. The value of equity interest held by the Company in Annto is expected to increase further, and liquidity will also significantly improve; from the perspective of performance enhancement, the development of Annto will be accelerated, and its business performance will be simultaneously reflected in the overall performance of the Company, thereby enhancing the Company’s profitability and financial stability; and from the perspective of structural optimization, it will help Annto further broaden its financing channels, improve the Company’s overall financing efficiency, and reduce the overall asset-liability ratio, thus enhancing the Company’s comprehensive strength.

Therefore, the Spin-off will have a positive impact on the interests of the shareholders of the Company (especially minority shareholders), creditors, and other stakeholders, and the Spin-off will be beneficial for safeguarding the legitimate rights and interests of the shareholders and creditors of the Company.

This resolution has been considered and approved at the special meeting of the independent non-executive Directors of the Company.

This resolution shall be submitted to the general meeting of the Company for consideration.

VI. Consider and approve the “Resolution Regarding the Company Maintains its Independence and Status as a Going Concern”

According to the requirements of the Spin-off Rules and other laws and regulations, the Company, after careful consideration of its actual situation and relevant matters of the Company and Annto, is of the view that upon completion of the Spin-off, the Company will be able to maintain its independence and continue as a going concern, details of which are as follows:

The Spin-off complies with the relevant requirements of the Spin-off Rules. The Company and Annto have independent and complete assets, maintaining independence in finance, organizations, personnel, and businesses, each of which possesses a complete business system and the ability to operate independently in the market, and has no other serious deficiency in independence.

Currently, various businesses of the Company are developing well, and Annto maintains a high degree of operational independence from other business segments of the Company. The Spin-off will not have a substantial impact on the ongoing operations of the Company's other business segments. Upon the completion of the Spin-off, Annto will remain a subsidiary within the scope of the Company's consolidated financial statements, and the financial position and profitability of Annto will continue to be reflected in the Company's consolidated statements. In the short term, there is possibility that the Company's share of net profit in Annto according to its equity interest will be diluted, however, in the medium-to-long term, the financing ability of Annto will be promoted and the scale of operation, the ability of innovation and profitability will be rapidly enhanced, which will in turn help enhance the overall profitability of the Company in the future and promote the growth of the Company's value in the long term.

In summary, after the Spin-off, the Company will be able to maintain its independence and status as a going concern.

This resolution has been considered and approved at the special meeting of the independent non-executive Directors of the Company.

This resolution shall be submitted to the general meeting of the Company for consideration.

VII. Consider and approve the “Resolution Regarding Annto Supply Chain Technology Co., Ltd. Has Standardized Operation Capability”

In accordance with the requirements of the Spin-off Rules and other laws and regulations, the Company, after careful consideration of the actual situation and relevant matters of Annto, is of the view that upon completion of the Spin-off, Annto will possess the corresponding standardized operation capability, details of which are as follows:

Annto, as a joint stock limited company, operates strictly in accordance with the Company Law, the Articles of Association of Annto Supply Chain Technology Co., Ltd. (the “**Articles of Annto**”), and various internal management regimes. It has established organizational structures such as the general meetings, board of directors, board of supervisors, and management organizations, and has formulated internal management regimes, including the Articles of Annto, Rules of Procedures for General Meetings, Rules of Procedures for Board of Directors, and Rules of Procedures for Board of Supervisors, in accordance with the requirements of the Company Law and other laws, regulations, and regulatory documents, thus possessing the corresponding standardized operation capability. For the purpose of the Spin-off, Annto will operate in accordance with the requirements of the Company Law, the Listing Rules and other relevant laws and regulations.

This resolution has been considered and approved at the special meeting of the independent non-executive Directors of the Company.

This resolution shall be submitted to the general meeting of the Company for consideration.

VIII. Consider and approve the “Resolution Regarding the Explanation on the Completeness and Compliance of the Legal Procedures for the Spin-off and the Validity of the Legal Documents Submitted”

The Company has performed the necessary legal procedures at current stage regarding the matters related to the Spin-off in accordance with the relevant requirements of the Company Law, the PRC Securities Law, the Spin-off Rules, and the articles of association. Such legal procedures are complete, legitimate, and valid. The Company has completed the legal procedures for the Spin-off in accordance with the relevant laws, regulations, regulatory documents, and the articles of association.

Regarding the relevant legal documents to be submitted for the Spin-off, the Company will strictly perform its legal responsibilities. The Company warrants the truthfulness, accuracy, completeness and timeliness of the application documents for the Spin-off and the relevant information and documents to be provided by the Company in the future, and that there are no false records, misleading statements or material omissions, and that the Company will bear the corresponding legal liabilities in respect of the same.

This resolution has been considered and approved at the special meeting of the independent non-executive Directors of the Company.

This resolution shall be submitted to the general meeting of the Company for consideration.

IX. Consider and approve the “Resolution Regarding the Analysis of the Objectives, Commercial Rationale, Necessity and Feasibility of the Spin-off”

1. The commercial rationale and necessity of the Spin-off

(1) Further focus on the principal business and compressing the management radius

The Group is a globally leading technology group covering businesses in smart home, new energy and industrial technology, smart building technology, robotics and automation, healthcare, and smart logistics. Annto is the smart logistics business segment of the Company, and such operational management model of supply chain business is unique, which is distinctly different from the principal businesses of other subsidiaries of the Group. As a diversified enterprise, the Group can further streamline its business management structure through the Spin-off, and compress the management radius to achieve a focus on business along with balanced development across different sectors.

(2) Promote the long-term development of Annto business and enhance its competitiveness

The logistics industry exhibits significant economies of scale. On one hand, the increase in transportation volume brought about by economies of scale can help spread fixed costs, reduce unit transportation costs, and improve overall profitability. On the other hand, as the logistics transportation network, including service points, warehouses, and transportation routes, continues to improve, Annto can achieve centralized control and utilize intelligent capabilities for analysis, optimization, and layout, thereby rationally allocating transport capacity and enhancing resource utilization efficiency.

The market-oriented financing tools and equity-settled acquisition platform as an independent listed company are important ways for Annto to expand its scale and further create economies of scale. By leveraging the listing platform, Annto will be able to better layout its warehouses and digital network construction, comprehensively enhance its transportation capacity, improve its ability to serve external customers, seize external growth opportunities, expand its corporate scale, and better serve the high-quality development of the economy.

In addition, through the Spin-off, Annto can establish a more flexible and compact organizational structure and management system tailored to the characteristics and development needs of its specific industry, as well as create an incentive mechanism that aligns with its development features to attract and retain outstanding talent, thereby fully stimulating Annto's innovation momentum.

(3) Unleash the valuation potential of innovative business segment

The Company has numerous business segments, and the valuation methods vary with business segments. The Spin-off will enhance the clarity and financial transparency of Annto, facilitating professional analysis by the capital markets, thus promoting the full unleashing of its intrinsic value, and achieving reasonable valuation and pricing. Shareholders of the Company can continue to benefit from the future growth of Annto, achieving the maximization of overall shareholder interests.

(4) Promote internationalization strategy and expand overseas markets

As an international financial center and business hub, Hong Kong presents excellent international business opportunities. Taking this spin-off as an opportunity, Annto can strengthen its ties with international customers, attract global talents and potential overseas partners; make use of Hong Kong's international financial platform to strengthen its ties with global investors and partners, obtain more financial support and market resources, and proactively expand its globalization layout, thus further boosting its overseas business expansion as well as its internationalization process.

2. Feasibility of the Spin-off

The Spin-off complies with the relevant requirements of the Spin-off Rules for listed companies to spin off their subsidiaries for overseas listing and is feasible.

This resolution has been considered and approved at the special meeting of the independent non-executive Directors of the Company.

This resolution shall be submitted to the general meeting of the Company for consideration.

X. Consider and approve the “Resolution Regarding Assured Entitlement in the Overseas Listing of Annto Supply Chain Technology Co., Ltd. Is Only Provided to the H Shareholders of the Company”

Regarding the Spin-off, in accordance with the Practice Note 15 of the Listing Rules (“**Practice Note 15**”), the Company shall have due regard to the interests of its existing shareholders by providing them with an assured entitlement to the new shares issued by Annto.

Due to the current legal and policy obstacles in providing the assured entitlement to the new shares to be issued by Annto to the existing A shareholders of the Company, in order to comply with the requirements of Practice Note 15, the Company will only provide such assured entitlement to the H shareholders of the Company for the Spin-off.

It is proposed that the general meeting of the Company authorize the Board and the persons authorized by the Board to determine and adjust the specific matters such as the number and proportion of the placing to be made to the H shareholders of the Company based on market conditions prior to the Spin-off, in accordance with relevant requirements, including the Practice Note 15.

This resolution has been considered and approved at the special meeting of the independent non-executive Directors of the Company.

This resolution shall be submitted to the general meeting of the Company for consideration.

XI. Consider and approve the “Resolution Regarding the Proposal for the General Meeting to Authorize the Board and Its Authorized Persons to Deal with All Matters Related to the Spin-off”

To ensure the smooth progress of matters related to the Spin-off, the Board proposes to seek authorization from the general meeting for the Board and its authorized persons to deal with all matters related to the Spin-off, including but not limited to:

1. to authorize the Board and its authorized persons to fully exercise, on behalf of the Company, the shareholders’ rights in Annto, to make resolutions regarding all matters that should be resolved by the general meeting of the Company in relation to the Spin-off (including but not limited to applications and filing materials submitted to the Hong Kong Stock Exchange and the CSRC for listing purposes), except for matters that must be resolved by the general meeting as stipulated by laws and regulations, and to execute relevant resolutions for issuance and listing, listing application documents, declarations, commitments, etc..
2. to authorize the Board and its authorized persons to amend, adjust, and supplement the relevant matters and related plans and proposals in relation to the Spin-off depending upon specific circumstances.

3. to authorize the Board and its authorized persons to decide whether to convert all or part (including specific proportions and quantities) of the domestic unlisted shares held by the Company in Annto into overseas listed shares (H shares) and make them available for trading on the Main Board of the Hong Kong Stock Exchange, and to formulate a specific full circulation plan before or after the Spin-off. In the case where the filing of such applications has been completed with the CSRC, Annto is authorized to deal with the relevant matters in relation to the conversion of such domestic unlisted shares into overseas listed shares and their listing and trading on the Hong Kong Stock Exchange.
4. to authorize the Board and its authorized persons to fully deal with all matters related to the Spin-off, including submitting relevant applications to the CSRC, stock exchanges (including the Hong Kong Stock Exchange), and other relevant authorities, and to make adjustments and changes to all matters related to the Spin-off as required by the securities regulatory authorities.
5. to authorize the Board and its authorized persons to decide on other specific matters related to the Spin-off, including but not limited to engaging relevant intermediaries, executing, submitting, and receiving necessary agreements and legal documents, and conducting relevant information disclosures in accordance with applicable regulatory rules.

The validity period of the aforementioned authorization shall be 24 months from the date on which this resolution is considered and approved at the general meeting of the Company. If the validity period of the resolution expires and Annto has obtained the relevant approvals or filing documents from the regulatory authorities for the issuance and listing within that validity period, the validity period of the resolution shall be automatically extended until the later of the completion date of the issuance and listing or the date of exercising the over-allotment option (if any).

This resolution shall be submitted to the general meeting of the Company for consideration.

Shareholders and potential investors of the Company are advised that the Spin-off is subject to, among others, the approval of shareholders of the Company and the filing or approval of the CSRC, the Hong Kong Stock Exchange and other relevant regulatory authorities, and will be subject to the final decision of the Board, as well as the final decision of the general meeting and the board of directors of Annto, etc., the market conditions and other factors. Shareholders and potential investors of the Company are advised that there is no assurance that the Spin-off will take place or as to when it may take place and they should therefore exercise caution when dealing in the securities of the Company.

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

Hong Kong, 29 April 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.