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XIAOMI CORPORATION

小米集团

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

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

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Xiaomi Corporation 小米集团 (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended December 31, 2025. The consolidated financial statements for the year ended December 31, 2025 have been audited by PricewaterhouseCoopers, the independent auditor of the Company (the “**Auditor**”) in accordance with International Standards on Auditing. The results have also been reviewed by the audit committee of the Company (the “**Audit Committee**”).

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

KEY HIGHLIGHTS

	Unaudited		
	Three months ended		
	December 31,	December 31,	Year-over-
	2025	2024	year change
	(Renminbi (“RMB”) in millions, unless specified)		
Revenue	116,916.5	109,005.2	7.3%
Gross profit	24,362.8	22,454.9	8.5%
Operating profit	6,228.7	8,889.9	-29.9%
Profit before income tax	7,120.5	9,407.7	-24.3%
Profit for the period	6,543.8	8,995.3	-27.3%
Non-IFRS Measure: Adjusted Net Profit ¹	6,349.1	8,316.2	-23.7%

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

	Year ended December 31,		
	2025	2024	Year-over- year change
	(RMB in millions, unless specified)		
Revenue	457,286.7	365,906.4	25.0%
Gross profit	101,805.8	76,560.2	33.0%
Operating profit	47,900.9	24,502.9	95.5%
Profit before income tax	49,646.9	28,126.7	76.5%
Profit for the year	41,566.4	23,578.4	76.3%
Non-IFRS Measure: Adjusted Net Profit	39,166.3	27,234.5	43.8%

BUSINESS REVIEW AND OUTLOOK

1. Overall Performance

In 2025, we continued to implement our core operating strategy of “steadfastly forging ahead,” delivering solid growth across our businesses. Total revenue and adjusted net profit both reached record highs. In 2025, total revenue was RMB457.3 billion, representing a year-over-year increase of 25.0%. Segment-wise, in 2025, revenue of our smartphone × AIoT segment reached RMB351.2 billion, up 5.4% year-over-year; revenue of our smart electric vehicle (“EV”), AI and other new initiatives segment reached RMB106.1 billion, up 223.8% year-over-year. In 2025, our adjusted net profit reached RMB39.2 billion, up 43.8% year-over-year.

In the fourth quarter of 2025, despite headwinds such as significantly increased memory costs and intensifying industry competition, we maintained resilience across all business segments. Total revenue for the fourth quarter of 2025 reached a record high of RMB116.9 billion, representing an increase of 7.3% year-over-year and the 5th consecutive quarter of revenue exceeding RMB100.0 billion. Segment-wise, in the fourth quarter of 2025, revenue of our smartphone × AIoT segment reached RMB79.7 billion; revenue of our smart EV, AI and other new initiatives segment reached RMB37.2 billion, up 123.4% year-over-year. In this quarter, our adjusted net profit reached RMB6.3 billion.

We continued to advance our “Human × Car × Home” corporate strategy. In 2025, our smartphone shipments reached 165.2 million units. According to Omdia, in 2025, we maintained top 3 global smartphone shipment ranking for the 5th consecutive year, with a market share of 13.3%. Meanwhile, we continued to expand our user ecosystem. In December 2025, our global monthly active users (“MAU”)² reached another record high of 754.1 million, up 7.4% year-over-year. As of December 31, 2025, the number of connected IoT devices on our AIoT platform (excluding smartphones, tablets and laptops) reached 1,079.2 million, up 19.3% year-over-year. In 2025, we achieved total deliveries of 411,082 vehicles.

² Including smartphones and tablets.

We continued to execute on our 2020–2030 goal of investing in foundational core technologies and becoming a global leader in the evolving realm of cutting-edge technologies. Over the past five years, our cumulative research and development (“**R&D**”) expenses reached RMB105.5 billion. In 2025, our R&D expenses increased by 37.8% year-over-year to RMB33.1 billion. As of December 31, 2025, our research and development personnel reached a record high of 25,457. In addition, we expect that beginning in 2026, our cumulative R&D expenses over the next five years (2026–2030) will exceed RMB200 billion.

2025 marked a year of major technological breakthroughs for Xiaomi. In January 2026, we held the 2025 Xiaomi Technology Awards ceremony. Our self-developed application processor, the *Xiaomi XRING O1*, received the First Prize of the Technology Award, in recognition of its outstanding performance across multiple fronts, including innovation, industry leadership and impact. The Dynamic Back Display of *Xiaomi 17 Pro Series*, 2,200 MPa Xiaomi Ultra-high strength steel, and Xiaomi EV “Four-in-One Domain Control Module” were awarded Second Prize. Third Prize winners included projects such as the innovative architecture of *Xiaomi AI Glasses*, the end-to-end + reinforcement learning parking assistance system, the 10-million-clip version of Xiaomi end-to-end assisted driving system, Xiaomi HyperRGB technology, LOFIC HDR technology, the irregular high-silicon battery structural technology, and the ordered mesoporous silicon-carbon battery material. As of 2026, the Xiaomi Technology Awards have been held for seven consecutive years, with total awards granted exceeding RMB75 million.

We continued to advance our artificial intelligence (AI) capabilities. In terms of foundation models, in December 2025, we officially unveiled our open-sourced *Xiaomi MiMo-V2-Flash*, a Mixture-of-Experts (MoE) model with 309 billion total parameters and 15 billion active parameters developed for extreme inference efficiency. In March 2026, we officially released *Xiaomi MiMo-V2-Pro*, our flagship foundation model built for real-world agentic scenarios. The model features over 1 trillion total parameters (with 42 billion active parameters), adopts an innovative hybrid attention architecture, and supports an ultra-long context window of up to 1 million tokens. *Xiaomi MiMo-V2-Pro* performs strongly across major agent benchmarks. According to the Artificial Analysis Intelligence Index, *Xiaomi MiMo-V2-Pro* ranked 8th by model and ranked 5th by brand.³ According to PinchBench, *Xiaomi MiMo-V2-Pro* ranked 3rd globally in average task completion rate.⁴ On the OpenRouter platform, *Xiaomi MiMo-V2-Pro* ranked 1st in token usage.⁵ On the same day, we also released *Xiaomi MiMo-V2-Omni*, an omni foundation model uniting frontier multimodal understanding with strong agentic capability, unifying text, vision, and speech within a single multimodal foundation. This design breaks the traditional limitation of models that emphasize understanding over execution, enabling native capabilities in multimodal perception, tool calling, function execution, and GUI interaction. According to PinchBench, *Xiaomi MiMo-V2-Omni* ranked 2nd in average task completion rate.⁶ In addition, we released *Xiaomi MiMo-V2-TTS*, a text-to-speech foundation model, empowering intelligent agents not only to understand the world, but also to communicate with users through expressive, natural, and emotionally rich speech.

³ As of March 18, 2026.

⁴ As of March 19, 2026.

⁵ From March 12 to March 23, 2026.

⁶ As of March 19, 2026.

We leverage our AI capabilities to comprehensively empower our “Human × Car × Home” ecosystem. In March 2026, our mobile agent, *Xiaomi miclaw*, entered invitation beta testing. Built upon the Xiaomi MiMo large foundation model, the AI interaction prototype focuses on validating large models’ execution capabilities within our “Human × Car × Home” ecosystem, exploring the evolving applications of large models from conversational intelligence to system-level task execution. *Xiaomi miclaw* enables smartphones to function as AI tools. It understands user intent and, upon authorization, can invoke applications and ecosystem capabilities, select system-level tools to execute commands, continuously optimize its behavior, and leverage its memory system to improve its understanding of user needs. In November 2025, we unveiled *Xiaomi Miloco (Xiaomi Local Copilot)*, our futuristic smart home solutions to explore smart home living powered by large-model technologies.

We keep exploring the frontier of physical intelligence. In February 2026, we released *TacRefineNet* as a phased research achievement in the field of embodied intelligence. It is a tactile-driven, dexterous robotic grasping fine-tuned model, enabling millimeter-level precision based solely on tactile sensing. In February 2026, we open-sourced our first-generation robotics large vision-language-action (VLA) model, *Xiaomi-Robotics-0*, featuring 4.7 billion parameters, capable of integrating vision-language understanding with real-time high-performance execution. The open source VLA model achieved state-of-the-art performance across the three mainstream simulation benchmarks, and demonstrated generalized physical intelligence in real-robot evaluations, operating with fluid motion and high responsiveness, while supporting real-time inference on consumer-grade GPUs. Furthermore, in March 2026, we conducted a demonstration at the Xiaomi EV factory where our embodied robots autonomously operated for 3 consecutive hours at the self-piercing nut loading workstation. The robots achieved a 90.2% success rate while satisfying the production line’s fastest takt time of 76 seconds. This represents the first step toward the scaled adoption of our embodied intelligence in EV manufacturing scenarios.

In February 2026, we officially debuted the *Xiaomi Vision Gran Turismo* in Barcelona, Spain. The Vision Gran Turismo is a futuristic supercar concept project exclusively designed for the *Gran Turismo* simulation racing platform. Xiaomi became the 36th brand to join the project and the creator of the 51st Vision Gran Turismo concept vehicle. Notably, Xiaomi was the first Chinese brand and the first technology company invited to participate in this prestigious project. Our collaboration with *Gran Turismo* not only reflects recognition from one of the world’s leading driving simulation platforms, but also represents a deep exploration of innovative design built upon Xiaomi EV’s strong foundation in advanced technology.

We continued to advance our new retail strategy globally. As of December 2025, the total number of our Xiaomi stores in the Chinese Mainland reached approximately 18,000, with a net addition of more than 3,000 during 2025. Among these, the number of our large-format stores (over 500 square meters) reached approximately 240, with a net addition of more than 170 during 2025. At the same time, we steadily expanded our new retail model in the overseas markets, with the total number of overseas new retail stores reaching approximately 450, with a net addition of more than 435 during 2025, covering Southeast Asia, Europe, East Asia, Latin America, Africa, etc.

We are committed to continuously enhancing shareholder value, and have been actively repurchasing our shares in the open market. In 2025, we repurchased approximately 152.6 million shares for approximately HK\$6.3 billion. In January 2026, for the first time, we announced an automatic share buy-back program for up to HK\$2.5 billion. In 2026⁷, we have repurchased approximately 130.5 million shares in the amount of approximately HK\$4.7 billion.

2. Smartphone × AIoT

In 2025, revenue from our smartphone × AIoT segment reached a record high of RMB351.2 billion, up 5.4% year-over-year. The gross profit margin of our smartphone × AIoT segment reached a record high of 21.7%, up 0.5 percentage points year-over-year. In the fourth quarter of 2025, revenue from our smartphone × AIoT segment reached RMB79.7 billion. The gross profit margin of our smartphone × AIoT segment was 20.0%.

Smartphones

In 2025, our smartphone revenue reached RMB186.4 billion, with a gross profit margin of 10.9%. Our global smartphone shipments reached 165.2 million units. According to third party data, in 2025, we rose to No. 2 in terms of smartphone units sold in the Chinese Mainland with a market share of 16.6%, up by 0.7 percentage points year-over-year. According to Omdia, in 2025, we maintained our top 3 global smartphone shipment ranking for the 5th consecutive year, with a market share of 13.3%. In 2025, our smartphone shipments rose to No. 2 in Latin America and Southeast Asia, with market share reaching 17.5% and 17.0%, respectively, each up 0.9 percentage points year-over-year. We ranked No. 3 in Europe and Africa, with our market share rising by 0.6 and 1.4 percentage points year-over-year to 20.3% and 12.7%, respectively. In 2025, our smartphone shipments ranked among the top three in 58 countries and regions globally and among the top five in 70 countries and regions globally.

In the fourth quarter of 2025, our smartphone revenue reached RMB44.3 billion, with a gross profit margin of 8.3%. Our global smartphone shipments were 37.7 million units. According to Omdia, in the fourth quarter of 2025, we maintained the top 3 global smartphone shipment ranking for the 22nd consecutive quarter, with a market share of 11.1%.

⁷ From January 1, 2026 to March 20, 2026.

We achieved significant breakthroughs in our premiumization strategy. According to third-party data, in 2025, our premium smartphone⁸ units sold accounted for a record high of 27.1% of our total smartphone units sold in the Chinese Mainland, representing an increase of 3.8 percentage points year-over-year. Our smartphone units sold in the RMB4,000–6,000 segment in the Chinese Mainland garnered a market share of 17.3%, up 0.5 percentage points year-over-year. In the RMB6,000–10,000 price segment, our smartphone market share increased by 2.3 percentage points year-over-year to 4.5%.

In December 2025, we upgraded the Global Imaging Strategic Cooperation between Xiaomi and Leica. Building upon the highly productive “Joint R&D” foundation, the two parties are introducing a new “Strategic Co-creation Model”, with *Xiaomi 17 Ultra by Leica* as the first product under this new collaborative framework. Equipped with a Leica 1-inch ultra dynamic camera and a Leica 200MP optical zoom telephoto camera, it boasts significantly enhanced imaging capabilities. Moreover, for the first time, the device features the iconic Leica red dot badge on its body and is equipped with the mobile imaging sector’s first Leica Camera Ring, designed for advanced imaging creators. In February 2026, we held the *Xiaomi 17 Series* Global Launch Event in Barcelona, Spain, unveiling the *Xiaomi 17*, *Xiaomi 17 Ultra* and the *Leica Leitzphone powered by Xiaomi*, priced starting at EUR999, EUR1,499 and EUR1,999, respectively.

IoT and lifestyle products

In 2025, revenue from our IoT and lifestyle products reached a record high of RMB123.2 billion, up 18.3% year-over-year, and both domestic and overseas revenues achieved record highs. Gross profit margin reached a record high of 23.1%, up 2.8 percentage points year-over-year. In the fourth quarter of 2025, revenue from our IoT and lifestyle products reached RMB24.6 billion, with a gross profit margin of 20.1%.

As of December 31, 2025, the number of connected IoT devices (excluding smartphones, tablets and laptops) on our AIoT platform increased to 1,079.2 million, up 19.3% year-over-year; the number of users with five or more devices connected to our AIoT platform (excluding smartphones, tablets and laptops) reached 22.7 million, up 23.6% year-over-year. In December 2025, the MAU of our Xiaomi Home App grew to 112.7 million, up 11.7% year-over-year. The MAU of our AI Assistant (“小愛同學”) grew to 159.9 million, up 16.7% year-over-year.

In 2025, our smart large home appliances revenue reached a record high, up 23.1% year-over-year. Our air conditioner shipments exceeded 8.5 million units, up over 24% year-over-year; our refrigerator shipments exceeded 2.8 million units, up over 4% year-over-year; and our washing machine shipments exceeded 2.3 million units, up over 18% year-over-year. Shipments across three product categories all reached record highs. In 2025, Xiaomi smart large home appliances officially entered the European market, covering countries including Spain, France, Germany, Italy, etc.

⁸ Premium smartphones in the Chinese Mainland are models with retail prices at or above RMB3,000.

According to Omdia, in 2025, our global shipments of wearable bands⁹ grew by 22.6% year-over-year, ranking No. 1 globally and No. 2 in the Chinese Mainland. Our global TWS earbud shipments grew by 32.3% year-over-year, ranking No. 2 globally and No. 1 in the Chinese Mainland. In addition, in 2025, our shipments of *Xiaomi AI Glasses* ranked No. 3 globally and No. 1 in the Chinese Mainland.

According to Omdia, in 2025, our global tablet shipments grew by 25.2% year-over-year, ranking among the top five globally and among the top three in the Chinese Mainland.

Internet services

In 2025, our internet services maintained healthy growth momentum, with both full-year and fourth-quarter revenues reaching record highs. In 2025, our internet services revenue reached RMB37.4 billion, up 9.7% year-over-year. The gross profit margin of our internet services reached 76.5%. In the fourth quarter of 2025, our internet services revenue reached RMB9.9 billion, up 5.9% year-over-year. The gross profit margin of our internet services reached 76.8%, up 0.3 percentage points year-over-year.

Our internet user base continued to expand. The MAU globally and in the Chinese mainland both hit record highs. In December 2025, our global MAU reached 754.1 million, up 7.4% year-over-year, and our MAU in the Chinese Mainland reached 190.4 million, up 10.1% year-over-year. In December 2025, the global MAU of our smart TVs¹⁰ reached 74.8 million, up 5.9% year-over-year.

In 2025, our advertising revenue reached a record high of RMB28.5 billion, up 15.2% year-over-year. In the fourth quarter of 2025, our advertising revenue reached a record high of RMB7.8 billion, up 10.4% year-over-year.

In 2025, our overseas internet services revenue reached a record high of RMB12.6 billion, up 15.2% year-over-year. Overseas internet services revenue accounted for 33.8% of our total internet services revenue, reaching a record high. In the fourth quarter of 2025, our overseas internet services revenue reached a record high of RMB3.7 billion, up 19.5% year-over-year. Overseas internet services revenue accounted for 36.9% of our total internet services revenue, reaching a record high.

3. Smart EV, AI and Other New Initiatives

In 2025, revenue from our smart EV, AI and other new initiatives segment reached RMB106.1 billion, exceeding RMB100.0 billion, up 223.8% year-over-year, consisting of RMB103.3 billion from smart EV and RMB2.8 billion from other related businesses. In 2025, the gross profit margin of our smart EV, AI and other new initiatives segment reached 24.3%, up 5.8 percentage points year-over-year. In 2025, our smart EV, AI and other new initiatives segment achieved positive income from operations¹¹ for the first time, of RMB0.9 billion.

⁹ Including basic bands, basic watches, and smart watches.

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

¹¹ Defined as gross profit minus operating expenses.

In the fourth quarter of 2025, revenue from our smart EV, AI, and other new initiatives segment reached RMB37.2 billion, up 123.4% year-over-year, consisting of RMB36.3 billion from smart EV and RMB1.0 billion from other related businesses. In the fourth quarter of 2025, the gross profit margin of our smart EV, AI and other new initiatives segment reached 22.7%, up 2.3 percentage points year-over-year. In the fourth quarter of 2025, income from operations related to our smart EV, AI and other new initiatives segment reached RMB1.1 billion.

In 2025, we achieved total deliveries of 411,082 vehicles, up 200.4% year-over-year. In the fourth quarter of 2025, we achieved total deliveries of 145,115 vehicles, up 108.2% year-over-year. In 2025, the *Xiaomi SU7 Series* ranked No. 1 in sales among sedans priced at or above RMB200,000 in the Chinese Mainland. As of February 2026, the *Xiaomi YU7 Series* ranked No. 1 in mid- to large-size SUV sales in the Chinese Mainland for 7 consecutive months.¹² In 2026, we will strive to achieve the target of delivering 550,000 vehicles for the entire year.

In March 2026, we officially launched the *New-Generation Xiaomi SU7 Series* (“**New-Generation SU7**”). The *New-Generation SU7* offers a comprehensive upgrade across safety, driving performance, intelligent experience, and premium comfort versus the previous generation. The *New-Generation SU7* is equipped with the *Xiaomi HyperEngine V6s Plus*, which achieves an energy transmission efficiency of 94% from battery to wheels through an upgraded energy flow management system. The entire lineup adopts a silicon carbide high-voltage platform and delivers long driving range, with the Pro model achieving a CLTC range of up to 902km. The *New-Generation SU7* also debuts the *Xiaomi Smart Chassis 2.0*, combining high-quality hardware, refined tuning, and advanced software-hardware integration to deliver precise, stable, and safe driving performance. In terms of assisted driving, the *new-generation SU7* has been comprehensively upgraded. On the hardware side, it comes standard with LiDAR and 700 TOPS of computing power for assisted driving. On the software side, the lineup is equipped with the latest Xiaomi HAD system, powered by the Xiaomi XLA architecture, marking a major upgrade of Xiaomi assisted driving, evolving from “imitating humans” to “truly understanding the world”. Continuing our uncompromising commitment to safety, the *New-Generation SU7* features an armor-cage steel-aluminum hybrid body structure, incorporating 2,200MPa ultra-high strength steel. The battery pack has undergone over 1,230 rigorous safety tests. In addition, the door handle design fully complies with the upcoming 2027 Chinese national safety standards. The *New-Generation SU7* was priced starting at RMB219,900, RMB249,900, and RMB303,900 for the Standard, Pro, and Max models, respectively. Locked-in orders for the *new-generation SU7* exceeded 15,000 within 34 minutes of launch, and surpassed 30,000 in the first 3 days after launch.

We continued to expand our sales and service network. As of December 31, 2025, in the Chinese Mainland, we opened 477 smart EV sales centers¹³ across 138 cities.

¹² Source: Autohome, from August 2025 to February 2026.

¹³ The sales centers of Xiaomi EV include Xiaomi EV delivery centers, Xiaomi EV sales and service centers and Xiaomi stores.

4. Corporate Social Responsibility (CSR)

We are committed to advance sustainable development. As part of our low-carbon development efforts, we procured over 40 million kWh of green electricity in 2025, representing a more than 10-fold year-over-year increase in transaction volume. In 2025, the photovoltaic electricity consumption of the Xiaomi EV Factory exceeded 13 million kWh, reducing annual carbon emissions by nearly 10,000 tons.

In terms of ESG ratings, we received a Management (B) score on both the 2025 climate change and water security questionnaires of the Carbon Disclosure Project (CDP). Moreover, in March 2026, we earned the Gold Medal by EcoVadis for the 3rd consecutive year, scoring a record high of 81, gaining continued recognition for our ESG practices.

MANAGEMENT DISCUSSION AND ANALYSIS

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

The following table sets forth the comparative figures for the years ended December 31, 2025 and 2024:

	Year ended December 31,	
	2025	2024
	(RMB in millions)	
Revenue	457,286.7	365,906.4
Cost of sales	(355,480.9)	(289,346.2)
Gross profit	101,805.8	76,560.2
Research and development expenses	(33,132.2)	(24,050.5)
Selling and marketing expenses	(33,214.3)	(25,389.6)
Administrative expenses	(6,653.0)	(5,601.2)
Fair value changes on financial instruments measured at fair value through profit or loss	13,311.7	1,050.8
Share of net profits of investments accounted for using the equity method	326.1	276.8
Other income	2,736.9	1,666.8
Other gains/(losses), net	2,719.9	(10.4)
Operating profit	47,900.9	24,502.9
Finance income, net	1,746.0	3,623.8
Profit before income tax	49,646.9	28,126.7
Income tax expenses	(8,080.5)	(4,548.3)
Profit for the year	41,566.4	23,578.4
Non-IFRS Measure: Adjusted Net Profit	39,166.3	27,234.5

Revenue

Revenue increased by 25.0% to RMB457.3 billion for the year ended December 31, 2025, compared to RMB365.9 billion for the year ended December 31, 2024. The following table sets forth our revenue by segment for the year ended December 31, 2025 and the year ended December 31, 2024:

	Year ended December 31,			
	2025		2024	
	Amount	% of total revenue	Amount	% of total revenue
	(RMB in millions, unless specified)			
Smartphone × AIoT	351,217.2	76.8%	333,152.8	91.0%
Smart EV, AI and other new initiatives	106,069.5	23.2%	32,753.6	9.0%
Total revenue	457,286.7	100.0%	365,906.4	100.0%

Smartphone × AIoT

Revenue from our smartphone × AIoT segment increased by 5.4% from RMB333.2 billion for the year ended December 31, 2024 to RMB351.2 billion for the year ended December 31, 2025. The following table sets forth our revenue by line of our smartphone × AIoT segment for the year ended December 31, 2025 and the year ended December 31, 2024:

	Year ended December 31,			
	2025		2024	
	Amount	% of total revenue	Amount	% of total revenue
	(RMB in millions, unless specified)			
Smartphone × AIoT				
Smartphones	186,439.8	40.8%	191,759.3	52.4%
IoT and lifestyle products	123,200.2	26.9%	104,103.9	28.5%
Internet services	37,440.3	8.2%	34,115.4	9.3%
Other related businesses	4,136.9	0.9%	3,174.2	0.8%
Total revenue of smartphone × AIoT segment	351,217.2	76.8%	333,152.8	91.0%

(i) *Smartphones*

Revenue from our smartphones decreased by 2.8% from RMB191.8 billion for the year ended December 31, 2024 to RMB186.4 billion for the year ended December 31, 2025, primarily due to the decrease in both our smartphone shipments and average selling price (“ASP”). Our smartphone shipments decreased by 2.0% from 168.5 million units for the year ended December 31, 2024 to 165.2 million units for the year ended December 31, 2025, primarily due to the decreased shipments in India, partially offset by the increased shipments in the Chinese Mainland and other international regions such as Latin America and Africa. Our smartphone shipments in the Chinese Mainland increased by 4.1% for the year ended December 31, 2025, despite the Chinese Mainland smartphone shipments decreased by 0.8% year-over-year, according to Omdia. The ASP of our smartphones decreased slightly by 0.8% from RMB1,138.2 per unit for the year ended December 31, 2024 to RMB1,128.7 per unit for the year ended December 31, 2025, primarily due to the growth on shipments in emerging markets which carry lower ASP, partially offset by the higher contribution of smartphone shipments in the Chinese Mainland which carry higher ASP.

(ii) *IoT and lifestyle products*

Revenue from our IoT and lifestyle products increased by 18.3% from RMB104.1 billion for the year ended December 31, 2024 to RMB123.2 billion for the year ended December 31, 2025, primarily due to the increased revenue from certain lifestyle products and tablets in the global market as well as smart large home appliances and wearables in the Chinese Mainland, driven by the national subsidies during the first half of the year.

Revenue from our tablets increased by 30.2% year-over-year, primarily due to the increased shipments of *Xiaomi Pad 7 Series* and *REDMI Pad 2 Series* in the global market.

Revenue from our smart large home appliances increased by 23.1% year-over-year, primarily due to the increased shipments in the Chinese Mainland.

Revenue from our wearables increased by 30.7% year-over-year, primarily due to the increased shipments and ASP of our smart bands and smart watches in the Chinese Mainland.

(iii) *Internet services*

Revenue from our internet services increased by 9.7% from RMB34.1 billion for the year ended December 31, 2024 to RMB37.4 billion for the year ended December 31, 2025, primarily due to the increased revenue from our advertising business.

(iv) *Other related businesses*

Revenue from our other related businesses increased by 30.3% from RMB3.2 billion for the year ended December 31, 2024 to RMB4.1 billion for the year ended December 31, 2025, primarily due to the increased revenue from installation services provided for air conditioners.

Smart EV, AI and Other New Initiatives

Revenue from our smart EV, AI and other new initiatives segment increased by 223.8% from RMB32.8 billion for the year ended December 31, 2024 to RMB106.1 billion for the year ended December 31, 2025.

Revenue from our smart EV increased by 221.8% from RMB32.1 billion for the year ended December 31, 2024 to RMB103.3 billion for the year ended December 31, 2025, primarily due to the increase in both our vehicle deliveries and ASP. Our vehicle deliveries increased by 200.4% from 136,854 units for the year ended December 31, 2024 to 411,082 units for the year ended December 31, 2025, primarily due to the introduction of *Xiaomi SU7 Ultra* and *Xiaomi YU7 Series*, as well as the increased deliveries of the *Xiaomi SU7 Series*. The ASP of our smart EV increased by 7.1% from RMB234,479 per unit for the year ended December 31, 2024 to RMB251,171 per unit for the year ended December 31, 2025, primarily due to the deliveries of *Xiaomi SU7 Ultra* and *Xiaomi YU7 Series* with higher ASP.

Revenue from our other related businesses increased by 324.2% from RMB0.7 billion for the year ended December 31, 2024 to RMB2.8 billion for the year ended December 31, 2025, primarily due to the increased revenue from after-sales services, sales of accessories and auto financing services.

Cost of Sales

Our cost of sales increased by 22.9% from RMB289.3 billion for the year ended December 31, 2024 to RMB355.5 billion for the year ended December 31, 2025. The following table sets forth our cost of sales by segment for the year ended December 31, 2025 and the year ended December 31, 2024:

	Year ended December 31,			
	2025		2024	
	Amount	% of total revenue	Amount	% of total revenue
	(RMB in millions, unless specified)			
Smartphone × AIoT	275,174.8	60.1%	262,642.9	71.8%
Smart EV, AI and other new initiatives	80,306.1	17.6%	26,703.3	7.3%
Total cost of sales	355,480.9	77.7%	289,346.2	79.1%

Smartphone × AIoT

Cost of sales related to our smartphone × AIoT segment increased by 4.8% from RMB262.6 billion for the year ended December 31, 2024 to RMB275.2 billion for the year ended December 31, 2025. The following table sets forth our cost of sales by line of our smartphone × AIoT segment for the year ended December 31, 2025 and the year ended December 31, 2024:

	Year ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
	Amount	% of total revenue	Amount	% of total revenue
	(RMB in millions, unless specified)			
Smartphone × AIoT				
Smartphones	166,173.6	36.3%	167,505.5	45.8%
IoT and lifestyle products	94,776.8	20.7%	83,011.8	22.7%
Internet services	8,800.1	1.9%	7,968.6	2.2%
Other related businesses	5,424.3	1.2%	4,157.0	1.1%
Total cost of sales of smartphone × AIoT segment	275,174.8	60.1%	262,642.9	71.8%

(i) Smartphones

Cost of sales related to our smartphones decreased by 0.8% from RMB167.5 billion for the year ended December 31, 2024 to RMB166.2 billion for the year ended December 31, 2025, primarily due to the decreased sales of our smartphones.

(ii) IoT and lifestyle products

Cost of sales related to our IoT and lifestyle products increased by 14.2% from RMB83.0 billion for the year ended December 31, 2024 to RMB94.8 billion for the year ended December 31, 2025, primarily due to the increased sales of our IoT and lifestyle products.

(iii) Internet services

Cost of sales related to our internet services increased by 10.4% from RMB8.0 billion for the year ended December 31, 2024 to RMB8.8 billion for the year ended December 31, 2025, primarily due to the increased cost of our advertising business.

(iv) Other related businesses

Cost of sales related to our other related businesses increased by 30.5% from RMB4.2 billion for the year ended December 31, 2024 to RMB5.4 billion for the year ended December 31, 2025, primarily due to the increased sales from installation services provided for air conditioners, as well as the increased cost from sales of materials.

Smart EV, AI and Other New Initiatives

Cost of sales related to our smart EV, AI and other new initiatives segment increased by 200.7% from RMB26.7 billion for the year ended December 31, 2024 to RMB80.3 billion for the year ended December 31, 2025, primarily due to the increased sales of our smart EV.

Gross Profit and Margin

As a result of the foregoing, our gross profit increased by 33.0% from RMB76.6 billion for the year ended December 31, 2024 to RMB101.8 billion for the year ended December 31, 2025. Our gross profit margin increased from 20.9% for the year ended December 31, 2024 to 22.3% for the year ended December 31, 2025.

The following table sets forth our gross profit and margin by segment for the year ended December 31, 2025 and the year ended December 31, 2024:

	Year ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
	Gross profit	Gross margin %	Gross profit	Gross margin %
	(RMB in millions, unless specified)			
Smartphone × AIoT	76,042.4	21.7%	70,509.9	21.2%
Smart EV, AI and other new initiatives	25,763.4	24.3%	6,050.3	18.5%
Total gross profit and margin	<u>101,805.8</u>	<u>22.3%</u>	<u>76,560.2</u>	<u>20.9%</u>

Smartphone × AIoT

The gross profit margin from our smartphone × AIoT segment increased from 21.2% for the year ended December 31, 2024 to 21.7% for the year ended December 31, 2025. The following table sets forth our gross profit and margin by line of our smartphone × AIoT segment for the year ended December 31, 2025 and the year ended December 31, 2024:

	Year ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
	Gross profit	Gross margin %	Gross profit	Gross margin %
	(RMB in millions, unless specified)			
Smartphone × AIoT				
Smartphones	20,266.2	10.9%	24,253.8	12.6%
IoT and lifestyle products	28,423.4	23.1%	21,092.1	20.3%
Internet services	28,640.2	76.5%	26,146.8	76.6%
Other related businesses	(1,287.4)	(31.1%)	(982.8)	(31.0%)
Total gross profit and margin of smartphone × AIoT segment	<u>76,042.4</u>	<u>21.7%</u>	<u>70,509.9</u>	<u>21.2%</u>

The gross profit margin from our smartphones decreased from 12.6% for the year ended December 31, 2024 to 10.9% for the year ended December 31, 2025, mainly due to the reduction in national subsidies in the Chinese Mainland and the increased price of key components in the second half of the year, as well as the increased competition in the global market.

The gross profit margin from our IoT and lifestyle products increased from 20.3% for the year ended December 31, 2024 to 23.1% for the year ended December 31, 2025, mainly due to the increased gross profit margin and higher revenue contribution of products with higher gross profit margin, such as wearables and certain lifestyle products.

The gross profit margin from our internet services remained roughly stable at 76.5% for the year ended December 31, 2025, compared to 76.6% for the year ended December 31, 2024.

Smart EV, AI and Other New Initiatives

The gross profit margin from our smart EV, AI and other new initiatives segment increased from 18.5% for the year ended December 31, 2024 to 24.3% for the year ended December 31, 2025, primarily due to the deliveries of *Xiaomi SU7 Ultra* and *Xiaomi YU7 Series*, as well as the increased gross profit margin of other related businesses.

Operating Expenses

Our operating expenses increased by 32.6% from RMB55.0 billion for the year ended December 31, 2024 to RMB73.0 billion for the year ended December 31, 2025. Our operating expenses related to our smart EV, AI and other new initiatives segment increased by 87.7% from RMB13.2 billion for the year ended December 31, 2024 to RMB24.8 billion¹⁴ for the year ended December 31, 2025.

Research and Development Expenses

Our research and development expenses increased by 37.8% from RMB24.1 billion for the year ended December 31, 2024 to RMB33.1 billion for the year ended December 31, 2025, primarily due to the higher research and development expenses related to our smart EV, AI and other new initiatives, as well as the increase in compensation for research and development personnel related to smartphone × AIoT.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 30.8% from RMB25.4 billion for the year ended December 31, 2024 to RMB33.2 billion for the year ended December 31, 2025, primarily due to the increase in selling and marketing expenses related to our smart EV, logistics expenses related to smartphone × AIoT, as well as expenses related to expansion of our new retail stores.

¹⁴ Including share-based compensation expenses of RMB1.6 billion related to our smart EV, AI and other new initiatives segment for the year.

Administrative Expenses

Our administrative expenses increased by 18.8% from RMB5.6 billion for the year ended December 31, 2024 to RMB6.7 billion for the year ended December 31, 2025, primarily due to the increase in compensation for administrative personnel, partially offset by the decrease in credit loss allowance for receivables.

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

Our fair value changes on financial instruments measured at fair value through profit or loss increased from a gain of RMB1.1 billion for the year ended December 31, 2024 to a gain of RMB13.3 billion for the year ended December 31, 2025, primarily due to the higher fair value gains of listed equity investments, and the fair value gains of unlisted preferred shares investments for the year ended December 31, 2025, compared to fair value losses of unlisted preferred shares investments for the year ended December 31, 2024.

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

Our share of net profits of investments accounted for using the equity method increased from net profits of RMB276.8 million for the year ended December 31, 2024 to net profits of RMB326.1 million for the year ended December 31, 2025.

Other Income

Our other income increased by 64.2% from RMB1.7 billion for the year ended December 31, 2024 to RMB2.7 billion for the year ended December 31, 2025, primarily due to the increase of subsidy income.

Other Gains/(Losses), Net

Our net other gains/(losses) changed from a net loss of RMB10.4 million for the year ended December 31, 2024 to a net gain of RMB2.7 billion for the year ended December 31, 2025, primarily due to the increase of deemed disposal gains of investments accounted for using the equity method, as well as the change from foreign exchange losses to gains.

Finance Income, Net

Our net finance income decreased by 51.8% from RMB3.6 billion for the year ended December 31, 2024 to RMB1.7 billion for the year ended December 31, 2025, primarily due to the change of value of financial liabilities payable to fund investors, partially offset by the increase of interest income due to our higher cash balance.

Income Tax Expenses

Our income tax expenses increased by 77.7% from RMB4.5 billion for the year ended December 31, 2024 to RMB8.1 billion for the year ended December 31, 2025, primarily due to increase of taxable profit.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 76.3% from RMB23.6 billion for the year ended December 31, 2024 to RMB41.6 billion for the year ended December 31, 2025.

Adjusted Net Profit

Our adjusted net profit increased by 43.8% from RMB27.2 billion for the year ended December 31, 2024 to RMB39.2 billion for the year ended December 31, 2025.

Fourth Quarter of 2025 Compared to Fourth Quarter of 2024

The following table sets forth the comparative figures for the fourth quarter of 2025 and the fourth quarter of 2024:

	Unaudited	
	Three months ended	
	December 31,	December 31,
	2025	2024
	(RMB in millions)	
Revenue	116,916.5	109,005.2
Cost of sales	(92,553.7)	(86,550.3)
Gross profit	24,362.8	22,454.9
Research and development expenses	(9,597.7)	(7,436.6)
Selling and marketing expenses	(9,926.9)	(7,729.4)
Administrative expenses	(1,647.6)	(1,480.3)
Fair value changes on financial instruments measured at fair value through profit or loss	1,638.1	2,578.2
Share of net profits/(losses) of investments accounted for using the equity method	150.6	(2.7)
Other income	589.1	946.2
Other gains/(losses), net	660.3	(440.4)
Operating profit	6,228.7	8,889.9
Finance income, net	891.8	517.8
Profit before income tax	7,120.5	9,407.7
Income tax expenses	(576.7)	(412.4)
Profit for the period	6,543.8	8,995.3
Non-IFRS Measure: Adjusted Net Profit	6,349.1	8,316.2

Revenue

Revenue increased by 7.3% from RMB109.0 billion in the fourth quarter of 2024 to RMB116.9 billion in the fourth quarter of 2025. The following table sets forth our revenue by segment in the fourth quarter of 2025 and the fourth quarter of 2024:

	Unaudited			
	Three months ended			
	December 31, 2025		December 31, 2024	
	% of total		% of total	
	Amount	revenue	Amount	revenue
	(RMB in millions, unless specified)			
Smartphone × AIoT	79,700.4	68.2%	92,343.5	84.7%
Smart EV, AI and other new initiatives	37,216.1	31.8%	16,661.7	15.3%
Total revenue	<u>116,916.5</u>	<u>100.0%</u>	<u>109,005.2</u>	<u>100.0%</u>

Smartphone × AIoT

Revenue from our smartphone × AIoT segment decreased by 13.7% from RMB92.3 billion in the fourth quarter of 2024 to RMB79.7 billion in the fourth quarter of 2025. The following table sets forth our revenue by line of our smartphone × AIoT segment in the fourth quarter of 2025 and the fourth quarter of 2024:

	Unaudited			
	Three months ended			
	December 31, 2025		December 31, 2024	
	% of total		% of total	
	Amount	revenue	Amount	revenue
	(RMB in millions, unless specified)			
Smartphone × AIoT				
Smartphones	44,338.8	37.9%	51,310.8	47.1%
IoT and lifestyle products	24,596.6	21.0%	30,867.9	28.3%
Internet services	9,886.0	8.5%	9,338.6	8.6%
Other related businesses	879.0	0.8%	826.2	0.7%
Total revenue of smartphone × AIoT segment	<u>79,700.4</u>	<u>68.2%</u>	<u>92,343.5</u>	<u>84.7%</u>

(i) *Smartphones*

Revenue from our smartphones decreased by 13.6% from RMB51.3 billion in the fourth quarter of 2024 to RMB44.3 billion in the fourth quarter of 2025, primarily due to the decrease in both our smartphone shipments and ASP. Our smartphone shipments decreased by 11.6% from 42.7 million units in the fourth quarter of 2024 to 37.7 million units in the fourth quarter of 2025, primarily due to the reduced promotional activities in the overseas markets. The ASP of our smartphones decreased slightly by 2.2% from RMB1,202.4 per unit in the fourth quarter of 2024 to RMB1,176.0 per unit in the fourth quarter of 2025, primarily due to the decreased ASP in the overseas markets, partially offset by the increased ASP in the Chinese Mainland. The ASP increased in the Chinese Mainland is primarily due to the higher contribution from our premium smartphone shipments, especially *Xiaomi 17 Pro Max* and *Xiaomi 17 Pro*.

(ii) *IoT and lifestyle products*

Revenue from our IoT and lifestyle products decreased by 20.3% from RMB30.9 billion in the fourth quarter of 2024 to RMB24.6 billion in the fourth quarter of 2025, primarily due to the decrease in revenue from certain lifestyle products, smart large home appliances and smart TVs in the Chinese Mainland resulting from the reduction in national subsidies and increased competition, partially offset by the increased revenue from tablets and smart TVs in the overseas markets.

(iii) *Internet services*

Revenue from our internet services increased by 5.9% from RMB9.3 billion in the fourth quarter of 2024 to RMB9.9 billion in the fourth quarter of 2025, primarily due to the increased revenue from our advertising business.

(iv) *Other related businesses*

Revenue from our other related businesses increased by 6.4% from RMB0.8 billion in the fourth quarter of 2024 to RMB0.9 billion in the fourth quarter of 2025, primarily due to the increased revenue from installation services provided for air conditioners.

Smart EV, AI and Other New Initiatives

Revenue from our smart EV, AI and other new initiatives segment increased by 123.4% from RMB16.7 billion in the fourth quarter of 2024 to RMB37.2 billion in the fourth quarter of 2025.

Revenue from our smart EV increased by 122.0% from RMB16.3 billion in the fourth quarter of 2024 to RMB36.3 billion in the fourth quarter of 2025, primarily due to the increase in both our vehicle deliveries and ASP. Our vehicle deliveries increased by 108.2% from 69,697 units in the fourth quarter of 2024 to 145,115 units in the fourth quarter of 2025, primarily due to the introduction of *Xiaomi YU7 Series*, partially offset by the decreased deliveries of *Xiaomi SU7 Series*. The ASP of our smart EV increased by 6.6% from RMB234,322 per unit in the fourth quarter of 2024 to RMB249,846 per unit in the fourth quarter of 2025, primarily due to the deliveries of *Xiaomi YU7 Series*.

Revenue from our other related businesses increased by 190.7% from RMB0.3 billion in the fourth quarter of 2024 to RMB1.0 billion in the fourth quarter of 2025, primarily due to the increased revenue from after-sales services, sales of accessories and auto financing services.

Cost of Sales

Our cost of sales increased by 6.9% from RMB86.6 billion in the fourth quarter of 2024 to RMB92.6 billion in the fourth quarter of 2025. The following table sets forth our cost of sales by segment in the fourth quarter of 2025 and the fourth quarter of 2024:

	Unaudited			
	Three months ended			
	December 31, 2025		December 31, 2024	
	Amount	% of total revenue	Amount	% of total revenue
(RMB in millions, unless specified)				
Smartphone × AIoT	63,790.9	54.6%	73,295.5	67.2%
Smart EV, AI and other new initiatives	28,762.8	24.6%	13,254.8	12.2%
Total cost of sales	<u>92,553.7</u>	<u>79.2%</u>	<u>86,550.3</u>	<u>79.4%</u>

Smartphone × AIoT

Cost of sales related to our smartphone × AIoT segment decreased by 13.0% from RMB73.3 billion in the fourth quarter of 2024 to RMB63.8 billion in the fourth quarter of 2025. The following table sets forth our cost of sales by line of our smartphone × AIoT segment in the fourth quarter of 2025 and the fourth quarter of 2024:

	Unaudited			
	Three months ended			
	December 31, 2025		December 31, 2024	
	Amount	% of total revenue	Amount	% of total revenue
(RMB in millions, unless specified)				
Smartphone × AIoT				
Smartphones	40,671.0	34.8%	45,133.2	41.4%
IoT and lifestyle products	19,644.8	16.8%	24,525.0	22.5%
Internet services	2,294.0	2.0%	2,194.4	2.0%
Other related businesses	1,181.1	1.0%	1,442.9	1.3%
Total cost of sales of smartphone × AIoT segment	<u>63,790.9</u>	<u>54.6%</u>	<u>73,295.5</u>	<u>67.2%</u>

(i) Smartphones

Cost of sales related to our smartphones decreased by 9.9% from RMB45.1 billion in the fourth quarter of 2024 to RMB40.7 billion in the fourth quarter of 2025, primarily due to the decreased sales of our smartphones, partially offset by the increased price of key components.

(ii) IoT and lifestyle products

Cost of sales related to our IoT and lifestyle products decreased by 19.9% from RMB24.5 billion in the fourth quarter of 2024 to RMB19.6 billion in the fourth quarter of 2025, primarily due to the decreased sales of our IoT and lifestyle products.

(iii) Internet services

Cost of sales related to our internet services increased by 4.5% from RMB2.2 billion in the fourth quarter of 2024 to RMB2.3 billion in the fourth quarter of 2025, primarily due to the increased cost of our advertising business.

(iv) Other related businesses

Cost of sales related to our other related businesses decreased by 18.1% from RMB1.4 billion in the fourth quarter of 2024 to RMB1.2 billion in the fourth quarter of 2025, primarily due to the decreased cost from sales of materials.

Smart EV, AI and Other New Initiatives

Cost of sales related to our smart EV, AI and other new initiatives segment increased by 117.0% from RMB13.3 billion in the fourth quarter of 2024 to RMB28.8 billion in the fourth quarter of 2025, primarily due to the increased sales of our smart EV.

Gross Profit and Margin

As a result of the foregoing, our gross profit increased by 8.5% from RMB22.5 billion in the fourth quarter of 2024 to RMB24.4 billion in the fourth quarter of 2025. Our gross profit margin increased from 20.6% in the fourth quarter of 2024 to 20.8% in the fourth quarter of 2025.

The following table sets forth our gross profit and margin by segment in the fourth quarter of 2025 and the fourth quarter of 2024:

	Unaudited			
	Three months ended			
	December 31, 2025		December 31, 2024	
	Gross		Gross	
Gross profit	margin %	Gross profit	margin %	
(RMB in millions, unless specified)				
Smartphone × AIoT	15,909.5	20.0%	19,048.0	20.6%
Smart EV, AI and other new initiatives	8,453.3	22.7%	3,406.9	20.4%
Total gross profit and margin	<u>24,362.8</u>	<u>20.8%</u>	<u>22,454.9</u>	<u>20.6%</u>

Smartphone × AIoT

The gross profit margin from our smartphone × AIoT segment decreased from 20.6% in the fourth quarter of 2024 to 20.0% in the fourth quarter of 2025. The following table sets forth our gross profit and margin by line of our smartphone × AIoT segment in the fourth quarter of 2025 and the fourth quarter of 2024:

	Unaudited			
	Three months ended			
	December 31, 2025		December 31, 2024	
	Gross		Gross	
Gross profit	margin %	Gross profit	margin %	
(RMB in millions, unless specified)				
Smartphone × AIoT				
Smartphones	3,667.8	8.3%	6,177.6	12.0%
IoT and lifestyle products	4,951.8	20.1%	6,342.9	20.5%
Internet services	7,592.0	76.8%	7,144.2	76.5%
Other related businesses	(302.1)	(34.4%)	(616.7)	(74.6%)
Total gross profit and margin of smartphone × AIoT segment	<u>15,909.5</u>	<u>20.0%</u>	<u>19,048.0</u>	<u>20.6%</u>

The gross profit margin from our smartphones decreased from 12.0% in the fourth quarter of 2024 to 8.3% in the fourth quarter of 2025, mainly due to the increased price of key components and the increased competition in the Chinese Mainland, partially offset by the higher revenue contribution of products with higher gross profit margin in the overseas markets.

The gross profit margin from our IoT and lifestyle products decreased from 20.5% in the fourth quarter of 2024 to 20.1% in the fourth quarter of 2025, mainly due to the decreased gross profit margin of smart large home appliances in the Chinese Mainland, partially offset by the increased gross profit margin and higher revenue contribution of products with higher gross profit margin, such as certain lifestyle products, tablets and wearables in the overseas markets.

The gross profit margin from our internet services increased from 76.5% in the fourth quarter of 2024 to 76.8% in the fourth quarter of 2025, mainly due to the higher revenue contribution of our advertising business.

Smart EV, AI and Other New Initiatives

The gross profit margin from our smart EV, AI and other new initiatives segment increased from 20.4% in the fourth quarter of 2024 to 22.7% in the fourth quarter of 2025, primarily due to the deliveries of *Xiaomi YU7 Series*.

Operating Expenses

Our operating expenses increased by 27.2% from RMB16.6 billion in the fourth quarter of 2024 to RMB21.2 billion in the fourth quarter of 2025. Our operating expenses related to our smart EV, AI and other new initiatives segment increased by 66.4% from RMB4.4 billion in the fourth quarter of 2024 to RMB7.4 billion¹⁵ in the fourth quarter of 2025.

Research and Development Expenses

Our research and development expenses increased by 29.1% from RMB7.4 billion in the fourth quarter of 2024 to RMB9.6 billion in the fourth quarter of 2025, primarily due to the higher research and development expenses related to our smart EV, AI and other new initiatives, as well as the increase in compensation for research and development personnel related to smartphone × AIoT.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 28.4% from RMB7.7 billion in the fourth quarter of 2024 to RMB9.9 billion in the fourth quarter of 2025, primarily due to the increase in selling and marketing expenses related to our smart EV, as well as expenses related to expansion of our new retail stores.

Administrative Expenses

Our administrative expenses increased by 11.3% from RMB1.5 billion in the fourth quarter of 2024 to RMB1.6 billion in the fourth quarter of 2025, primarily due to the increase in credit loss allowance for receivables and professional service fees.

¹⁵ Including share-based compensation expenses of RMB0.4 billion related to our smart EV, AI and other new initiatives segment for the quarter.

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

Our fair value changes on financial instruments measured at fair value through profit or loss decreased from a gain of RMB2.6 billion in the fourth quarter of 2024 to a gain of RMB1.6 billion in the fourth quarter of 2025, primarily due to the fair value losses of listed equity investments in the fourth quarter of 2025, compared to fair value gains of listed equity investments in the fourth quarter of 2024, partially offset by the higher fair value gains of unlisted preferred shares investments in the fourth quarter of 2025.

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

Our share of net profits/(losses) of investments accounted for using the equity method changed from net losses of RMB2.7 million in the fourth quarter of 2024 to net profits of RMB150.6 million in the fourth quarter of 2025.

Other Income

Our other income decreased by 37.7% from RMB0.9 billion in the fourth quarter of 2024 to RMB0.6 billion in the fourth quarter of 2025, primarily due to the decrease of subsidy income.

Other Gains/(Losses), Net

Our net other gains/(losses) changed from a net loss of RMB0.4 billion in the fourth quarter of 2024 to a net gain of RMB0.7 billion in the fourth quarter of 2025, mainly due to the increase of deemed disposal gains of investments accounted for using the equity method, as well as the change from foreign exchange losses to gains.

Finance Income, Net

Our net finance income increased by 72.2% from RMB0.5 billion in the fourth quarter of 2024 to RMB0.9 billion in the fourth quarter of 2025, primarily due to the increase of interest income from our higher cash balance, partially offset by the change of value of financial liabilities payable to fund investors.

Income Tax Expenses

Our income tax expenses increased by 39.8% from RMB0.4 billion in the fourth quarter of 2024 to RMB0.6 billion in the fourth quarter of 2025, primarily due to higher taxable profit recorded for the period.

Profit for the Period

As a result of the foregoing, our profit for the period decreased by 27.3% from RMB9.0 billion in the fourth quarter of 2024 to RMB6.5 billion in the fourth quarter of 2025.

Adjusted Net Profit

Our adjusted net profit decreased by 23.7% from RMB8.3 billion in the fourth quarter of 2024 to RMB6.3 billion in the fourth quarter of 2025.

Fourth Quarter of 2025 Compared to Third Quarter of 2025

The following table sets forth the comparative figures for the fourth quarter of 2025 and the third quarter of 2025:

	Unaudited	
	Three months ended	
	December 31,	September 30,
	2025	2025
	(RMB in millions)	
Revenue	116,916.5	113,120.7
Cost of sales	(92,553.7)	(87,184.5)
Gross profit	24,362.8	25,936.2
Research and development expenses	(9,597.7)	(9,059.4)
Selling and marketing expenses	(9,926.9)	(8,309.7)
Administrative expenses	(1,647.6)	(1,848.2)
Fair value changes on financial instruments measured at fair value through profit or loss	1,638.1	5,483.2
Share of net profits of investments accounted for using the equity method	150.6	25.1
Other income	589.1	1,686.6
Other gains, net	660.3	1,196.3
Operating profit	6,228.7	15,110.1
Finance income/(costs), net	891.8	(154.5)
Profit before income tax	7,120.5	14,955.6
Income tax expenses	(576.7)	(2,698.9)
Profit for the period	6,543.8	12,256.7
Non-IFRS Measure: Adjusted Net Profit	6,349.1	11,310.9

Revenue

Revenue increased by 3.4% from RMB113.1 billion in the third quarter of 2025 to RMB116.9 billion in the fourth quarter of 2025. The following table sets forth our revenue by segment in the fourth quarter of 2025 and the third quarter of 2025:

	Unaudited			
	Three months ended			
	December 31, 2025		September 30, 2025	
	% of total		% of total	
	Amount	revenue	Amount	revenue
	(RMB in millions, unless specified)			
Smartphone × AIoT	79,700.4	68.2%	84,110.6	74.4%
Smart EV, AI and other new initiatives	37,216.1	31.8%	29,010.1	25.6%
Total revenue	<u>116,916.5</u>	<u>100.0%</u>	<u>113,120.7</u>	<u>100.0%</u>

Smartphone × AIoT

Revenue from our smartphone × AIoT segment decreased by 5.2% from RMB84.1 billion in the third quarter of 2025 to RMB79.7 billion in the fourth quarter of 2025. The following table sets forth our revenue by line of our smartphone × AIoT segment in the fourth quarter of 2025 and the third quarter of 2025:

	Unaudited			
	Three months ended			
	December 31, 2025		September 30, 2025	
	% of total		% of total	
	Amount	revenue	Amount	revenue
	(RMB in millions, unless specified)			
Smartphone × AIoT				
Smartphones	44,338.8	37.9%	45,969.0	40.6%
IoT and lifestyle products	24,596.6	21.0%	27,552.1	24.4%
Internet services	9,886.0	8.5%	9,380.5	8.3%
Other related businesses	879.0	0.8%	1,209.0	1.1%
Total revenue of smartphone × AIoT segment	<u>79,700.4</u>	<u>68.2%</u>	<u>84,110.6</u>	<u>74.4%</u>

(i) *Smartphones*

Revenue from our smartphones decreased by 3.5% from RMB46.0 billion in the third quarter of 2025 to RMB44.3 billion in the fourth quarter of 2025, primarily due to the decrease in our smartphone shipments, partially offset by the increase in our smartphone ASP. Our smartphone shipments decreased by 12.8% from 43.3 million units in the third quarter of 2025 to 37.7 million units in the fourth quarter of 2025, primarily due to the decreased shipments of overseas markets resulting from the reduced promotional activities. The ASP of our smartphones increased by 10.7% from RMB1,062.8 per unit in the third quarter of 2025 to RMB1,176.0 per unit in the fourth quarter of 2025, primarily due to the higher contribution from our premium smartphone shipments in the Chinese Mainland, especially *Xiaomi 17 Pro Max* and *Xiaomi 17 Pro*.

(ii) *IoT and lifestyle products*

Revenue from our IoT and lifestyle products decreased by 10.7% from RMB27.6 billion in the third quarter of 2025 to RMB24.6 billion in the fourth quarter of 2025, primarily due to the decreased revenue from smart large home appliances in the Chinese Mainland and certain lifestyle products in the overseas markets.

Revenue from our smart large home appliances decreased by 40.2% quarter-over-quarter, primarily due to the seasonal decrease in revenue of air conditioners.

(iii) *Internet services*

Revenue from our internet services increased by 5.4% from RMB9.4 billion in the third quarter of 2025 to RMB9.9 billion in the fourth quarter of 2025, primarily due to the increased revenue from our advertising business.

(iv) *Other related businesses*

Revenue from our other related businesses decreased by 27.3% from RMB1.2 billion in the third quarter of 2025 to RMB0.9 billion in the fourth quarter of 2025, primarily due to the decreased revenue from installation services provided for air conditioners.

Smart EV, AI and Other New Initiatives

Revenue from our smart EV, AI and other new initiatives segment increased by 28.3% from RMB29.0 billion in the third quarter of 2025 to RMB37.2 billion in the fourth quarter of 2025.

Revenue from our smart EV increased by 28.1% from RMB28.3 billion in the third quarter of 2025 to RMB36.3 billion in the fourth quarter of 2025, primarily due to the increase in our vehicle deliveries, partially offset by the decrease in our ASP. Our vehicle deliveries increased by 33.4% from 108,796 units in the third quarter of 2025 to 145,115 units in the fourth quarter of 2025, primarily due to the increased deliveries of *Xiaomi YU7 Series*, partially offset by the decreased deliveries of *Xiaomi SU7 Series*. The ASP of our smart EV decreased by 3.9% from RMB260,053 per unit in the third quarter of 2025 to RMB249,846 per unit in the fourth quarter of 2025, primarily due to the lower contribution from deliveries of *Xiaomi SU7 Ultra*.

Revenue from our other related businesses increased by 33.8% from RMB0.7 billion in the third quarter of 2025 to RMB1.0 billion in the fourth quarter of 2025, primarily due to the increased revenue from after-sales services, sales of accessories and auto financing services.

Cost of Sales

Our cost of sales increased by 6.2% from RMB87.2 billion in the third quarter of 2025 to RMB92.6 billion in the fourth quarter of 2025. The following table sets forth our cost of sales by segment in the fourth quarter of 2025 and the third quarter of 2025:

	Unaudited			
	Three months ended			
	December 31, 2025		September 30, 2025	
	Amount	% of total revenue	Amount	% of total revenue
(RMB in millions, unless specified)				
Smartphone × AIoT	63,790.9	54.6%	65,558.4	58.0%
Smart EV, AI and other new initiatives	28,762.8	24.6%	21,626.1	19.1%
Total cost of sales	<u>92,553.7</u>	<u>79.2%</u>	<u>87,184.5</u>	<u>77.1%</u>

Smartphone × AIoT

Cost of sales related to our smartphone × AIoT segment decreased by 2.7% from RMB65.6 billion in the third quarter of 2025 to RMB63.8 billion in the fourth quarter of 2025. The following table sets forth our cost of sales by line of our smartphone × AIoT segment in the fourth quarter of 2025 and the third quarter of 2025:

	Unaudited			
	Three months ended			
	December 31, 2025		September 30, 2025	
	Amount	% of total revenue	Amount	% of total revenue
(RMB in millions, unless specified)				
Smartphone × AIoT				
Smartphones	40,671.0	34.8%	40,873.5	36.1%
IoT and lifestyle products	19,644.8	16.8%	20,957.0	18.5%
Internet services	2,294.0	2.0%	2,169.8	1.9%
Other related businesses	1,181.1	1.0%	1,558.1	1.5%
Total cost of sales of smartphone × AIoT segment	<u>63,790.9</u>	<u>54.6%</u>	<u>65,558.4</u>	<u>58.0%</u>

(i) Smartphones

Cost of sales related to our smartphones decreased by 0.5% from RMB40.9 billion in the third quarter of 2025 to RMB40.7 billion in the fourth quarter of 2025, primarily due to the decreased sales of our smartphones, partially offset by the increased price of key components.

(ii) IoT and lifestyle products

Cost of sales related to our IoT and lifestyle products decreased by 6.3% from RMB21.0 billion in the third quarter of 2025 to RMB19.6 billion in the fourth quarter of 2025, primarily due to the decreased sales of our IoT and lifestyle products.

(iii) Internet services

Cost of sales related to our internet services increased by 5.7% from RMB2.2 billion in the third quarter of 2025 to RMB2.3 billion in the fourth quarter of 2025, primarily due to the increased cost of our advertising business.

(iv) Other related businesses

Cost of sales related to our other related businesses decreased by 24.2% from RMB1.6 billion in the third quarter of 2025 to RMB1.2 billion in the fourth quarter of 2025, primarily due to the decreased cost from sales of materials, as well as the decreased sales from installation services provided for air conditioners.

Smart EV, AI and Other New Initiatives

Cost of sales related to our smart EV, AI and other new initiatives segment increased by 33.0% from RMB21.6 billion in the third quarter of 2025 to RMB28.8 billion in the fourth quarter of 2025, primarily due to the increased sales of our smart EV.

Gross Profit and Margin

As a result of the foregoing, our gross profit decreased by 6.1% from RMB25.9 billion in the third quarter of 2025 to RMB24.4 billion in the fourth quarter of 2025. Our gross profit margin decreased from 22.9% in the third quarter of 2025 to 20.8% in the fourth quarter of 2025.

The following table sets forth our gross profit and margin by segment in the fourth quarter of 2025 and the third quarter of 2025:

	Unaudited			
	Three months ended			
	December 31, 2025		September 30, 2025	
	Gross		Gross	
Gross profit	margin %	Gross profit	margin %	
(RMB in millions, unless specified)				
Smartphone × AIoT	15,909.5	20.0%	18,552.2	22.1%
Smart EV, AI and other new initiatives	8,453.3	22.7%	7,384.0	25.5%
Total gross profit and margin	<u>24,362.8</u>	<u>20.8%</u>	<u>25,936.2</u>	<u>22.9%</u>

Smartphone × AIoT

The gross profit margin from our smartphone × AIoT segment decreased from 22.1% in the third quarter of 2025 to 20.0% in the fourth quarter of 2025. The following table sets forth our gross profit and margin by line of our smartphone × AIoT segment in the fourth quarter of 2025 and the third quarter of 2025:

	Unaudited			
	Three months ended			
	December 31, 2025		September 30, 2025	
	Gross		Gross	
Gross profit	margin %	Gross profit	margin %	
(RMB in millions, unless specified)				
Smartphone × AIoT				
Smartphones	3,667.8	8.3%	5,095.5	11.1%
IoT and lifestyle products	4,951.8	20.1%	6,595.1	23.9%
Internet services	7,592.0	76.8%	7,210.7	76.9%
Other related businesses	(302.1)	(34.4%)	(349.1)	(28.9%)
Total gross profit and margin of smartphone × AIoT segment	<u>15,909.5</u>	<u>20.0%</u>	<u>18,552.2</u>	<u>22.1%</u>

The gross profit margin from our smartphones decreased from 11.1% in the third quarter of 2025 to 8.3% in the fourth quarter of 2025, mainly due to the increased price of key components, as well as the increased competition in the global market.

The gross profit margin from our IoT and lifestyle products decreased from 23.9% in the third quarter of 2025 to 20.1% in the fourth quarter of 2025, mainly due to the decreased gross profit margin of certain lifestyle products and smart large home appliances in the Chinese Mainland.

The gross profit margin from our internet services remained roughly stable at 76.8% in the fourth quarter of 2025, compared to 76.9% in the third quarter of 2025.

Smart EV, AI and Other New Initiatives

The gross profit margin from our smart EV, AI, and other new initiatives segment decreased from 25.5% in the third quarter of 2025 to 22.7% in the fourth quarter of 2025, primarily due to the lower contribution from deliveries of *Xiaomi SU7 Ultra*, as well as the sales of in-stock vehicles and display vehicles in the fourth quarter of 2025.

Operating Expenses

Our operating expenses increased by 10.2% from RMB19.2 billion in the third quarter of 2025 to RMB21.2 billion in the fourth quarter of 2025. Our operating expenses related to our smart EV, AI and other new initiatives segment increased by 9.3% from RMB6.7 billion in the third quarter of 2025 to RMB7.4 billion¹⁶ in the fourth quarter of 2025.

Research and Development Expenses

Our research and development expenses increased by 5.9% from RMB9.1 billion in the third quarter of 2025 to RMB9.6 billion in the fourth quarter of 2025, primarily due to the higher research and development expenses related to our smart EV, AI and other new initiatives and the pace of our research projects related to smartphone × AIoT.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 19.5% from RMB8.3 billion in the third quarter of 2025 to RMB9.9 billion in the fourth quarter of 2025, primarily due to the increase in promotion and advertising expenses related to smartphone × AIoT, as well as selling and marketing expenses related to our smart EV.

Promotion and advertising expenses increased by 34.3% from RMB2.2 billion in the third quarter of 2025 to RMB3.0 billion in the fourth quarter of 2025, primarily due to the increase in promotional events of our products during this quarter.

Administrative Expenses

Our administrative expenses decreased by 10.9% from RMB1.8 billion in the third quarter of 2025 to RMB1.6 billion in the fourth quarter of 2025, primarily due to the decrease in compensation for administrative personnel.

¹⁶ Including share-based compensation expenses of RMB0.4 billion related to our smart EV, AI and other new initiatives segment for the quarter.

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

Our fair value changes on financial instruments measured at fair value through profit or loss decreased from a gain of RMB5.5 billion in the third quarter of 2025 to a gain of RMB1.6 billion in the fourth quarter of 2025, primarily due to the fair value losses of listed equity investments in the fourth quarter of 2025, compared to fair value gains of listed equity investments in the third quarter of 2025, partially offset by the higher fair value gains of unlisted preferred shares investments in the fourth quarter of 2025.

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

Our share of net profits of investments accounted for using the equity method increased from RMB25.1 million in the third quarter of 2025 to RMB150.6 million in the fourth quarter of 2025.

Other Income

Our other income decreased by 65.1% from RMB1.7 billion in the third quarter of 2025 to RMB0.6 billion in the fourth quarter of 2025, primarily due to the decrease of subsidy income.

Other Gains, Net

Our net other gains decreased from RMB1.2 billion in the third quarter of 2025 to RMB0.7 billion in the fourth quarter of 2025, mainly due to the decrease of deemed disposal gains of investments accounted for using the equity method.

Finance Income/(Costs), Net

Our net finance income/(costs) changed from a net cost of RMB0.2 billion in the third quarter of 2025 to a net income of RMB0.9 billion in the fourth quarter of 2025, primarily due to the change of value of financial liabilities payable to fund investors.

Income Tax Expenses

Our income tax expenses decreased by 78.6% from RMB2.7 billion in the third quarter of 2025 to RMB0.6 billion in the fourth quarter of 2025, primarily due to the decrease of taxable profit in the fourth quarter of 2025.

Profit for the Period

As a result of the foregoing, our profit for the period decreased by 46.6% from RMB12.3 billion in the third quarter of 2025 to RMB6.5 billion in the fourth quarter of 2025.

Adjusted Net Profit

Our adjusted net profit decreased by 43.9% from RMB11.3 billion in the third quarter of 2025 to RMB6.3 billion in the fourth quarter of 2025.

Non-IFRS Measure: Adjusted Net Profit

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

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

The following tables set forth reconciliations of the Group’s Non-IFRS measures for the fourth quarter of 2025, the third quarter of 2025, the fourth quarter of 2024 and the years ended December 31, 2025 and 2024 to the nearest measures prepared in accordance with IFRS Accounting Standards.

	Unaudited						
	Three Months Ended December 31, 2025						
				Amortization	Changes of		
			Net fair value	of intangible	value of		
	Share-based	changes on	resulting from	assets	financial	Income	
	compensation ⁽¹⁾	investments ⁽²⁾	acquisitions ⁽³⁾	to investors ⁽⁴⁾	liabilities	tax effects ⁽⁵⁾	Non-IFRS
	As reported						
	(RMB in thousand, unless specified)						
Profit for the period	6,543,789	1,429,755	(2,047,373)	36,002	490,913	(104,016)	6,349,070
Net margin	5.6%						5.4%

	Unaudited Three Months Ended September 30, 2025						
			Adjustments				
			Amortization of intangible assets	Changes of value of financial liabilities to investors ⁽⁴⁾		Income tax effects ⁽⁵⁾	Non-IFRS
	Share-based compensation ⁽¹⁾	Net fair value changes on investments ⁽²⁾	resulting from acquisitions ⁽³⁾				
As reported							
(RMB in thousand, unless specified)							
Profit for the period	12,256,741	1,571,585	(4,900,532)	36,002	1,591,846	755,299	11,310,941
Net margin	10.8%						10.0%

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

	Year Ended December 31, 2025						
			Adjustments				
			Amortization of intangible assets	Changes of value of financial liabilities to investors ⁽⁴⁾		Income tax effects ⁽⁵⁾	Non-IFRS
	Share-based compensation ⁽¹⁾	Net fair value changes on investments ⁽²⁾	resulting from acquisitions ⁽³⁾				
As reported							
(RMB in thousand, unless specified)							
Profit for the year	41,566,439	5,365,075	(11,820,150)	144,008	2,903,670	1,007,261	39,166,303
Net margin	9.1%						8.6%

Year Ended December 31, 2024

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

(RMB in thousand, unless specified)

Notes:

- (1) Represents the expenses related to share-based payments.
- (2) Primarily includes fair value changes on equity investments and preferred shares investments deducting the accumulative fair value changes for investments (including the financial assets measured at fair value through profit or loss (“FAFVPL”) and the investments using the equity method transferred from FAFVPL) disposed in the current period, net gains/(losses) on deemed disposals of subsidiaries and investee companies, the impairment provision for investments, re-measurement impact on loss of significant influence in associates, and re-measurement impact on investments transferring from FAFVPL to investments using the equity method.
- (3) Represents amortization of intangible assets resulting from acquisitions.
- (4) Represent the change of value of the financial liabilities payable to the investors.
- (5) Income tax effects of non-IFRS adjustments.

Liquidity and Financial Resources

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

On March 27, 2025, the Company completed a placing of a total of 800,000,000 placing shares at HK\$53.25 for each placing share owned by Smart Mobile Holdings Limited to not less than six independent placees and, on March 31, 2025, the Company allotted and issued 800,000,000 subscription shares at HK\$53.25 per subscription share under the general mandate to Smart Mobile Holdings Limited (the “**2025 Placing and Subscription**”). For further details, please refer to the announcements of the Company dated March 25, 2025 and March 31, 2025.

Other than the funds raised through our Global Offering in July 2018, the 2020 Placing and Subscription, the 2025 Placing and Subscription and the issuance of debt securities as described in “Issuance of Debt Securities” below, we have historically funded our cash requirements principally from cash generated from our operations and bank borrowings. We had cash and cash equivalents of RMB26.9 billion and cash resources¹⁷ of RMB232.6 billion as of December 31, 2025.

Issuance of Debt Securities

On April 29, 2020, Xiaomi Best Time International Limited, a wholly-owned subsidiary of the Company, issued US\$600 million 3.375% senior notes due 2030 unconditionally and irrevocably guaranteed by the Company (the “**2030 Notes**”). For further details, please refer to the announcements of the Company dated April 20, 2020, April 23, 2020 and May 3, 2020.

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

As of December 31, 2025, 12,112,587 class B ordinary shares of the Company (the “**Class B Shares**”) were issued pursuant to conversion of the 2027 Bonds.

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

¹⁷ Including (i) cash and cash equivalents, (ii) restricted cash, (iii) term bank deposits, (iv) short-term investments measured at fair value through profit or loss, (v) short-term investments measured at amortized cost, (vi) long-term investments measured at amortized cost, and (vii) treasury investments included in long-term investments measured at fair value through profit or loss.

Consolidated Statement of Cash Flows

	Unaudited	
	Three months ended	
	December 31, 2025	September 30, 2025
	(RMB in millions)	
Net cash generated from operating activities ⁽¹⁾	614.0	5,473.6
Net cash used in investing activities	(9,457.6)	(2,092.5)
Net cash generated from/(used in) financing activities ⁽¹⁾	247.7	(3,916.2)
	<u>(8,595.9)</u>	<u>(535.1)</u>
Net decrease in cash and cash equivalents		
Cash and cash equivalents at the beginning of the period	35,548.0	36,008.0
Effects of exchange rate changes on cash and cash equivalents	(37.7)	75.1
	<u>26,914.4</u>	<u>35,548.0</u>
Cash and cash equivalents at the end of the period		

Note:

- (1) Excluding (1) the change of trade payables related to the finance factoring business; (2) the change of loan and interest receivables and impairment provision for loan receivables mainly resulting from the fintech business; and (3) the change of restricted cash resulting from the fintech business, the net cash generated from operating activities was RMB7.3 billion and RMB2.2 billion in the fourth quarter of 2025 and in the third quarter of 2025, respectively. Excluding the change of borrowings for the finance factoring business, the net cash used in financing activities was RMB3.8 billion and RMB3.3 billion in the fourth quarter of 2025 and in the third quarter of 2025, respectively. The information in this footnote is based on the management accounts of the Group, which have not been audited or reviewed by the Group's auditor. The accounting policies applied in the preparation of the management accounts are consistent with those used for other figures in this announcement.

Net Cash Generated from Operating Activities

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

In the fourth quarter of 2025, our net cash generated from operating activities was RMB0.6 billion, which was primarily attributed to our profit before income tax of RMB7.1 billion, mainly adjusted by an increase in inventories of RMB9.5 billion and a decrease in trade payables of RMB6.2 billion, partially offset by a decrease in trade and notes receivables of RMB7.7 billion and a decrease in prepayments and other receivables of RMB1.4 billion.

Net Cash Used in Investing Activities

In the fourth quarter of 2025, our net cash used in investing activities was RMB9.5 billion, which was primarily attributed to the net increase of short-term investments measured at fair value through profit or loss of RMB7.7 billion, the purchase of property, plant and equipment of RMB4.3 billion, the purchase of long-term investments measured at amortized cost of RMB2.1 billion, partially offset by the net decrease of term bank deposits of RMB5.2 billion.

Net Cash Generated from Financing Activities

In the fourth quarter of 2025, our net cash generated from financing activities was RMB0.2 billion, which was primarily attributed to the net increase of borrowings of RMB7.4 billion, partially offset by the payments for shares repurchase of RMB5.9 billion, the payments of lease liabilities of RMB0.7 billion and the payments of deferred consideration for acquisition of intangible assets of RMB0.6 billion.

Borrowings

As of December 31, 2025, we had total borrowings of RMB36.1 billion.

Capital Expenditures

	Three months ended		Year ended	
	December 31, 2025	September 30, 2025	December 31, 2025	2024
	(RMB in millions)		(RMB in millions)	
Capital expenditures				
Smartphone × AIoT	1,295.3	1,550.5	6,133.2	6,418.9
Smart EV, AI and other new initiatives	3,883.0	3,830.7	12,023.8	4,061.3
Total	<u>5,178.3</u>	<u>5,381.2</u>	<u>18,157.0</u>	<u>10,480.2</u>

Off-Balance Sheet Commitments and Arrangements

As of December 31, 2025, we had not entered into any significant off-balance sheet commitments or arrangements.

Investments Held

As of December 31, 2025, we had invested in about 410 companies with an aggregate book value of RMB87.1 billion. In 2025, we recorded a net gain on disposal of investments (after tax) of RMB3.1 billion. The total amount of our investments (including (i) fair value of our stakes in listed investee companies accounted for using the equity method based on the stock price on December 31, 2025 (ii) book value of our stakes in unlisted investee companies accounted for using the equity method and (iii) book value of long-term investments measured at fair value through profit or loss) reached RMB89.0 billion as of December 31, 2025.

The Group did not make or hold any significant investments (including any investment in an investee company with a value of 5% or more of the Group's total assets as of December 31, 2025) during the year ended December 31, 2025.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the year ended December 31, 2025, we did not conduct any material acquisitions or disposals of subsidiaries, associates or joint ventures.

Employee and Remuneration Policy

As of December 31, 2025, we had 56,531 full-time employees, 53,901 of whom were based in the Chinese Mainland, primarily at our headquarters in Beijing. As of December 31, 2025, our research and development personnel, totaling 25,457 employees, were staffed across our various departments.

Our success depends on our ability to attract, retain and motivate qualified personnel. As part of our human resources strategy, we offer employees competitive compensation packages. As of December 31, 2025, 16,572 employees held share-based awards. The total remuneration expenses, including share-based compensation expense, for the year ended December 31, 2025 were RMB30.5 billion.

Foreign Exchange Risk

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

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

Pledge of Assets

As of December 31, 2025, our total restricted bank deposits amounted to RMB4.6 billion. We also had pledged certain buildings and land use right for borrowings.

Contingent Liabilities

We did not have any material contingent liabilities as of December 31, 2025. Further details of the contingencies are set out in Note 12 to the financial information.

FINANCIAL INFORMATION

CONSOLIDATED INCOME STATEMENT

For the year ended December 31, 2025

(Expressed in Renminbi (“RMB”))

	Note	Year ended December 31,	
		2025	2024
		RMB'000	RMB'000
Revenue	2	457,286,687	365,906,350
Cost of sales	2, 3	<u>(355,480,840)</u>	<u>(289,346,156)</u>
Gross profit		101,805,847	76,560,194
Research and development expenses	3	(33,132,201)	(24,050,484)
Selling and marketing expenses	3	(33,214,338)	(25,389,628)
Administrative expenses	3	(6,653,026)	(5,601,248)
Fair value changes on financial instruments measured at fair value through profit or loss		13,311,733	1,050,772
Share of net profits of investments accounted for using the equity method		326,127	276,845
Other income		2,736,940	1,666,779
Other gains/(losses), net		<u>2,719,838</u>	<u>(10,334)</u>
Operating profit		47,900,920	24,502,896
Finance income		5,380,680	3,836,204
Finance costs		<u>(3,634,735)</u>	<u>(212,447)</u>
Profit before income tax		49,646,865	28,126,653
Income tax expenses	4	<u>(8,080,426)</u>	<u>(4,548,204)</u>
Profit for the year		<u>41,566,439</u>	<u>23,578,449</u>
Attributable to:			
— Owners of the Company		41,643,389	23,658,126
— Non-controlling interests		<u>(76,950)</u>	<u>(79,677)</u>
		<u>41,566,439</u>	<u>23,578,449</u>
Earnings per share (expressed in RMB per share):	5		
Basic		<u>1.62</u>	<u>0.95</u>
Diluted		<u>1.56</u>	<u>0.93</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2025

(Expressed in RMB)

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Profit for the year	41,566,439	23,578,449
Other comprehensive (loss)/income:		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Share of other comprehensive income/(loss) of investments accounted for using the equity method	6,392	(31,402)
Transfer from other comprehensive (income)/loss to profit or loss upon disposal and deemed disposal of investments accounted for using the equity method	(7,263)	2,846
Net gains/(losses) from changes in fair value of financial assets at fair value through other comprehensive income	140,801	(85,302)
Currency translation differences	(1,134,902)	219,838
<i>Item that will not be reclassified subsequently to profit or loss</i>		
Currency translation differences	(1,670,767)	654,256
Other comprehensive (loss)/income for the year, net of tax	(2,665,739)	760,236
Total comprehensive income for the year	38,900,700	24,338,685
Attributable to:		
— Owners of the Company	38,993,674	24,407,696
— Non-controlling interests	(92,974)	(69,011)
	38,900,700	24,338,685

CONSOLIDATED BALANCE SHEET

As of December 31, 2025

(Expressed in RMB)

		As of December 31,	
	Note	2025	2024
		RMB'000	RMB'000
Assets			
Non-current assets			
Property, plant and equipment		27,950,293	18,087,583
Intangible assets		8,319,373	8,152,721
Investments accounted for using the equity method		6,268,209	6,151,055
Long-term investments measured at fair value			
through profit or loss	6	80,881,337	62,112,188
Deferred income tax assets		3,636,008	2,781,982
Term bank deposits		92,045,627	58,520,305
Long-term investments measured at amortized cost	6	13,405,600	3,219,462
Other non-current assets		20,778,731	18,421,227
		<u>253,285,178</u>	<u>177,446,523</u>
Current assets			
Inventories	8	80,989,452	62,509,682
Trade and notes receivables	7	15,239,877	14,588,579
Loan receivables		12,580,269	12,261,490
Prepayments and other receivables		33,725,967	29,100,116
Bills receivables measured at fair value			
through other comprehensive income		—	1,255,767
Short-term investments measured at fair value			
through other comprehensive income	6	—	1,681,062
Short-term investments measured at amortized cost	6	200,000	700,163
Short-term investments measured at fair value			
through profit or loss	6	29,273,546	28,123,777
Term bank deposits		51,308,666	36,350,271
Restricted cash		4,578,635	5,476,417
Cash and cash equivalents		26,914,377	33,661,442
		<u>254,810,789</u>	<u>225,708,766</u>
Total assets		<u><u>508,095,967</u></u>	<u><u>403,155,289</u></u>

	Note	As of December 31,	
		2025	2024
		RMB'000	RMB'000
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital		426	407
Reserves		<u>266,218,235</u>	<u>188,737,370</u>
		<u>266,218,661</u>	<u>188,737,777</u>
Non-controlling interests		<u>104,608</u>	<u>467,342</u>
Total equity		<u><u>266,323,269</u></u>	<u><u>189,205,119</u></u>
Liabilities			
Non-current liabilities			
Borrowings	9	22,921,433	17,275,721
Deferred income tax liabilities		2,400,758	1,282,196
Provisions		3,652,246	1,695,063
Other non-current liabilities		<u>20,392,784</u>	<u>18,312,200</u>
		<u>49,367,221</u>	<u>38,565,180</u>
Current liabilities			
Trade payables	10	110,699,472	98,280,585
Other payables and accruals		35,351,923	36,372,035
Advance from customers		19,272,778	16,581,252
Borrowings	9	13,202,226	13,327,297
Income tax liabilities		6,649,117	3,822,134
Provisions		<u>7,229,961</u>	<u>7,001,687</u>
		<u>192,405,477</u>	<u>175,384,990</u>
Total liabilities		<u><u>241,772,698</u></u>	<u><u>213,950,170</u></u>
Total equity and liabilities		<u><u>508,095,967</u></u>	<u><u>403,155,289</u></u>

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

(Expressed in RMB)

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Net cash generated from operating activities	34,142,377	39,295,499
Net cash used in investing activities	(71,678,727)	(35,386,391)
Net cash generated from/(used in) financing activities	<u>30,765,864</u>	<u>(3,998,976)</u>
Net decrease in cash and cash equivalents	(6,770,486)	(89,868)
Cash and cash equivalents at the beginning of the year	33,661,442	33,631,313
Effects of exchange rate changes on cash and cash equivalents	<u>23,421</u>	<u>119,997</u>
Cash and cash equivalents at the end of the year	<u>26,914,377</u>	<u>33,661,442</u>

1 Basis of preparation

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

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

(i) *Amended standards adopted by the Group*

The following amended standard is mandatory for the first time for the Group’s financial year beginning on January 1, 2025 and is applicable for the Group:

- Lack of Exchangeability — Amendments to IAS 21

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

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

Certain new and amended accounting standards have been published that are not mandatory for the year ended December 31, 2025 and have not been early adopted by the Group, which are listed as below:

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

These standards are not expected to have a material impact on the Group’s financial position and performance in the current or future reporting periods and on foreseeable future transactions other than the application of IFRS 18 which will have an impact on presentation and disclosure.

The Group will apply IFRS 18 from its mandatory effective date of January 1, 2027. Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with IFRS 18. The Group will continue to assess the effects of these new and amended standards.

2 Segment information and revenue

The Group's business activities, for which discrete financial statements are available, are regularly reviewed and evaluated by the Chief Operating Decision Maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer of the Company. The Group determined that it has the following reportable segments, which is consistent with the way the Group was reviewed by the CODM:

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

The CODM assesses the performance of the operating segments mainly based on segment revenue and gross profit of each operating segment. There were no material inter-segment sales during the years ended December 31, 2025 and 2024. The revenues from external customers reported to the CODM are measured in a manner consistent with that applied in the consolidated income statement.

The segment results and revenue information for the years ended December 31, 2025 and 2024 are as follows:

	Year ended December 31, 2025						
	Smartphone × AIoT				Subtotal	Smart EV, AI and other new initiatives	Total
	Smartphones	IoT and lifestyle products	Internet services	Other related businesses			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenues	186,439,777	123,200,191	37,440,346	4,136,860	351,217,174	106,069,513	457,286,687
Cost of sales	(166,173,621)	(94,776,809)	(8,800,069)	(5,424,289)	(275,174,788)	(80,306,052)	(355,480,840)
Gross profit/(loss)	<u>20,266,156</u>	<u>28,423,382</u>	<u>28,640,277</u>	<u>(1,287,429)</u>	<u>76,042,386</u>	<u>25,763,461</u>	<u>101,805,847</u>
	Year ended December 31, 2024						
	Smartphone × AIoT				Subtotal	Smart EV, AI and other new initiatives	Total
	Smartphones	IoT and lifestyle products	Internet services	Other related businesses			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenues	191,759,315	104,103,874	34,115,373	3,174,148	333,152,710	32,753,640	365,906,350
Cost of sales	(167,505,466)	(83,011,803)	(7,968,553)	(4,157,041)	(262,642,863)	(26,703,293)	(289,346,156)
Gross profit/(loss)	<u>24,253,849</u>	<u>21,092,071</u>	<u>26,146,820</u>	<u>(982,893)</u>	<u>70,509,847</u>	<u>6,050,347</u>	<u>76,560,194</u>

For the years ended December 31, 2025 and 2024, the geographical information on the total revenues is as follows:

	Year ended December 31,			
	2025		2024	
	RMB'000	%	RMB'000	%
Chinese Mainland	306,223,141	67.0	212,562,449	58.1
Rest of the world (Note (a))	151,063,546	33.0	153,343,901	41.9
	<u>457,286,687</u>		<u>365,906,350</u>	

Note:

(a) Revenues outside the Chinese Mainland are mainly from Europe and India.

The following table shows inventory information by reportable segment as of December 31, 2025 and 2024.

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Smartphone × AIoT	74,758,465	60,905,907
Smart EV, AI and other new initiatives	6,230,987	1,603,775
	<u>80,989,452</u>	<u>62,509,682</u>

3 Expenses by nature

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Changes in inventories of finished goods and work in progress	(8,469,003)	(15,586,996)
Raw materials and consumables used and royalty fees	330,265,207	282,601,213
Provision for impairment of inventories	6,848,003	5,762,582
Employee benefit expenses	30,470,678	22,902,540
Depreciation of property, plant and equipment, right-of-use assets and investment properties	5,256,031	3,626,279
Amortization of intangible assets	3,500,716	2,691,990
Promotion and advertising expenses	9,085,225	8,011,251
Warranty expenses	5,774,924	4,447,006
Auditor's remuneration	61,974	69,569
— Audit services	50,644	54,674
— Non-audit services	11,330	14,895

4 Income tax expenses

The income tax expenses of the Group during the years ended December 31, 2025 and 2024 are analyzed as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Current income tax	7,815,890	5,381,527
Deferred income tax	264,536	(833,323)
Income tax expenses	<u>8,080,426</u>	<u>4,548,204</u>

5 Earnings per share

(a) Basic

Basic earnings per share for the years ended December 31, 2025 and 2024 are calculated by dividing the profit attributable to the Company's owners by the weighted average number of ordinary shares that are outstanding during the year.

	Year ended December 31,	
	2025	2024
Net profit attributable to the owners of the Company (RMB'000)	41,643,389	23,658,126
Weighted average number of outstanding ordinary shares (thousand shares)	25,656,635	24,825,170
Basic earnings per share (expressed in RMB per share)	<u>1.62</u>	<u>0.95</u>

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of outstanding ordinary shares to assume conversion of all dilutive potential ordinary shares. In addition, profit attributable to the owners of the Company (numerator) has been adjusted by all the dilutive effects.

	Year ended December 31,	
	2025	2024
Net profit attributable to the owners of the Company (RMB'000)	41,643,389	23,658,126
Add: Interest expenses on convertible bonds (RMB'000)	244,744	—
Less: Dilution effect arising from share-based awards granted by a subsidiary (RMB'000)	(158,300)	—
Net profit attributable to the owners of the Company for calculation of diluted earnings per share (RMB'000)	<u>41,729,833</u>	<u>23,658,126</u>
Weighted average number of outstanding ordinary shares (thousand shares)	25,656,635	24,825,170
Adjustments for dilutive restricted shares units and share options (thousand shares)	864,182	675,563
Adjustments for dilutive convertible bonds (thousand shares)	174,509	—
Weighted average number of ordinary shares for calculation of diluted earnings per share (thousand shares)	<u>26,695,326</u>	<u>25,500,733</u>
Diluted earnings per share (expressed in RMB per share)	<u>1.56</u>	<u>0.93</u>

6 Investments

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Current assets		
Short-term investments measured at		
— Amortized cost	200,000	700,163
— Fair value through other comprehensive income	—	1,681,062
— Fair value through profit or loss	29,273,546	28,123,777
	<u>29,473,546</u>	<u>30,505,002</u>
Non-current assets		
Long-term investments measured at amortized cost	13,405,600	3,219,462
Long-term investments measured at fair value through profit or loss		
— Ordinary shares investments	19,944,672	14,401,979
— Preferred shares investments	35,198,710	33,537,891
— Treasury investments	21,562,313	10,339,549
— Other investments	4,175,642	3,832,769
	<u>94,286,937</u>	<u>65,331,650</u>

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

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Long-term investments measured at fair value through profit or loss		
— Ordinary shares investments	6,315,573	(181,552)
— Preferred shares investments	6,032,324	445,134
— Treasury and other investments	892,149	167,546
Short-term investments measured at fair value through profit or loss	581,614	495,734
	<u>13,821,660</u>	<u>926,862</u>

7 Trade and notes receivables

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

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Up to 3 months	11,963,353	12,652,651
3 to 6 months	1,806,243	851,454
6 months to 1 year	1,117,839	526,725
1 to 2 years	427,200	224,018
Over 2 years	234,403	875,784
	<u>15,549,038</u>	<u>15,130,632</u>
Less: credit loss allowance	<u>(309,161)</u>	<u>(542,053)</u>
	<u>15,239,877</u>	<u>14,588,579</u>

8 Inventories

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Raw materials	23,974,417	14,321,504
Finished goods	50,094,764	40,837,606
Work in progress	4,658,465	5,446,620
Spare parts	3,999,973	3,800,223
Others	1,264,219	579,858
	<u>83,991,838</u>	<u>64,985,811</u>
Less: provision for impairment (Note (a))	<u>(3,002,386)</u>	<u>(2,476,129)</u>
	<u>80,989,452</u>	<u>62,509,682</u>

Note:

- (a) During the year ended December 31, 2025, the Group incurred inventory impairment provision approximately RMB6,848,003,000 (2024: RMB5,762,582,000) and transferred out of such provision upon the sales of inventories approximately RMB6,321,746,000 (2024: RMB5,462,849,000).

9 Borrowings

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Included in non-current liabilities		
Secured borrowings	1,754,255	1,827,365
Unsecured borrowings	16,046,323	15,448,356
Convertible bonds	5,120,855	—
	<u>22,921,433</u>	<u>17,275,721</u>
Included in current liabilities		
Secured borrowings	73,094	73,094
Unsecured borrowings	13,129,132	7,893,845
Convertible bonds	—	5,360,358
	<u>13,202,226</u>	<u>13,327,297</u>

10 Trade payables

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

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Up to 3 months	93,538,383	68,064,824
3 to 6 months	11,379,071	18,694,125
6 months to 1 year	3,169,615	9,035,928
1 to 2 years	978,245	1,626,560
Over 2 years	1,634,158	859,148
	<u>110,699,472</u>	<u>98,280,585</u>

11 Dividends

No dividends have been paid or declared by the Company during the years ended December 31, 2025 and 2024.

12 Contingencies

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

In this connection, Xiaomi India received orders alleging that it has inappropriately deducted certain costs and expenses, including purchase costs of mobile phones and royalty fees paid to overseas third parties as well as companies within the Group. As a result, certain of its bank accounts have been attached and thereby India Rupees (“**INR**”) 48,550,132,000 (equivalent to RMB3,784,968,000) has been considered as restrictive as of December 31, 2025 (December 31, 2024: INR47,042,193,000 (equivalent to RMB4,016,462,000)). The cases are currently in the hearing stages and not yet concluded.

Management assessed the aforesaid matters related to Xiaomi India, after taking into considerations of opinions from professional advisors, it is concluded that Xiaomi India has valid grounds to respond to the relevant Indian authorities. The Group, hence, has not made any material provision as of December 31, 2025 pertaining to these matters.

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

OTHER INFORMATION

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

During the year ended December 31, 2025 and up to the Latest Practicable Date¹⁸, the Company repurchased a total of 283,076,600 Class B Shares on the Stock Exchange at an aggregate consideration of approximately HK\$10,961,962,682 (the “**Shares Repurchased**”) to enhance the shareholder value in the long run. Particulars of the Shares Repurchased are as follows:

Month of Repurchase	No. of Shares Repurchased	Price paid per Share		Aggregate Consideration
		Highest (HK\$)	Lowest (HK\$)	(approximately) (HK\$)
2025				
January	6,829,800	33.65	32.60	224,943,300
September	525,400	53.25	53.15	27,954,680
October	26,770,000	53.25	45.90	1,284,384,512
November	38,500,000	41.18	37.38	1,500,693,368
December	80,000,000	42.72	38.56	3,247,134,996
2026				
January	68,751,000	39.32	34.92	2,540,279,326
February	39,376,400	36.78	33.94	1,392,181,061
March (<i>up to the Latest Practicable Date</i>)	<u>22,324,000</u>	35.18	31.60	<u>744,391,440</u>
Total	<u><u>283,076,600</u></u>			<u><u>10,961,962,682</u></u>

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

During the year ended December 31, 2025 and up to the Latest Practicable Date, the number of Class B Shares in issue (excluding treasury shares) was reduced by 249,458,600 shares as a result of (i) the repurchase of 6,829,800 Class B Shares in January 2025, which were subsequently cancelled on March 6, 2025; (ii) the repurchase of 27,295,400 Class B Shares from September 29, 2025 to October 17, 2025, which were subsequently cancelled on November 12, 2025; and (iii) the repurchase of 215,333,400 Class B Shares from November 20, 2025 to February 20, 2026, which were subsequently cancelled on March 19, 2026.

¹⁸ The Latest Practicable Date refers to March 20, 2026, being the latest practicable date prior to the publication of this annual results announcement for the purpose of ascertaining certain information contained herein.

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

A total of 4,728,665 Class A Shares were converted into Class B Shares on a one-to-one ratio on November 12, 2025, of which Mr. Lei Jun, through Smart Mobile Holdings Limited, converted 4,258,681 Class A Shares and Mr. Lin Bin, through Apex Star LLC, converted 469,984 Class A Shares.

A total of 37,155,542 Class A Shares were converted into Class B Shares on a one-to-one ratio on March 19, 2026, of which Mr. Lei Jun, through Smart Mobile Holdings Limited, converted 33,462,639 Class A Shares and Mr. Lin Bin, through Apex Star LLC, converted 3,692,903 Class A Shares.

In March 2025, the Company conducted the 2025 Placing and Subscription. For further details, please refer to the section headed “Liquidity and Financial Resources” above and the announcements of the Company dated March 25, 2025 and March 31, 2025.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s securities listed on the Stock Exchange (including sale of treasury shares) during the year ended December 31, 2025 and up to the Latest Practicable Date.

Compliance with the Corporate Governance Code

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

Save for code provision C.2.1 of the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules, the Company has complied with all the code provisions set out in the CG Code throughout the year ended December 31, 2025.

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

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules the code of conduct regarding the Directors’ dealings in the securities of the Company. Having made specific enquiries of all the Directors, all the Directors confirmed that they have complied with the provisions of the Model Code during the year ended December 31, 2025 and up to the date of this announcement.

Audit Committee

The Audit Committee (comprising one non-executive Director and two independent non-executive Directors, namely, Mr. Liu Qin, Dr. Chen Dongsheng and Mr. Wong Shun Tak) has reviewed the audited consolidated financial statements of the Group for the year ended December 31, 2025. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members and external auditor of the Company, PricewaterhouseCoopers.

Auditor’s Procedures Performed on this Results Announcement

The figures in respect of the Group’s consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows and the related notes thereto for the year ended December 31, 2025 as set out in this announcement have been agreed by the Auditor to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by the Auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Auditor on this announcement.

Material Litigation

The Company was not involved in any material litigation or arbitration during the year ended December 31, 2025, nor were the Directors aware of any material litigation or claims that were pending or threatened against the Company.

Final Dividend

The Board has resolved not to declare any final dividend for the year ended December 31, 2025.

Events after the Year Ended December 31, 2025

Save as disclosed in this announcement, there has been no other significant events that might affect the Group since the end of the year ended December 31, 2025 and up to the date of this announcement.

Publication of the Annual Results Announcement and Annual Report

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

By order of the Board
Xiaomi Corporation
Lei Jun
Chairman

Hong Kong, March 24, 2026

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