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Hisense 海信家電

HISENSE HOME APPLIANCES GROUP CO., LTD.

海信家電集團股份有限公司

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

(Stock Code: 00921)

ANNOUNCEMENT OF RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2025

The Board hereby announces the audited financial results of the Company and its subsidiaries for the year ended 31 December 2025, together with the 2024 comparative figures in accordance with CASBE. The following financial information is prepared in accordance with CASBE:

FINANCIAL INFORMATION PREPARED IN ACCORDANCE WITH CASBE

(Unless otherwise specified, all amounts are denominated in RMB)

Audited Consolidated Balance Sheet

Item	Note	31 December 2025	1 January 2025
Assets			
Current assets			
Cash at bank and on hand		3,496,408,124.80	4,397,693,443.73
Including: Deposited with finance company		1,435,580,585.10	1,549,900,310.18
Transactional financial assets		19,155,470,449.17	16,209,276,762.85
Derivative financial assets			
Notes receivable		133,966,706.98	459,013,499.65
Accounts receivable	5	9,389,095,596.70	10,480,609,898.16
Factoring of accounts receivable		4,607,438,550.93	6,000,519,893.99
Prepayments		379,128,079.70	524,090,978.17
Other receivables		194,120,733.79	242,816,255.92
Including: Interest receivable			
Dividends receivable		625,590.11	
Inventories		6,862,327,671.56	7,566,932,954.39
Contract assets		67,667,431.89	56,210,047.88
Assets held for sale			

Non-current assets due within one year		5,358,503,333.34	4,883,695,277.78
Other current assets		2,845,044,203.82	1,687,051,443.98
Total current assets		52,489,170,882.68	52,507,910,456.50
Non-current assets			
Investments in debt			
Other investments in debt			
Long-term receivables			
Long-term equity investments		2,005,216,196.64	1,764,936,952.09
Other equity investment		41,653,733.28	42,364,813.88
Other non-current financial assets		20,542,302.26	21,332,417.54
Investment properties		217,213,536.17	253,998,555.64
Fixed assets		7,160,327,070.21	5,648,643,079.56
Construction in progress		911,155,205.31	674,456,905.57
Productive biological assets			
Oil and gas assets			
Right-of-use assets		201,125,032.64	163,180,643.61
Intangible assets		1,305,501,434.50	1,406,841,869.56
Development costs		180,269.77	
Goodwill		132,571,746.36	226,408,877.76
Long-term prepaid expenses		69,885,638.35	44,778,274.65
Deferred tax assets		1,127,099,708.79	1,087,501,760.54
Other non-current assets		4,302,599,584.53	5,859,585,210.43
Total non-current assets		17,495,071,458.81	17,194,029,360.83
Total assets		69,984,242,341.49	69,701,939,817.33
Liabilities and shareholders' equity			
Current liabilities			
Short-term borrowings		3,300,806,097.01	2,708,715,351.46
Transactional financial liabilities		1,813,733.43	3,552,841.18
Derivative financial liabilities			
Notes payable	6	11,118,152,519.63	16,132,766,497.33
Accounts payable	7	17,188,122,162.23	12,848,289,233.62
Advances from customers		1,820,551.63	2,745,211.29
Contract liabilities		1,618,788,301.63	1,838,591,086.05
Employee remunerations payable		1,072,872,436.38	1,441,919,470.92
Taxes payable		448,596,053.86	537,713,772.43
Other payables		5,208,635,578.14	5,389,842,305.97

Including: Interest payable			
Dividends payable		77,438,308.67	89,718,011.42
Liabilities held for sale			
Non-current liabilities due within one year		410,893,176.08	101,928,336.06
Other current liabilities		6,084,406,182.57	6,913,302,837.03
Total current liabilities		46,454,906,792.59	47,919,366,943.34
Non-current liabilities			
Long-term borrowings		71,308,422.32	49,371,196.64
Bonds payable			
Including: Preferred Shares			
Perpetual debts			
Lease liabilities		163,213,430.28	161,471,272.87
Long-term payables			
Long-term employee remunerations payable		78,993,580.17	77,923,347.90
Provisions		651,047,991.72	1,102,337,190.50
Deferred income		427,732,263.51	334,592,888.16
Deferred tax liabilities		158,258,327.90	148,942,326.29
Other non-current liabilities		458,281,470.69	533,409,940.50
Total non-current liabilities		2,008,835,486.59	2,408,048,162.86
Total liabilities		48,463,742,279.18	50,327,415,106.20
Shareholders' equity			
Share capital		1,384,861,171.00	1,386,010,405.00
Other equity instruments			
Including: Preferred Shares			
Perpetual debts			
Capital reserves		2,217,061,179.24	2,099,080,199.65
Less : Treasury Shares		139,706,972.86	264,243,096.35
Other comprehensive income		485,615,826.36	200,747,044.66
Special reserves		9,449,358.91	9,282,792.01
Surplus reserves		724,682,309.99	724,682,309.99
General risk provisions			
Undistributed profits		12,787,042,665.56	11,300,066,951.67
Total equity attributable to shareholders of the parent		17,469,005,538.20	15,455,626,606.63
Minority interests		4,051,494,524.11	3,918,898,104.50
Total shareholders' equity		21,520,500,062.31	19,374,524,711.13

Total liabilities and shareholders' equity		69,984,242,341.49	69,701,939,817.33
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Audited Consolidated Income Statement

Item	Note	2025	2024
1. Total operating revenue		87,928,485,899.72	92,745,611,109.52
Operating revenue	8	87,928,485,899.72	92,745,611,109.52
2. Total operating costs		84,308,591,289.25	88,811,666,955.56
Including : Operating costs	8	69,190,771,760.28	73,476,062,734.50
Taxes and surcharges		406,236,762.96	424,352,075.52
Sales expenses		8,662,021,521.27	9,001,915,472.95
Management expenses		2,403,555,384.28	2,499,492,962.69
Research and development expenses		3,440,773,728.91	3,446,746,374.31
Financial expenses	9	205,232,131.55	-36,902,664.41
Including: Interest expense	9	193,086,522.61	149,842,418.36
Interest income	9	43,195,213.33	64,767,054.70
Add: Other income		571,229,740.00	718,383,267.87
Investment gain (loss expressed with "-")	10	1,032,294,712.46	905,644,417.61
Including: Share of profit of associates and joint ventures	10	404,891,314.66	319,799,112.07
Income from derecognition of financial assets at amortised cost		-1,130,867.56	-1,505,664.12
Gain from changes in fair values (loss expressed with "-")		230,638,141.00	253,160,531.67
Impairment losses on credit (loss expressed with "-")		2,715,084.48	44,200,668.57
Impairment losses on assets (loss expressed with "-")		-219,449,675.26	-180,162,809.58
Gains on disposal of asset (loss expressed with "-")		42,924,276.71	3,972,039.23
3. Operating profits (loss expressed with "-")		5,280,246,889.86	5,679,142,269.33
Add: Non-operating income		242,754,590.62	348,947,831.46
Less: Non-operating expenses		74,362,345.01	61,701,076.90
4. Total profits (loss expressed with "-")		5,448,639,135.47	5,966,389,023.89
Less: Income tax expenses	11	714,825,929.62	840,236,049.65
5. Net profits (loss expressed with "-")		4,733,813,205.85	5,126,152,974.24
(1) Classified on a going concern basis			
1) Net profit from continuing operations (loss expressed with "-")		4,733,813,205.85	5,126,152,974.24

2) Net profit from discontinued operations (loss expressed with “-”)			
(2) Classification by ownership of equity			
1) Net profit attributable to shareholders of the parent		3,186,573,917.88	3,347,881,773.89
2) Profit and loss of minority interests		1,547,239,287.97	1,778,271,200.35
6. Other comprehensive income after tax, net		319,226,105.57	-10,567,861.70
Other comprehensive income after tax attributable to owners of the parent, net		284,868,781.70	-26,250,775.08
(1) Items not to be reclassified into profit or loss		43,347,122.06	23,649,623.70
1) Changes arising from remeasurement of defined benefit plan		-2,584,204.16	23,068,284.31
2) Other comprehensive income that cannot be transferred to profit or loss under the equity method		46,114,394.21	
3) Changes in fair value of other equity instruments investment		-183,067.99	581,339.39
4) Changes in the fair value of the Company’s own credit risk			
5) Others			
(2) Items to be reclassified into profit or loss		241,521,659.64	-49,900,398.78
1) Other comprehensive income that is convertible gains and losses under the equity method		32,310,400.10	-31,695,535.18
2) Changes in fair value of other investments in debt			
3) Amount of financial assets reclassified into other comprehensive income			
4) Credit impairment provisions for other debt investment			
5) Cash flow hedge reserve (effective portion of cash flow hedge profit and loss)			
6) Translation differences on foreign currency financial statements		209,211,259.54	-18,204,863.60
7) Others			
Other comprehensive income after tax attributable to minority interests, net		34,357,323.87	15,682,913.38
7. Total comprehensive income		5,053,039,311.42	5,115,585,112.54
Total comprehensive income attributable to shareholders of the parent		3,471,442,699.58	3,321,630,998.81
Total comprehensive income attributable to minority interests		1,581,596,611.84	1,793,954,113.73
8. Earnings per share :			

(1) Basic earnings per share	12	2.33	2.46
(2) Diluted earnings per share	12	2.33	2.46

Notes:

1. General information

The Company was incorporated in the PRC on 16 December 1992. The Company's overseas public Shares (the "H Shares") were listed on the Hong Kong Stock Exchange on 23 July 1996, whereas the Company's domestic Shares (the "A Shares") were listed on the Shenzhen Stock Exchange on 13 July 1999.

On 29 January 2007, a share reform scheme was set up by the Company for converting the non-freely transferable domestic legal person shares into freely transferable A Shares. The scheme was approved by the holders of the A Shares at a general meeting and further approved by the Ministry of Commerce of the PRC on 22 March 2007.

On 31 August 2009, the Company's major asset restructuring and the issuance of shares to Hisense Air-Conditioning for the acquisition of its white goods assets and business were approved by the Shareholders' meeting. The acquisition was approved by the China Securities Regulatory Commission (CSRC) on 23 March 2010. On 10 June 2010, the Company allotted and issued 362,048,187 A Shares to Hisense Air-Conditioning in consideration of the acquisition.

On 18 June 2013, 612,221,909 restricted A Shares held by Hisense Air-Conditioning were no longer subject to selling moratorium and were listed for trading.

On 23 May 2014, the exercise conditions were satisfied for the Company's first exercise period of the first phase of its stock option incentive plan. China Securities Depository and Clearing Corporation Limited Shenzhen branch approved the registration and the listing of the 4,440,810 new Shares which would be issued upon the exercise of the stock options.

On 19 June 2015, the exercise conditions were satisfied for the Company's second exercise period of the first phase of its stock option incentive plan. China Securities Depository and Clearing Corporation Limited Shenzhen branch approved the registration and the listing of the 4,229,810 new Shares which would be issued upon the exercise of the stock options.

As at 31 December 2025, the total number of issued Shares was 1,384,861,171 and the registered capital of the Company was RMB1,384,861,171, of which Hisense Air-Conditioning held 516,758,670 Shares, representing approximately 37.31% of the Company's total issued share capital.

The Group is principally engaged in research and development, manufacturing and marketing of electrical products such as refrigerators, household air-conditioners, central air-conditioners, freezers, washing machines, kitchen appliances, moulds, automotive air conditioner compressor and integrated thermal management systems.

The address of the registered office and principal place of business of the Company is No. 8

Ronggang Road, Ronggui Street, Shunde District, Foshan City, Guangdong Province, the PRC.

2. Basis of preparation

The financial statements are prepared based on going-concern assumption and actual transactions and events according to the Accounting Standards for Business Enterprises - Basic Standard, application guidelines, explanation and other relevant regulations issued by the Ministry of Finance (hereinafter collectively referred to as “**Accounting Standards For Business Enterprises**”) and the Information Disclosure Regulations for Companies Publicly Issuing Securities No. 15 - General Provisions for Financial Statements (Revised 2023) and relevant regulations issued by China Securities Regulatory Commission.

According to the relevant provisions of the Accounting Standards for Business Enterprises, the Company’s financial accounting is conducted on accrual basis. Except for certain financial instruments, these financial statements take the historical cost as the accounting basis. If an asset is impaired, the provision for impairment shall be accrued in accordance with the relevant provisions.

The Company’s A Shares are listed on the Shenzhen Stock Exchange while the H Shares are listed on the Hong Kong Stock Exchange. Besides the relevant regulations as mentioned above, the financial statements of the Company also comply with the applicable disclosure requirements under the Rules Governing Listing of Shares on Shenzhen Stock Exchange, the Hong Kong Listing Rules and the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

3. Changes in significant accounting policies

There were no changes in accounting policies of the Company during the Reporting Period.

4. Segment information

The Group manages its business by divisions which are organised by a mixture of both business lines and geographical areas.

(1) Segment information as at and for the year ended 31 December 2025 is as follows:

Unit: RMB

Amount for current period	Air-conditioners	Refrigerators and washing machines	Others	Elimination	Total
1. Revenue from external sales	38,829,431,638.39	31,195,368,384.49	13,310,100,097.93		83,334,900,120.81
2. Revenue from inter-segment sales	24,351.44	22,297,386.50	2,812,957,369.90	-2,835,279,107.84	
3. Gain from investment in associates and joint ventures	-4,812,997.34	-4,812,997.34	414,517,309.34		404,891,314.66
4. Depreciation and amortisation	456,960,449.20	391,688,753.26	524,365,549.13		1,373,014,751.59
5. Gain from changes in fair value	64,349,479.25	105,552,784.33	60,735,877.42		230,638,141.00
6. Impairment losses on credit and assets	-42,618,883.90	-35,060,023.10	-139,055,683.78		-216,734,590.78

7. Total profit (Total loss)	4,135,460,016.32	1,071,736,181.09	180,776,539.84	60,666,398.22	5,448,639,135.47
8. Total assets	39,767,807,058.99	38,627,956,969.51	16,728,220,671.43	-26,266,842,067.23	68,857,142,632.70
9. Total liabilities	26,385,498,288.56	26,151,662,969.06	12,339,455,776.13	-16,571,133,082.47	48,305,483,951.28
10. Additions to other non-current assets other than long-term equity investments	-412,320,692.98	387,004,388.62	63,525,230.86	-17,044,021.32	21,164,905.18

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

Unit: RMB

Amount for last period	Air-conditioners	Refrigerators and washing machines	Others	Elimination	Total
1. Revenue from external sales	40,283,913,190.36	30,839,154,917.48	12,500,151,564.25		83,623,219,672.09
2. Revenue from inter-segment sales	525,205.36	25,260,176.63	3,164,256,687.51	-3,190,042,069.50	
3. Gain from investment in associates and joint ventures	-1,539,737.79	-1,539,737.79	322,878,587.64		319,799,112.07
4. Depreciation and amortisation	473,886,018.20	296,051,172.01	395,628,520.27		1,165,565,710.48
5. Gain from changes in fair value	44,063,734.23	104,661,137.52	104,435,659.92		253,160,531.67
6. Impairment losses on credit and assets	-6,726,813.15	-89,376,474.43	-39,858,853.43		-135,962,141.01
7. Total profit (Total loss)	4,895,050,717.65	1,118,961,336.57	-47,623,030.33		5,966,389,023.89
8. Total assets	39,117,340,985.04	38,085,702,479.99	16,072,863,567.48	-23,573,967,215.18	69,701,939,817.33
9. Total liabilities	27,005,227,803.09	25,367,727,048.87	11,518,074,101.79	-13,563,613,847.55	50,327,415,106.20
10. Additions to other non-current assets other than long-term equity investments	-3,845,197,375.25	36,594,271.23	102,484,555.82		-3,706,118,548.20

(2) Geographic information

Unit: RMB

Category	2025	2024
Revenues from domestic customers	45,410,397,895.49	47,993,733,054.87
Revenues from overseas customers	37,924,502,225.32	35,629,486,617.22
Total	83,334,900,120.81	83,623,219,672.09
Domestic non-current assets	11,427,681,401.56	13,130,098,726.61
Overseas non-current assets	4,940,290,348.46	4,063,930,634.22

Total	16,367,971,750.02	17,194,029,360.83
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The Company's business is primarily operated in the PRC, where the majority of its non-current assets are located. Accordingly, it is not necessary to disclose more detailed regional information.

5. Accounts receivable

The ageing analysis of accounts receivable based on recognition dates is set out below:

Unit: RMB

Item	31 December 2025	1 January 2025
Within three months	8,599,122,948.67	9,636,006,962.35
Over three months but within six months	278,331,973.18	439,426,145.09
Over six months but within one year	245,637,121.91	160,377,425.51
Over one year	577,619,212.49	554,775,266.31
Total	9,700,711,256.25	10,790,585,799.26
Less: provision for bad debts	311,615,659.55	309,975,901.10
Book value	9,389,095,596.70	10,480,609,898.16

6. Notes payable

Unit: RMB

Item	31 December 2025	1 January 2025
Bank acceptance notes	8,826,656,065.38	10,364,589,342.06
Commercial acceptance notes	2,291,496,454.25	5,768,177,155.27
Total	11,118,152,519.63	16,132,766,497.33

7. Accounts payable

The ageing analysis of accounts payable based on recognition dates is set out below:

Unit: RMB

Item	31 December 2025	1 January 2025
Within one year	17,150,463,396.32	12,809,375,585.21
Over one year	37,658,765.91	38,913,648.41
Total	17,188,122,162.23	12,848,289,233.62

8. Operating revenues and costs

Unit: RMB

Item	2025	2024
Revenue from principal operations	83,334,900,120.81	83,623,219,672.09
Revenue from other operations	4,593,585,778.91	9,122,391,437.43
Total	87,928,485,899.72	92,745,611,109.52

Item	2025	2024
Cost of principal operations	65,004,272,623.81	64,819,490,898.10
Cost of other operations	4,186,499,136.47	8,656,571,836.40
Total	69,190,771,760.28	73,476,062,734.50

9. Financial expenses

Unit: RMB

Item	2025	2024
Interest expenses	193,086,522.61	149,842,418.36
Less: interest income	43,195,213.33	64,767,054.70
Add: loss on foreign exchange	37,192,430.81	-135,907,347.90
others	18,148,391.46	13,929,319.83
Total	205,232,131.55	-36,902,664.41

10. Investment gain

(1) Details of investment gain

Unit: RMB

Item	2025	2024
Gain from long-term equity investment by the equity method	404,891,314.66	319,799,112.07
Investment gains from disposal of transactional financial assets	320,370,547.70	198,067,369.02
Interest income from time deposits	252,767,105.84	332,556,270.62
Others	54,265,744.26	55,221,665.90
Total	1,032,294,712.46	905,644,417.61

(2) Gain from long-term equity investments by the equity method

Unit: RMB

Investee	2025	2024
Hisense Jinlong Holding	17,318,104.88	22,080,932.20
Hisense Marketing Management	-10,379,416.16	588,945.89
Hisense Global Asia Holding	753,421.48	-3,668,421.46
Hisense International	138,729,103.30	76,798,355.23
Hisense Intelligent Electronic	1,495,803.74	950,944.26
Hisense Xinghai Technology	-5,338,803.89	
Associates of Yiyang Entrepreneurship Investment	-7,987.51	
Associates of Sanden Company	262,321,088.82	223,048,355.95
Total	404,891,314.66	319,799,112.07

Note: All the investment income calculated by equity method of the Company in this period is generated by non-listed equity investment.

11. Income tax expenses

Unit: RMB

Item	2025	2024
Current income tax expenses	748,292,717.72	789,083,862.05
Including: PRC enterprise income taxes	698,231,092.72	735,335,554.93
Hong Kong profit taxes	-32,951.01	151,998.67
Deferred tax expenses	-33,466,788.10	51,152,187.60
Total	714,825,929.62	840,236,049.65

The reconciliation from income tax calculated based on the applicable tax rates and total profits to the income tax expenses is as follows:

Unit: RMB

Item	2025
Total profits	5,448,639,135.47
Income tax expenses calculated at statutory (or applicable) tax rates	1,362,159,783.87
Tax effects of different tax rates applicable to certain subsidiaries	-456,208,054.05
Adjustments of income tax in previous period	92,141,836.32
Effects of non-taxable incomes	-67,600,453.51
Effects of non-deductible costs, expenses and losses	67,734,529.61
Effects of deductible losses not recognised as deferred tax assets in previous period	-112,256,690.00
Effects of deductible temporary differences or deductible losses not recognised as deferred tax assets in current period	119,442,457.03
Changes in the opening balance of deferred tax assets/liabilities resulting from tax rate adjustments	-5,300,590.79
Effects of additional deduction relating to costs of research and development	-227,665,793.65
Impact of tax and accounting differences on equity-settled share-based payments	-57,621,095.21
Others	
Income tax expenses	714,825,929.62

Certain subsidiaries of the Company are classified as “high-tech enterprises” or, in accordance with local laws and regulations, are eligible for a preferential tax rate of 15% or 20% (2024: 15% or 20%).

The profits tax of the Company’s Hong Kong subsidiaries is calculated on the estimated assessable profits earned or arising in Hong Kong at the following rates: (1) Kelon International Incorporation (KII): 8.25% on the portion not exceeding HK\$2,000,000, and 16.5% on the portion exceeding HK\$2,000,000; (2) Other Hong Kong subsidiaries: 16.5% applies to the entire amount (2024: 8.25% and 16.5%).

Except as disclosed above, other subsidiaries of the Company which are established and operated in the PRC are subject to enterprise income tax at a standard rate of 25% (2024: 25%).

12. Earnings per share

(1) Basic earnings per share

The calculation of basic earnings per share is based on the consolidated net profit attributable to ordinary Shareholders of the Company, less expected future unlockable restricted stock cash dividends divided by the weighted average number of issued ordinary Shares:

Unit: RMB

Item	2025	2024
Consolidated net profit attributable to ordinary shareholders of the Company	3,186,573,917.88	3,347,881,773.89
Weighted average number of issued ordinary Shares	1,357,765,659.42	1,346,335,298.33
Basic earnings per Share	2.33	2.46

(2) Diluted earnings per Share

The calculation of diluted earnings per share is based on the consolidated net profit attributable to ordinary Shareholders of the Company adjusted for dilutive potential ordinary Shares divided by the adjusted weighted average number of ordinary Shares in issue. The diluted earnings per Share were the same as the basic earnings per Share.

13. Dividends

The Board proposes to distribute a cash dividend of RMB12.65 (tax inclusive) for every 10 Shares to all Shareholders on the basis of the total share capital of the Company of 1,384,115,264 Shares which represents the total share capital of 1,384,861,171 Shares deducting the repurchased Shares from the repurchase account as at the date of this announcement (as at the date of this announcement, the Company has repurchased 745,907 Shares in total), without bonus issue and issue of Shares by way of conversion of capital reserve. (For the year ended 31 December 2024, a cash dividend of RMB12.30 (tax inclusive) per 10 Shares was distributed to all Shareholders based on the total share capital of 1,384,115,264 shares of the Company actually participating in the distribution)

MANAGEMENT DISCUSSION AND ANALYSIS

I. STATUS OF PRINCIPAL BUSINESS OF THE COMPANY DURING THE REPORTING PERIOD

Hisense Home Appliances is principally engaged in the research and development, manufacturing and marketing of electrical products such as refrigerators, household air-conditioners, central air-conditioners, freezers, washing machines, kitchen appliances, etc., as well as moulds, automotive air conditioner compressors and integrated thermal management systems, and provides full-scenario smart home solutions centered on the intelligent upgrade of home appliances. Leveraging its diversified and internationalized brand matrix comprising eight major brands, namely “Hisense”, “Ronshen”, “KELON”, “HITACHI”, “YORK”, “gorenje”, “ASKO” and “SANDEN”, the Company enjoys a solid market foundation and excellent brand reputation. Focusing on long-term capacity building and fully acting on the requirements for transformation and upgrading toward high-quality development, the Company adheres to a user-centric approach, continuously deepening its global layout across R&D, production and sales channels while

strengthening the synergistic efficiency of R&D, production and marketing. Meanwhile, the Company actively expands its global customer and channel networks and deeply applies AI technology to empower product innovation. By continuously launching high-end, product suite, intelligent and home-integrated product portfolios, the Company has significantly enhanced its market competitiveness, committing to creating a comfortable, smart and sustainable life for global users and building a diversified and steadily growing global business footprint.

1. Heating, Ventilation and Air-conditioning (“HVAC”) Business

(1) Central air-conditioner business

In 2025, facing the dual challenges of the persistent downturn in the real estate market and the contraction of public construction projects, the Company actively responded to the country’s call for carbon neutrality. Adhering to a market orientation centered on user demand, the Company accurately deployed segmented industries and led the HVAC industry towards intelligence and integration. During the Reporting Period, the market share of domestic multi-connected machine exceeded 23%, continuing to lead the industry’s progress.

(i) In terms of home fit-out business, the Company remained user-centric and focused on the three major directions of “functional integration, intelligent interaction, and energy efficiency,” tailoring technology to meet human living requirements.

Currently, users’ demand for a “comprehensive air experience” that is healthy, comfortable and intelligent is continuously upgrading. Hitachi’s home fit-out business continued to lead the trend of systematization and integration, revolutionary launching the “Home-feel 3.0” smart air customization system. Based on the synergy of top-freon and floor-water systems, this solution achieves deep integration across six dimensions, including temperature, humidity and oxygen content, striving to create an ultimate “regionally customized optimal air” experience for users. Meanwhile, Hitachi strengthened its high-end positioning through new product series such as Total-Effect II and Water Comfort. Leveraging brand activities such as partner conferences and nationwide investment roadshows, 252 new large-scale stores were established, further enhancing its high-end image. In 2025, the service NPS reached 96.0%, and the brand was recognized as the “Preferred Brand for Multi-connected Machine User Coverage” and retained the title of “Preferred Supplier in the Supply Chain,” maintaining its top position in the heat pump dual-supply market, with its high-end recognition and market status further enhanced.

Hisense’s home fit-out multi-connected machine continued to optimize the smart and healthy air experience, launching the “ThinkAir Active Health Management System” centered on 5G+ Honor Home, setting a new benchmark for smart air management. According to the *White Paper on the Development of 5G Central Air-conditioning Industry* published by AVC, Hisense 5G central air-conditioners ranked first in the industry with a user satisfaction score of 9.0. Furthermore, Hisense actively developed its heat pump business to build a “second growth curve” for its brand business. Its popular Red Flame III series achieved Class-1 energy efficiency across the entire range and realized powerful heating at -35°C, winning the “Gold Award” for Innovative Products at the

2025 HPE China Heat Pump Exhibition, establishing a high-end brand benchmark for Hisense in the heat pump industry.

York VRF pioneered the elevation of the industry's broad recognition of "Five-constant" to a top-tier standard of "Six-dimensional Nine-constant," and launched the Six-dimensional Nine-constant Full-Air System. This system provides integrated premium air ecosystem solutions for high-end households, achieving technological leadership and value positioning in the high-end market. Leveraging the launch of Six-dimensional Nine-constant Full Air System, York VRF's high-end dual-fan product scale grew by nearly 20% in 2025, significantly enhancing its influence in the high-end market.

(ii) In terms of engineering business, the Company actively deployed segmented industries, with commercial multi-connected machine product technology continuing to lead the industry, while deeply cultivating the water chiller business to create a new benchmark for intelligent water chiller manufacturing.

Targeting the high-value engineering market, Hitachi adhered to the dual-wheel drive of technological innovation and scenario-based cultivation, achieving continuous breakthroughs in key areas such as high-end buildings, medical clean environments and renewal and renovation, creating a series of landmark exemplary projects. For renewal and building renovation scenarios, the Company launched the SET-FREE RIII series refresh machines with a 25% energy efficiency improvement, alongside a series of high-efficiency products and solutions such as water-source multi-connected machine systems for existing water chiller projects. The SET-FREE RIII series refresh machines leverage innovative piping self-adaptation + pressure self-adaptation technologies to achieve reuse of old pipes and a 50% reduction in construction time, leading renovation projects with a high APF of 6.1 and winning the Innovation Product Award at the 2025 Refrigeration Exhibition. During the Reporting Period, the industry's first dual-layer 360° airflow 4-way cassette indoor unit was launched, providing breeze-free cooling comfort and efficient floor-level heating, comprehensively enhancing spatial comfort. In the property fitting-out furnishing market industry, the Hitachi brand reached a market share of 30.2%, ranking first in the industry.

Hisense focused on segmented industries, with commercial multi-connected machine products continuing to lead the technological frontier. Its representative M3 series realized operation across an ultra-wide temperature range from -30°C to 58°C, adapting to extreme environments. This series of commercial multi-connected machines was applied in a new campus of a Grade-A tertiary hospital, leveraging its wide temperature range operation capability to ensure year-round uninterrupted temperature control for critical areas such as operating rooms and ICUs, earning the evaluation of "Guardian of Medical Environment Stability" from the hospital. At the same time, the Company deepened the application of "photovoltaic-storage-direct current-flexible" technology. In a low-carbon demonstration park project in the Yangtze River Delta, Hisense's "photovoltaic-storage-direct current-flexible" integrated technology solution achieved a 40% reduction in building energy consumption and was awarded the National Three-star Green Building Certification, promoting the development of green buildings and demonstrating industry leadership.

York deeply focused on full-scenario engineering demands, tailoring efficient heating and cooling solutions for eight major fields: healthcare, smart campuses, smart catering, green industry, high-end offices, star-rated hotels, comfort renovation and elderly care. During the Reporting Period, the Company launched the YES-superIII series, YES-YZM series and other products, with APF values reaching up to 6.45, ranking as the industry's top1 energy efficiency.

(iii) In terms of new business areas, the Company focused on expanding key segmented industries. Water chiller products continued to build advantages on the positive-pressure, liquid-floating, oil-free platform, while the Smart HVAC ECO-B 2.0 System won wide industry recognition for its efficient full-category HVAC management capabilities.

During the Reporting Period, the ECO-B 2.0 local industrial computer was successfully implemented in over 30 projects throughout the year, with its remote version significantly improving operation and maintenance efficiency by 40%. The multi-connected machine energy consumption commitment management platform has been launched, supporting energy consumption betting models with deviation controlled within 10%. The water chiller operation and maintenance platform effectively reduced unplanned downtime by 30% through a three-level diagnosis mechanism. Furthermore, an energy management solution for third-party air conditioners was officially released, achieving centralized management of three mainstream brands, with the development of fault pre-diagnosis models significantly exceeding the target by 280%.

In the water chiller segment, the Company gained high recognition from customers in segmented industries through its self-developed permanent magnet direct-drive variable-frequency centrifugal technology and the industry's first 10kV high-voltage positive-pressure, liquid-floating, oil-free variable-frequency centrifugal technology. Focusing on the "4+2" key segmented industries, the Company leveraged the synergy of water and fluorine systems to utilize the advantages of different products in various scenarios, completing the delivery and implementation of landmark projects such as the Foxconn Central China Zone 5 Industrial Park, Weichai FinDreams Battery and the Sinosteel low-carbon metallurgy high-temperature heat pump project. During the Reporting Period, Hisense water chillers achieved a year-on-year revenue growth of 69% in the data center industry and 15% in the industrial sector, serving numerous industry clients such as Foxconn Industrial Internet, BYD and China Resources Gas.

(2) Household air-conditioner business

Taking "reshaping air value with leading technology and providing trustworthy full-scenario air solutions for global users" as the mission in the household air-conditioner business, the Company focused on upgrading the technologies and products of Hisense and Kelon. According to the production and sales data from Industry Online, the Company's domestic sales volume of household air-conditioners increased by 9.6% year-on-year in 2025, which was 8.9 percentage points higher than the industry growth rate.

(i) Hisense Air Conditioner is committed to building a "smart home air management hub," leveraging breakthroughs in core technologies such as bidirectional fresh air and edge-cloud

AI to empower a healthy and comfortable life with cutting-edge technology.

Hisense Air Conditioner strengthened breakthroughs in core technologies for fresh air intelligent air conditioners, accelerated the construction and industrialization of edge-cloud collaborative AI control systems, and overcame key technologies such as simultaneous detection of multiple pollutants, magnetic levitation motors, bidirectional fresh air, and water ions. It launched a fresh air product matrix including the X3Pro, X5, X7Pro, and TRÉSOR U6, taking the lead in upgrading traditional air conditioners into a “smart home air management hub.” According to monitoring data from AVC, Hisense’s brand index reached 106.4 in 2025, up 2.9 points year-on-year, with its fresh air air-conditioner retail sales share reaching 44.5%, achieving a rapid year-on-year growth of 11.0% and solidifying its position as “Number 1 in fresh air sales in 2025.” Meanwhile, Hisense released the Inverter S Architecture (with core chips, semiconductor devices, and inverter algorithms all being self-developed). The Deep Sleep X3Pro, equipped with this architecture, was honored with the “Annual Innovative Product Achievement” by the China Household Electric Appliance Research Institute for its effect of “quiet operation with oxygenation, an extra hour of sleeping with deep sleeping one night.” The X7Pro won the 2025 AWE Innovation Award and the “Nanshan Award” for Technological Innovation Product, leveraging the industry’s first bidirectional fresh air exchange technology (simultaneous air intake and exhaust without expanding holes) and multiple purification technologies certified under maternal and infant-grade cleanliness standards. On the occasion of the first exhibition of the genuine FIFA World Cup™ Trophy in China after more than 10 years, the globally debuted Hisense TRÉSOR Air Conditioner U6 became the world’s first fresh air air-conditioner equipped with Near Link SLP human-sensing 2.0 technology. It ranked among the offline sales TOP 20 in its first month of launch and was recognized as one of the “Top Ten Innovative Products of the Year in China’s Air-conditioning Industry 2025.”

(ii) Kelon Air Conditioner consolidated its 42-year dual-high efficiency product heritage, incorporating magnetic levitation technology to enhance energy-saving, quiet operation, and durability, improving the sleep and comfort experience of the younger generation through ultimate product strength.

Kelon Air Conditioner focused on magnetic levitation technology to comprehensively enhance the quiet experience and durability of its products. The energy efficiency ratio of the “quiet operation and energy-saving Max” and Ultra series exceeded 6.26, with performance reaching the industry's peak level, earning the “ultra-high energy efficiency” certification from the China Household Electric Appliance Research Institute and the title of “Leading Brand in Quiet and Energy-saving” at the China Air Conditioning Industry Summit Forum. In the multi-brand cross-testing initiated by the China Academy of Building Research (CABR), the Yunduomao (雲朵貓) Ultra achieved stable cooling in the extreme environment of the flaming mountains with a surface temperature of 80°C, passing the certification as a “Supporting Unit for Research on the Adaptability of Air Conditioners and Heat Pumps in Harsh Natural Environments (嚴酷自然環境空調熱泵適應性研究支撐單位).” Following a comprehensive review by multiple departments including the NDRC, the Ministry of Commerce, and the MIIT, Kelon was selected for the “2025 China Consumer Famous Brands -

Products of the Era (2025年度中國消費名品時代優品).” Based on product strength and through integrated full-chain operation both on and off the platform, the proportion of young purchased users aged 26-30 for Yunduomao Ultra on the JD.com channel increased to 27.76%. The annual sales volume of mid-to-high-end products reached 66,000 units, of which the sales of Max and Ultra series reached 19,900 units, with the proportion increasing by 3.1 percentage points year-on-year.

2. Refrigerator, Washing Machine and Kitchen Appliance Business

(1) Refrigerator and Freezer Business

In 2025, the refrigerator and freezer business, grounded in the dual-brand strategy of Ronshen and Hisense, focused on the core tenets of healthy freshness preservation and vacuum technology, continuously deepening technological advancements to create a user-centric product system. According to the omni-channel monitoring data from AVC, in 2025, the retail sales share of Hisense-branded refrigerators reached 17.0%, representing a year-on-year increase of 0.6 percentage points, while the market share of mid-to-high-end and high-end segments significantly increased by 2.8 percentage points year-on-year.

(i) Ronshen refrigerator, revolutionizing the household preservation experience with nature-inspired freshness technology

Ronshen is guided by the directions of “freshness preservation, health, and dual-system,” propelling business upgrades through product innovation and standards setting. According to monitoring data from AVC, the market share of Ronshen refrigerators in the mid-to-high-end and high-end segments increased by 2.1 percentage points year-on-year in 2025.

To address consumers’ concerns regarding the loss of nutrients in ingredients, odor cross-contamination, and the instability of the preservation environment, the Company has launched the Xiwang (曦望) 650 Freshness Preservation Refrigerator to match high-end consumer demand. Equipped with an upgraded version of the WILL Natural Fresh Preservation System, the model features a new AI Seasonal Light function, which automatically adjusts light colors according to seasonal changes to effectively enhance the retention rate of nutrients such as Vitamin C, lutein, and reducing sugar in fruits and vegetables. Combined with the smart dynamic water mist humidification system, it maintains a 70% golden humidity level. The refrigeration and freezing zones utilize independent cooling systems, fundamentally eliminating the risk of odor cross-contamination among ingredients. The innovatively equipped 3D Blue Light Ultra-clean Ice-making System can rapidly complete the ice-making process within 60 minutes while achieving -31°C deep-freeze rapid freezing. Focusing on users’ needs regarding residual odors and health hazards from bacterial growth, two products under the brand, the Dual Clean Cube 506P60 and 516P60, are equipped with the core i-Smell Smart Sensing Dual Clean Max Technology. Leveraging the dual advantages of “intelligent odor identification + high-efficiency purification and sterilization,” these models can precisely identify over 100 types of odors in the refrigerator and actively release negative ions at a concentration of 30 million per cm³, achieving comprehensive

and efficient purification and sterilization of the internal space. With its 9-in-1 core purification capability, the system fully ensures a healthy preservation environment.

(ii) Hisense refrigerator, pioneering a high-end fresh-storage revolution with vacuum technology

Hisense Refrigerator has spent fifteen years in the vacuum preservation field, accumulating over 440 patent technologies. The innovatively developed vacuum magnetic field preservation technology creates a constant temperature, low-pressure, and low-oxygen environment, pioneering a dual preservation mechanism of “vacuum oxidation prevention + magnetic field enzyme activity suppression,” which has strongly propelled the innovation and upgrading of vacuum preservation technology. In 2025, it achieved the top position in sales in the domestic vacuum preservation industry.

To address users’ storage needs for long-term freshness of ingredients, the Company launched the 565 series Vacuum Headliner fully embedded refrigerator. With vacuum preservation 4.0 technology as its core, it captures freshness at the cellular level, reducing the oxygen content in the vacuum cabin to 15.8% (industry average >21%), effectively inhibiting enzyme activity and delaying the decay process at the molecular level, truly achieving “first-class freshness after seven-day sealed storage.” Addressing the demand for differentiated temperature and humidity storage for various ingredients, the Hisense Tresor series features an innovative zoned temperature control system. The refrigeration zone, vacuum drawer, full-width variable temperature zone, and freezing chamber each have independent zoned temperature control, achieving exquisite segregated storage. The full-width variable temperature zone supports independent temperature control from 5°C to -20°C, allowing for seamless switching between freezing and refrigeration for flexible freshness preservation. The market share of Tresor series products has increased for six consecutive years, and the series has successively won the AWE Excellent Product Award, the China Design Red Star Award, and the iF Design Award.

(2) Washing Machine Business

Washing Machine Business concentrates its efforts on innovation to drive global growth. During the Reporting Period, the global main business revenue of the washing machine achieved rapid growth, and its operating quality continued to improve. In 2025, Hisense washing machines won industry awards such as “Top 10 Brands in the Washing Machine Industry,” “Pioneer of Triple-drum Washing Machines,” and “Leading Brand in Healthy Washing and Care.” Furthermore, it was authoritatively certified by Euromonitor International as the fastest-growing company among the global TOP 10 over the past five years (2021-2025).

With the continuous improvement of user demand for health and quality life, partitioned washing and care has become an important trend in the home appliance market. In 2025, Hisense washing machines launched the revolutionary Cotton Candy Ultra Family Drum—the world’s first 4-in-1 heat pump washer-dryer. This product adopts a forward-looking modular split design, allowing users to freely choose from various installation methods such as stacking, splitting, and embedding,

to combine personalized solutions of five, seven, or even more drums. The main drum of the Hisense Family Drum is equipped with a 13kg large-capacity washing zone. Combined with Hisense's self-developed Zeus integrated heat pump drying system, it achieves 42°C low-temperature gentle drying, caring for fabric fibers while efficiently handling large loads of laundry, with a drying effect comparable to a dedicated dryer. Since its launch, this series has won multiple heavyweight honors, including the "Annual Product Innovation Achievement Award (年度產品創新成果獎)" and "Healthy Washing and Care Pioneer Award (健康洗護先鋒獎)" from the China Household Electric Appliance Research Institute, the "2024-2025 Trend Product Yunding Award (2024-2025年度趨勢產品雲鼎獎)" from AVC, and the "Heat Pump Washing and Care Pioneer Product (熱泵洗護先鋒產品)" from the website of China Household Electrical Appliances Association (www.cheaa.com), leveraging its hardcore technological innovation. Its market performance was equally impressive, with sales exceeding 100,000 units since its launch in June 2025, achieving a historic breakthrough in sales for Hisense washing machine products in the RMB10,000+ price segment. During the Double 11 period, the Hisense Cotton Candy series ranked TOP 1 in the heat pump washer-dryer category on the JD.com platform and received AVC certification for "Number 1 in sales at the main offline price points for heat pump washer-dryers (熱泵洗烘一體機綫下主銷價位銷量第一)," gaining dual recognition from both the industry and the market.

To meet the increasingly refined laundry needs of consumers, Hisense washing machines have improved their product lines through a diversified product layout, steadily strengthening the brand's core competitiveness. In the field of heat pump washer-dryers, the Cotton Candy E8Q launched by Hisense washing machines was the first to achieve the standard size of 845mm (height) × 600mm (depth), supporting in-situ replacement for users, which enhances installation convenience and achieves seamless integration with the home environment. Under the industry trend of growth in the washer-dryer category and accelerated penetration of large-capacity washing machines, Hisense washing machines launched the 12kg large-capacity Cotton Candy U6Q washer-dryer and the U7S washing and drying set in the second half of the year, quickly winning market recognition and consumer popularity. In the field of intelligence, Hisense washing machine products are equipped with an AI laundry housekeeper, which can automatically generate integrated solutions covering scenarios such as "washing, drying, care, reservation, and partitioning." Users do not need to manually adjust complex parameters; they only need to state their laundry needs to start an exclusive laundry program, easily solving laundry challenges. Through the deep integration of intelligent technology and life scenarios, Hisense AI home appliances have greatly facilitated people's lives and were awarded the "AI Agent Innovation Case of the Year (年度家電智能體創新案例)" in the 2025 Smart Life awards.

(3) Kitchen Appliance Business

Hisense Kitchen Appliance Business adheres to a user-centric approach and upholds the concept of technological innovation, driven by the dual-track strategy of mid-to-high-end and innovation to steadily promote high-quality business development. In 2025, Hisense kitchen appliances' domestic

revenue increased by 31% year-on-year, with offline revenue surging by 43%, demonstrating strong growth momentum.

In terms of product technology and iteration, the Company mastered large air duct technology in the range hood segment. The Wind-Eye U5 (風眼U5) quiet range hood adopts 0° sliding opening and closing technology to achieve 45dB quiet operation, passing dual Class-1 certifications for quietness and smoke purification. This drove the revenue proportion of mid-to-high-end products to 60%, successfully creating a blockbuster product in the kitchen and bathroom industry. In the dishwasher segment, the Company developed high-quality bacteria-free products such as S7 and W8 to meet household health needs, winning multiple industry honors. Core products were awarded authoritative prizes such as the iF Design Award, Red Dot Award, and AWE Innovation Award. In 2025, Hisense kitchen appliances spearheaded the formulation of the industry standard Technical Specification for Top and Side Suction Range Hoods (《頂側雙吸吸油煙機技術規範》) as the group leader, and won multiple honors including Top 10 Brands in the Kitchen and Bathroom Industry and Innovative Retail Case in China's Home Appliance Industry, with brand influence continuing to rise.

3. Automotive Air Conditioner Compressor and Integrated Thermal Management System Business

Sanden Company proactively adjusted its business strategy and accelerated its transition from a compressor-centric parts supplier to a comprehensive thermal management system provider for new energy vehicles. Capitalizing on the strategic opportunities brought by the comprehensive electrification and intelligent transformation of the automotive industry, it continued to provide efficient, energy-saving, intelligent and reliable thermal management solutions for global automakers.

(1) Adhering to the product strategy for new energy electrification and expanding integrated thermal management solutions

In terms of integrated thermal management systems, Sanden Company completed the research on key technologies for the next-generation ITMS highly integrated refrigerant integration unit (CRU) platform. By deeply integrating subsystems such as refrigeration, heating (including ultra-low temperature heat pumps), and battery thermal management, it can reduce the winter range degradation of vehicles by 25%. This addresses the differentiated demand for natural refrigerants and cost issues of thermal management systems for new energy vehicles under the “dual carbon” goals and PFAS environmental regulation restrictions. In terms of electric compressors, the fifth-generation electric compressor platform adopts a modular architecture as its core. Through the collaborative design of scroll compression mechanisms, motors, and inverter systems, the development of a family-based platform was completed. Based on the modular design scheme, it achieved compatibility with multiple refrigerants such as R1234yf, CO₂ (a potential environmentally friendly refrigerant), and R290 (a hydrocarbon refrigerant), achieving a dual breakthrough in “high energy efficiency and low noise.” In terms of air handling unit technology, significant progress was made in quietness, temperature control, and energy efficiency control

technologies. Meanwhile, important breakthroughs were achieved in the fields of dual-mixing small air conditioners and comprehensive air conditioners combining double-layer flow and zoned temperature control technologies.

(2) Being firmly centered on “customer needs” for marketing strategy, consolidating business foundation and expanding key increments.

Sanden Company adhered to the strategy of “focusing on strategic customers and strengthening advantageous products”, strengthened collaboration with key global customers, highlighted the advantages of mechanical compressor products, and increased the promotion of thermal management systems and compressor products. In 2025, both the amount of new franchises and new orders increased by more than 30%: In the European market, leveraging traditional product advantages, it successfully secured large orders for mechanical compressors from core strategic customers, further expanding its leading position in mechanical compressors in the European market; In Japan, it obtained electric compressor franchises from important global automakers, laying a foundation for subsequent business expansion with Japanese automakers; In the Americas, it achieved a breakthrough by securing automotive air conditioner orders, becoming the number one supplier for that customer’s automotive air conditioner business; In the Chinese market, in addition to continuing to deeply cultivate the automotive air conditioner and thermal management markets, it fully leveraged global technical synergy and supply chain cost advantages to establish an R&D center and supply chain management headquarters serving global customers.

4. Overseas Business

During the Reporting Period, Hisense sponsored the FIFA Club World Cup 2025, deepened localisation efforts, and capitalized on sports marketing, leading to the continuous improvement of the overseas popularity and influence of its self-owned brands.

(1) Europe Region

Hisense’s Europe Region promoted brand and product operations through multi-dimensional synergy, focusing on resource investment in core markets and top channels, accelerating the upgrade of mid-to-high-end product matrix, and comprehensively driving the growth of home appliance business scale and the improvement of market share. In 2025, the revenue from Hisense’s European white goods business increased by 22% year-on-year. Among which, the sales of refrigerators increased by 15% year-on-year. According to GFK data, the market share in terms of sales of Hisense-branded refrigerators reached 11.4%, representing a year-on-year increase of 1.2 percentage points; the revenue from the household air-conditioner business increased by 8% year-on-year; the washing machine business deeply cultivated strategic markets and focused on advantageous categories such as washer-dryers, achieving a 38% year-on-year revenue growth.

(2) North America Region

Hisense’s North America Region proactively responded to tariff challenges, captured structural opportunities, dynamically optimized production capacity and supply layout, and achieved rapid scale growth by leveraging the localisation advantages of the Monterrey factory; meanwhile, it

accelerated breakthroughs in key channels, improved product portfolios, and continuously promoted brand value enhancement. In 2025, the revenue from the home appliance business in the North America Region increased by 13% year-on-year, among which the refrigerator business achieved a 19% year-on-year revenue growth by focusing on core channels; the revenue from the commercial freezer business increased by 86% year-on-year; the revenue from the dishwasher business increased by 56% year-on-year.

(3) South America Region

In 2025, the South America Region continued to promote business localisation while accelerating product structure adjustments to achieve an improvement in the market share of the Hisense brand. In 2025, the revenue from Hisense's South American white goods business increased by 28% year-on-year, among which the refrigerator business took the core channels of South American countries as its foundation and continuously deepened the localisation level of key markets; in 2025, the revenue from refrigerators in the Central and South America Region increased by 43% year-on-year; the washing machine business achieved doubled growth in 2025 driven by the synergistic effect of multiple categories.

(4) Middle East and Africa (MEA) Region

During the period, Hisense's MEA Region shaped brand appeal through sporting event sponsorships, the "Middle East KOLs' Trip to China," and community marketing, focusing on top-end stores. Brand strength and channel efficacy consistently improved, resulting in a 9% year-on-year increase in revenue for 2025. Among which, refrigerators further deepened their layout in high-end channels such as flagship stores, with revenue increasing by 14% year-on-year. The sales volume of refrigerator and freezer products ranked first in the market for five consecutive years. Specifically, the market share of Hisense-branded refrigerators in the South African market reached 38.4%, representing a year-on-year increase of 3.6 percentage points, ranking first in the market for three consecutive years. The air-conditioner business focused on the R&D and application of technologies such as inverters, R32, and six-stage current control, with self-owned brand business revenue increasing by 16% year-on-year and revenue from core inverter categories increasing by 32% year-on-year. Revenue from washing machines increased by 21% year-on-year.

(5) Asia-Pacific Region

Hisense's Asia-Pacific Region continuously enhanced its market influence through the restructuring of brand value, strengthening of channel construction, and innovation in product technology. In 2025, the revenue from the white goods business in the Asia-Pacific Region increased by 15% year-on-year, among which dishwashers and small appliances in the Australian market achieved rapid growth, and the air-conditioner business vigorously expanded professional channels, achieving a 70% year-on-year revenue growth; the Japanese market focused on differentiation and product strength enhancement, strengthening channel synergy and terminal display. The revenue proportion of self-owned brand business increased by 8 percentage points, and profitability improved significantly. The channel acceptance and market recognition of Hisense-branded air

conditioners continued to rise; meanwhile, localised investment was increased for potential markets such as Bangladesh, Pakistan, South Korea, and the Hong Kong, Macau, and Taiwan regions, leading to a significant improvement in operational quality.

(6) ASEAN Region

During the period, the ASEAN Region focused on breakthroughs in brand business, balanced layout across multiple categories, comprehensive entry into chain channels, and expansion of traditional channels. In 2025, revenue from self-owned brands in Hisense's ASEAN Region increased by 23.5% year-on-year. The household air-conditioner business continuously enriched its product lineup in areas such as smart connectivity and sterilization health, with its retail share in the Malaysian household air-conditioner market reaching the top for the first time, and breakthroughs were achieved in markets such as Singapore and the Philippines. The refrigerator and freezer business gained deep insights into user needs and improved product types, with self-owned brand revenue increasing by 28% and market shares in Thailand and Malaysia increasing by 1.7 percentage points and 0.6 percentage points, respectively. Among which, revenue from side-by-side refrigerators increased by 48% year-on-year, and the market share of the side-by-side category in Thailand increased by 4.8 percentage points year-on-year, with the product structure continuously optimized. The washing machine business focused on breakthroughs in functional products such as "health" and "sterilization + high-efficiency washing," as well as washer-dryer categories. Self-owned brand business revenue increased by 60% year-on-year, with revenue from washer-dryer products increasing by 90%. Market shares of the washer-dryer category in Thailand and Malaysia increased by 2 percentage points and 5.4 percentage points, respectively, driving continuous improvement in the sales structure.

5. Driving Consumption Upgrade and Experience Leap with Policy Dividends and Digital Technology to Build an Omni-channel Smart Service Ecosystem

(1) Seizing the Opportunities of the "Two New" Policies to Lead Industrial and Consumption Upgrades

The Company proactively responded to the government's "trade-in" initiative by increasing R&D investment in low-carbon, green and smart products, and launching multiple products that align with policy and market demands. Concurrently, the Company actively launched joint promotional campaigns with government and channels, offering consumer benefits through subsidies and package purchase discounts. Driven by the "trade-in" and other policies, the Company has continuously achieved product mix upgrades, with trends in high-end, intelligent, and green development becoming prominent. Among which, the Cotton Candy Ultra Family Drum washing machine successively won multiple honors such as the "Best Design Award" at IFA Germany and the "Annual Product Innovation Achievement Award" from the China Household Electric Appliance Research Institute, ranking Top 1 in the heat pump segment. The installation completions of fresh air conditioner grew 49% year-on-year throughout the year, and the Tresor premium product series delivered strong performance with annual revenue growing 24% year-on-year.

(2) Deepening Omni-channel Synergy to Transform Retail Model Driven by Data

The Company continued to drive innovation in its omni-channel new retail ecosystem, accelerating the integration of online and offline sales channels across its nationwide distribution network to achieve synergistic efforts across all channels and high-quality growth. Self-operated channels maintained strategic focus, focusing on the upgrade of dual-channel integration, with emphasis on enhancing capabilities in scenario-based experience, localised services, and brand trust building. The number of new specialist stores opened in 2025 reached a record high, with revenue from these stores showing steady growth. Emerging channels continued to focus on ecosystem collaboration with content-driven e-commerce platforms, integrating omni-channel traffic resources to precisely reach high-net-worth individuals, thereby achieving scaled growth and quality improvement.

In terms of digital transformation of channels, on the one hand, it integrated local lifestyle services through traffic platforms such as Douyin, Meituan, and Gaode, enabling full-chain innovation in user interaction, transactions, and fulfillment, driving rapid growth in annual sales of local lifestyle services. On the other hand, by advancing transformation initiatives in digital channels, digital stores, and digital marketing, it accelerated the implementation of AI technology applications and launched intelligent agents such as new media marketing and AI sales champion trainers, thereby expediting the evolution of its retail model and enhancing channel operational efficiency and the return on marketing investments.

(3) Deepening User Operation Transformation and Upgrading Full-scenario Intelligent Services to Create Efficient and Convenient User Experience

The Company adheres to a user-centric approach in carrying out user operation transformation and service upgrades. It launched an industry-leading intelligent agent for user voice insights, achieving full-chain integration from authentic user voices to demand mining and closed-loop experience improvement. Taking the Hisense AiHome app as the core interaction stronghold for members, the Company leveraged top sports IPs such as the Club World Cup to deeply interact with members, resulting in an 18% year-on-year increase in member scale and a 55% year-on-year increase in monthly active users. Relying on omni-channel data and AI platforms, the Company created a new generation of AI intelligent customer service that “understands, answers accurately, and serves fast,” covering four core scenarios. It has cumulatively incubated over 50 intelligent agents and 3 domain-specific large models, with hotline and text intelligent services available 24/7, significantly improving user satisfaction. The Company continued to expand the coverage of integrated delivery and installation and synchronized delivery and installation services, prioritizing the deployment of service providers localised partial renovation capabilities in core areas to meet consumers' differentiated scenario needs. Through unified warehousing and distribution of spare parts and direct delivery to engineers, the Company met maintenance needs in advance, ensuring that maintenance services are completed in one go and comprehensively enhancing the user experience.

6. Hisense Smart Home: Building a Full-scenario Intelligent Service System with AI Technology Foundation to Achieve Industry Upgrade from Smart Devices to Smart Companions

Along with the rising demand for whole-house smart solutions, the integration of AI large models and the Internet of Things (IoT) has become the key to the intelligent upgrade of home appliances. The Company has built the Xinghai + multi-parameter specification model matrix to construct an intelligent home appliance system that can “perceive, understand, decide, and execute.” Through the Xinghai model matrix, the Company achieved three major experience upgrades: firstly, interactive response speed increased by 40%; secondly, intelligent device synergy was realized; and thirdly, the knowledge enhancement engine achieved an industry retrieval accuracy of over 95%. Based on multi-source perception fusion and driven by a unified IoT Thing model, the Company innovatively created a proactive service mode where “service finds people.” The Company implemented its core technologies in the AI Life Housekeeper system, creating three major intelligent agents—air, food, and laundry—covering core home appliances such as air conditioners, refrigerators, and washing machines to build full-scenario smart services:

AI air housekeeper: Through the coordination of multiple sensors and large models, it senses and analyzes the whole-house environment and user behavior preferences in real-time, providing automatic regulation and proactive services in life scenarios such as sleeping, sports viewing, and removing formaldehyde to meet personalized air demands;

AI food housekeeper: It intelligently identifies over 800 types of ingredients, manages storage, and provides proactive reminders for items nearing expiration; based on over 200,000 personalized nutritional recipes, it provides customized recommendations, achieving scenario integration from storage and planning to recommendation and purchasing; and

AI laundry housekeeper: Through voice and text interaction, it identifies clothing materials and stains and intelligently recommends washing and care programs, solving users’ difficulties in washing and regulation, and upgrading the smart washing and care experience for users with “instant response.”

Through proactive service and scenario linkage, Hisense Smart Life transforms technology into an intuitive and convenient experience. Leveraging the innovation of the three major intelligent agents and proactive service scenarios, Hisense AI Life Housekeeper was awarded the “Annual Innovative Case of Home Appliance Agent” in the 2025 Smart Life awards by *The Beijing News*, with its industry influence and user value once again gaining recognition.

7. Hisense Global Supply Chain: Driving Efficiency Leap and Risk Control with Digital Intelligence to Build a Global Efficient Supply Chain Ecosystem

The Company is committed to building an efficient, agile, transparent and sustainable global supply chain system centered on users, deepening category management and regional integrated procurement, and continuously strengthening the competitiveness of the resource pool to lay a solid foundation for global business development. During the Reporting Period, the Company actively promoted high-quality domestic suppliers into overseas markets and enhanced the supply of overseas localised resources, forming a hierarchical overseas supply system. In 2025, the coverage rate of the overseas resource pool achieved a significant breakthrough, with the supply chain

coverage rate of air conditioners in Thailand and refrigerators in Mexico reaching over 90%, providing strong support for the increase in the proportion of localised procurement.

Concurrently, by laying out a global resource network, the Company introduced top-tier international supplier resources to multiple factories in Mexico, Europe, and Southeast Asia, effectively responding to international trade barriers; adhered to the dual-track backup strategy for chips, and continuously improved the risk prevention mechanism of the overseas supply chain; VMI supply model improved by 38% year-on-year, significantly enhancing supply chain resilience; through digital intelligence operations, the fulfillment cycle of orders improved by 22% year-on-year, achieving a significant leap in the overall fulfillment capability of the supply chain; promoted the green and sustainable development of the supply chain, collaborated with suppliers to deepen the construction of the ESG system, and built a transparent supply chain management system through digital means.

8. Hisense Advanced Manufacturing: Driving Efficiency Leap and Global Benchmark Leadership with “AI + Digital Intelligence” to Build a Resilient Supply Chain Network

In 2025, the Company continuously deepened its “AI-empowered advanced manufacturing” strategy, systematically enhancing manufacturing efficiency and sustainable development capabilities through the application of world-leading technological innovations and a highly synergistic global manufacturing layout. At the technological innovation level, the Company comprehensively promoted the integrated application of advanced technologies such as big data analysis, AI, digital twins, and 5G to reduce abnormal losses such as equipment failures and improve the first-pass yield of products, driving a 21% year-on-year increase in manufacturing efficiency across its global factories. Its outstanding manufacturing capabilities have gained international authoritative recognition. The Huangdao factory of Hisense Hitachi, following its recognition as a World Economic Forum (WEF) “Lighthouse Factory for Manufacturing Excellence” in 2024, further received the world’s first “Sustainable Lighthouse Factory” certification in the multi-connected machine air-conditioning industry during the Reporting Period, becoming the only benchmark factory in the global air-conditioning industry to simultaneously hold both “Manufacturing Excellence” and “Sustainability” lighthouse certifications. Furthermore, the Company’s intelligent manufacturing strength received national-level recognition, with 3 additional factories rated as National Level 4 Intelligent Manufacturing Factories, 1 factory rated as a National 5G Factory, and 1 factory rated as a National Excellence Factory, fully demonstrating the Company’s leading position in the field of intelligent manufacturing.

In terms of global manufacturing network construction, the Company adopted a parallel strategy of “new construction + upgrading” (new capacity + upgrading and renovation) to continuously strengthen the resilience and responsiveness of its global supply chain. In September 2025, the Thailand Intelligent Manufacturing Industrial Park, positioned as a regional intelligent manufacturing base for Southeast Asia, officially commenced construction. The first phase of the park plans to build intelligent production lines for refrigerators, washing machines, and air conditioners, fully benchmarking against lighthouse factory standards to create advanced

production lines with full-process digitalization and intelligence. In December 2025, the Changsha Home Appliance Industrial Park was completed and put into operation as scheduled, with its first-phase commercial air-conditioning intelligent manufacturing base focusing on high-end products such as water chillers and multi-connected machines. Through an efficient multi-base capacity synergy mechanism, this base has effectively enhanced the Company's responsiveness to customer order demands. The smooth progress of project construction and operation of the two key bases in Thailand and Changsha mark the "Global 7+1" manufacturing network layout of Hisense Home Appliances (a global manufacturing system covering Asia-Pacific, ASEAN, North America, Central and South America, MEA, Europe, India, and China). This layout serves as the core pivot of the Company's globalization strategy, effectively enhancing supply chain resilience and localised responsiveness, and providing solid capacity support for the Company's continuous expansion in the global market.

II. STATUS OF THE INDUSTRY IN WHICH THE COMPANY OPERATED DURING THE REPORTING PERIOD

1. Overview of the HVAC Market

(1) Central air-conditioning market

According to the statistics from AICON (www.aicon.com.cn), the overall market capacity of the central air-conditioner industry decreased by 17.1% year-on-year in 2025. The industry is currently in a downward cycle, but the multi-connected machine remains the dominant product as a core category, and brand concentration continues to increase.

Affected by the sharp decline in the scale of the property fitting-out furnishing market and the postponement of large-scale public construction projects, the commercial fit-out market decreased by 16.0% year-on-year. While demand in the traditional public construction sector remained relatively weak, niche markets such as high-end property fitting-out furnishing projects, data centers, new energy, and semiconductors demonstrated strong resilience. Driven by the dual forces of the national "Dual Carbon Goals" policy and the equipment renewal cycle, the demand for energy-saving retrofitting continued to be released, making the market of existing stock a new growth engine.

Due to the sluggish real estate market, the home fit-out retail market has entered a period of deep adjustment, with the market scale declining by 20.0% year-on-year. The current trend of consumption segmentation is prominent, with demand in the mid-to-low-end segment continuing to contract, while high-end improvement demand remains resilient against the trend. The retail share of dual-supply systems rose to 11.3%, and the market share of solutions for large residential units, such as multi-constant systems, continued to increase. Energy-saving, intelligent, and comfortable products are becoming the mainstream choice for consumers who prioritize quality and brand.

(2) Household air-conditioner market

In 2025, the household air-conditioner market exhibited a trend of "hot first and cold later." According to the omni-channel aggregated data from AVC, in the first three quarters, sales of the

air-conditioner market increased by 8.7% year-on-year, while sales in the fourth quarter fell by 33.9% year-on-year, leading to a slight decline in the annual market size. The annual retail volume of the domestic air-conditioner market increased by 4.7% year-on-year, while retail sales fell by 0.4% year-on-year.

Within the market of existing stock, household air-conditioner enterprises were deeply embroiled in price wars, and market competition was increasingly fierce. Although the market size remained flat due to the favorable impact of national subsidy policies throughout the year, the average industry price still touched a historical low for the past five years. However, products with energy-saving, comfort breeze, and healthy air as core functions are becoming important industry trends for industry structural upgrade.

2. Overview of the Domestic Refrigerator, Washing Machine and Kitchen Appliances Market

(1) Domestic refrigerator and freezer market

According to the omni-channel aggregated data from AVC, the retail volume and sales of the domestic refrigerator market decreased by 8.6% and 11.5% year-on-year respectively in 2025. Affected by factors such as the contraction of overall demand for home appliances and the phase-out of national subsidy policies, the refrigerator industry witnessed a decrease in both volume and sales, with market competition continuously intensifying at the levels of price and product performance. Along with the consumers' increasing demand for high-quality home appliances, the upgrade of refrigerator products focused on functional directions such as refined storage experience, health, and energy saving. Meanwhile, the penetration rate of AI technology in the refrigerator category is climbing rapidly.

According to the omni-channel aggregated data from AVC, the retail volume and sales of the freezer market declined by 5.7% and 6.4% year-on-year respectively in 2025. As the pull of national subsidies weakened, the freezer industry saw increases in both volume and price in the second and third quarters, but experienced a sharp decline in the fourth quarter. Meanwhile, the penetration rate of air cooling continued to rise, and energy saving has become the core driving force for the current and future development of the freezer industry.

(2) Domestic washing machine market

According to the omni-channel aggregated data from AVC, the omni-channel sales volume of the Chinese washing machine market was 41.66 million units in 2025, representing a year-on-year decrease of 3.2%. Affected by the tightening of consumption subsidy policies in various regions, the industry exhibited a clear “policy phase-out” effect, which had a particularly significant impact on the offline mid-to-high-end drum washing machine market. Under the overall pressure on the market, product innovation has become the core engine for traversing the cycle. The industry is accelerating towards a stage of value cultivation, with partitioned washing and care, heat pump washer-dryers, and AI intelligence becoming the core directions driving the upgrade of product mix. Products are transitioning from basic functional operations to intelligent recognition, precise washing and care, and scenario-based convenient experiences.

(3) Domestic kitchen appliance market

According to the omni-channel aggregated data from AVC, the retail sales of large kitchen and bathroom appliances decreased by 4.8% year-on-year in 2025. All categories showed a downward trend, and the industry entered a stage of cycle transition. The kitchen appliance industry is accelerating the exploration of structural breakthrough opportunities: the scale of the range hood and stove market reached its peak, and the national standards ushered in a brand-new upgrade; dishwashers' annual scale was dragged down by the decline in the fourth quarter, but there was still incremental growth in the retail lower-tier markets, and the property fitting-out furnishing rate in the engineering sector exceeded 60% and maintained high growth; embedded products' annual scale declined by 5% due to the impact of the fourth quarter, while the online penetration rate of 3-in-1 microwave combi ovens reached 52.6%, with product iteration accelerating structural upgrade; the water heater market compensated for the overdraft of demand in 2024, and electric water heaters developed steadily overall. Currently, the competition landscape of the kitchen appliance market is diversified, and leading brands have not yet formed a monopoly. There is still room for breakthroughs in niche markets. Quality improvement in range hoods, stoves, gas water heaters, and embedded categories can be promoted through product upgrades, and the popularization of dishwashers and the expansion of electric water heaters can be accelerated with high cost-effectiveness.

3. Overview of the Automotive Air Conditioner Compressor and Integrated Thermal Management Market

According to the statistics from IHS, the cumulative production volume of compressors in the global automotive industry in 2025 was approximately 89.19 million units, representing a year-on-year growth of approximately 1.5%. Among which, the Greater China region recorded a total production volume of approximately 30.95 million units, representing a year-on-year growth of 5.6%. In 2025, new energy vehicles continued their rapid growth, with global new energy vehicle production reaching approximately 21.83 million units, a year-on-year growth of 20.4%. Among which, the production volume of new energy vehicles in the Greater China market was approximately 15.57 million units, representing a year-on-year growth of approximately 21.3%.

The general direction of the automotive air conditioner compressor and integrated thermal management market continuing its transition towards new energy remains unchanged. However, the relaxation of EU carbon dioxide emission standards and the US tariff policy have, to a certain extent, changed the cost structure and competitive pattern of the global automotive industry. Policy changes in major overseas markets have significantly increased the complexity and uncertainties of the market transition.

4. Overseas Home Appliance Market

In 2025, the global home appliance market faced challenges such as geopolitical risks and rising costs. Demand weakened in the second half of the year, with divergence across different categories. According to the data from the Industry Online, in 2025, export volumes of the refrigerator industry

increased by 4.8% year-on-year, with demand in European and American markets falling back, while Africa and South America experienced rapid growth. Export volumes of the air-conditioner industry decreased by 2.3% year-on-year, ending the growth of the past two years, with export volumes declining consecutively in the second half of the year. Export sales volume of the washing machine industry increased by 13.5% year-on-year.

Looking ahead to 2026, geopolitical risks such as US tariffs and local wars persist. Meanwhile, the industry faces significant pressure due to high channel inventory overseas and raw material costs remaining high. However, rising consumers' preference for energy-efficient and smart home appliances in mature markets, coupled with the continuous increase in the penetration rate in emerging markets such as MEA, Latin America, and ASEAN, will bring new development opportunities for Chinese home appliance enterprises expanding overseas.

III. ANALYSIS OF PRINCIPAL FINANCIALS DURING THE REPORTING PERIOD

(I) MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS

Did the Company make retrospective adjustments to or restatements of the accounting data of prior years?

Yes No

Item	2025	2024	Increase or decrease as compared to last year (%)	2023
Operating revenue (RMB)	87,928,485,899.72	92,745,611,109.52	-5.19	85,600,189,224.06
Net profits attributable to shareholders of listed company (RMB)	3,186,573,917.88	3,347,881,773.89	-4.82	2,837,322,754.58
Net profits after deducting non-recurring profit and loss attributable to shareholders of listed company (RMB)	2,444,877,920.97	2,605,848,900.08	-6.18	2,355,069,261.87
Net cash flow from operating activities (RMB)	5,796,029,180.51	5,132,164,941.24	12.94	10,611,857,591.35
Basic earnings per share (RMB/share)	2.33	2.46	-5.28	2.08
Diluted earnings per share (RMB/share)	2.33	2.46	-5.28	2.08
Weighted average rate of return on net assets (%)	19.36	23.27	Decrease of 3.91 percentage points	22.64
Item	At the end of 2025	At the end of 2024	Increase or decrease as compared to last year (%)	At the end of 2023
Total assets (RMB)	69,984,242,341.49	69,701,939,817.33	0.41	65,946,495,555.67
Net assets attributable to shareholders of listed company (RMB)	17,469,005,538.20	15,455,626,606.63	13.03	13,580,174,485.95

(II) NON-RECURRING PROFIT AND LOSS ITEMS AND AMOUNTS

Unit: RMB

Item	2025	2024	2023	Description
Profits or losses from disposal of non-current	27,776,445.49	-5,693,941.96	-3,666,652.72	--

Item	2025	2024	2023	Description
assets (including the part written off for provision for impairment on assets)				
Government grants recognised in profit or loss for the period (excluding those that are closely related to the company's ordinary operating activities, comply with national policies, are granted in accordance with prescribed standards, and have a continuous impact on the company's profit or loss)	202,755,624.01	247,168,700.30	195,139,772.58	--
Gains and losses arising from changes in the fair value of financial assets and financial liabilities held by non-financial enterprises, and gains and losses arising from the disposal of financial assets and financial liabilities, excluding effective hedging transactions in relation to the entity's ordinary operating activities	217,111,683.54	135,123,664.04	-239,068,307.45	--
Profit and losses from assets which entrust others to invest or manage	371,034,766.84	361,802,134.90	298,844,795.34	--
Gain or loss on debt restructuring	16,408,247.83	9,564,354.65	25,739,211.33	--
Other non-operating income and expenses other than the aforementioned items	114,830,847.59	179,094,875.47	371,016,020.58	--
Other profit and loss items that satisfy the definition of non-recurring profit and loss			72,041,335.03	--
Less: Effect of income tax	178,140,998.95	141,971,316.85	147,009,791.45	--
Effect of minority interests (after tax)	30,080,619.44	43,055,596.74	90,782,890.53	--
Total	741,695,996.91	742,032,873.81	482,253,492.71	--

(III) ANALYSIS OF PRINCIPAL BUSINESS

1. Analysis of operating revenue, operating costs and gross profit margin

Unit: RMB

Item	Revenue from major operating businesses	Costs of major operating businesses	Gross profit margin (%)	Increase or decrease in revenue from operating businesses as compared to corresponding period last year (%)	Increase or decrease in costs of operating businesses as compared to corresponding period last year (%)	Increase or decrease in gross profit margin as compared to corresponding period last year (percentage point)
By industry						
manufacturing industry	83,334,900,120.81	65,004,272,623.81	22.00	-0.34	0.29	-0.49
By products						
HVAC	38,829,431,638.39	28,177,530,524.14	27.43	-3.61	-2.11	-1.12
Refrigerators and washing machines	31,195,368,384.49	25,695,912,500.39	17.63	1.16	1.07	0.07
Others	13,310,100,097.93	11,130,829,599.28	16.37	6.48	4.89	1.26
By region						
Domestic	45,410,397,895.49	31,855,663,602.43	29.85	-5.38	-4.18	-0.88
Overseas	37,924,502,225.32	33,148,609,021.38	12.59	6.44	4.98	1.21
By sales channel						
Direct sales	59,779,751,255.09	49,946,613,556.01	16.45	0.82	0.73	0.07
Distribution	23,555,148,865.72	15,057,659,067.80	36.07	-3.18	-1.17	-1.30

2. Expenses

Unit: RMB

Expense Item	2025	2024	Increase or decrease as compared to corresponding period last year (%)	Reason for the significant changes
Sales expense	8,662,021,521.27	9,001,915,472.95	-3.78	--
Management expense	2,403,555,384.28	2,499,492,962.69	-3.84	--
Finance expense	205,232,131.55	-36,902,664.41	N/A	Mainly due to the impact of foreign exchange gains and losses
Research and development expense	3,440,773,728.91	3,446,746,374.31	-0.17	--

3. Cash Flow

Unit: RMB

Item	2025	2024	Increase or decrease as compared to corresponding period last year (%)
Cash inflows from operating activities	84,977,429,177.78	81,425,983,334.68	4.36
Cash outflows from operating activities	79,181,399,997.27	76,293,818,393.44	3.78
Net cash flows from operating activities	5,796,029,180.51	5,132,164,941.24	12.94
Cash inflows from investing activities	46,776,511,658.56	37,576,184,678.56	24.48
Cash outflows from investing activities	50,330,657,556.56	38,195,621,766.67	31.77
Net cash flows from investing activities	-3,554,145,898.00	-619,437,088.11	N/A
Cash inflows from financing activities	4,976,574,130.85	4,926,600,091.46	1.01
Cash outflows from financing activities	6,991,614,679.80	10,047,920,217.55	-30.42
Net cash flows from financing activities	-2,015,040,548.95	-5,121,320,126.09	N/A
Net increase in cash and cash equivalents	222,297,967.29	-685,871,793.99	N/A

Explanations on the main contributing factors for significant year-on-year changes of the relevant figures:

√ Applicable □ Not applicable

The change in net cash flows from investing activities was mainly due to capital expenditure on the construction of industrial parks in Thailand and Hunan Province, as well as changes in wealth management products.

The change in net cash flows from financing activities was mainly due to dividends, share buybacks and changes in bills margin deposits.

(IV) PARTICULARS OF ENTRUSTED WEALTH MANAGEMENT

Unit: RMB ten thousand

Product Type	Risk Profile	Balance of entrusted wealth management as at the Reporting Period	Amounts overdue for recovery as at 31 December 2025
Wealth management products	Short-term, low-to-medium risk wealth management products with high safety profile and strong liquidity. The investment scope did not include securities investment funds involving trading on the secondary stock market.	1,892,280.19	0.00
Total		1,892,280.19	0.00

(V) MAJOR SUBSIDIARIES AND COMPANIES IN WHICH THE COMPANY HAS EQUITY INTEREST

Major Subsidiaries and Participating Companies Affecting 10% or More of the Company’s Net Profit

Name of company	Company type	Major business	Registered capital	Total assets (RMB ten thousand)	Net assets (RMB ten thousand)	Operating revenue (RMB ten thousand)	Operating profit (RMB ten thousand)	Net profit (RMB ten thousand)
Hisense Hitachi	Subsidiary	Production and sale of commercial air-conditioners	USD150 million	1,778,172.30	677,428.05	1,739,115.83	352,607.62	293,252.02

IV. OUTLOOK

(I) The Company’s development strategy

With the mission of “pursuing continuous, independent technological innovation centred on user needs, leading advanced manufacturing centered on intelligence, and serving hundreds of millions of families with high-quality products”, the Company abides by the values of “honesty and integrity, pragmatic innovation, customer first and sustainable operation.” The Company creates high-quality products with ingenuity and aims to become the most trustworthy brand in the world.

Business highlights for 2026

The Company will adhere to its customer- and user-centred approach, and cultivate competitive advantages for our brand and products. We will focus on user experience and product excellence to develop leading comprehensive smart living solutions. In 2026, we will focus on core capacity building and strategic implementation, accelerate globalization layout and digital transformation, strengthen operational quality and risk control, and promote the Company’s sustainable and high-quality development. We will expedite strategic transition from a “product-centric hardware manufacturer” to a “user-centric smart living service partner”, and use AI to reshape growth engine.

The specific business highlights are as follows:

1. Deepening R&D innovation to lead product upgrades and cost competitiveness

The Company will adhere to the “technology-driven enterprise” philosophy, strengthen user-centric product planning and the transformation of forward-looking technology research, and promote the upgrade of products from “smart devices” to “smart companions” to continuously enhance user experience and product competitiveness, and gradually transform products into AI companion devices capable of providing emotional connection and proactive services. We will fully implement the user-centric integrated product development (“IPD”) process, accelerate R&D digital transformation, deepen IPD iteration, and deeply explore the application potential of AI in the entire R&D process to improve R&D efficiency and responsiveness. Meanwhile, the Company will promote standardization reform across the entire value chain, particularly strengthening cost control capabilities in the R&D stage to build core competitiveness in cost leadership.

2. Driving marketing breakthroughs and brand upgrades to achieve synergistic growth in domestic and overseas sales

The Company will accelerate the transformation of its business model from “selling products” to “managing user relationships” and adopt a service-oriented, sustained approach to user engagement. By delivering services, content and interactions covering the entire user journey and lifecycle, it seeks to establish, maintain and deepen user relationships, thereby upgrading its business model from one-off transactions to sustained value creation. In the domestic market, the Company will deeply cultivate channel upgrades and efficiency improvements, optimize the omni-channel layout of online and offline, promote the creation of benchmark stores, and improve the operational efficiency of individual stores. We will precisely gain insights into high-end user needs, improve the layout of high-end product lines, and deepen the promotion of IPMS to achieve precise reach of brand and product marketing, thereby enhancing the brand's high-end image and market share in the mid-to-high-end segment. In terms of overseas market expansion, the Company will develop customized product lines for different regional market needs to enhance product adaptability and competitiveness overseas. Leveraging sports marketing resources, we will actively build six regional growth engines in Europe, North America, Central and South America, MEA, Asia-Pacific, and ASEAN to continuously enhance global brand influence. Concurrently, the Company will promote DTC model reform and accelerate the transformation of self-owned channels toward efficient retail to improve overall marketing efficiency.

3. Promoting lean procurement to ensure global supply chain resilience and efficiency

Drive the transformation of procurement models centered on “quality, cost, and service,” reshape the supplier value management system, and enhance supply chain responsiveness and stability; implement refined management through supplier classification and grading, optimize procurement resource allocation, and deepen category management to reduce costs and increase efficiency. Upgrade informatization platforms and strengthen supplier source management and quality capacity building. Meanwhile, align domestic and overseas procurement certification standards, complete the

dual-track backup layout of global resources for key categories, strengthen global procurement synergy, optimize global supply chain costs, and enhance overall efficiency and cost competitiveness.

4. Strengthening intelligent manufacturing and global layout to support end-to-end cost optimization

Deepen the digital transformation of the manufacturing side to support the continuous optimization of product lifecycle costs and help achieve category cost reduction targets. Accelerate the construction of the Changsha Home Appliance Industrial Park, improve the operational efficiency of the Monterrey Home Appliance Industrial Park in Mexico, and accelerate the development of Thailand Home Appliance Industrial Park to expand global capacity and strengthen efficient synergy across multiple global bases. Concurrently, actively respond to the national “dual carbon” strategy, continue to promote green manufacturing practices, strive to build industry “lighthouse factories,” and enhance sustainable development capabilities.

5. Focusing on operational quality improvement to continuously create shareholder value

Place shareholder value creation at the core, and continuously improve the Company’s overall operating efficiency and investment return levels by enhancing operational efficiency, optimizing resource allocation, and strengthening profitability.

6. Consolidating organizational and digital guarantees to stimulate organizational vitality

Deepen data governance and knowledge management, accelerate the improvement of core business process-orientation and online rates, and empower efficient business development through digitalization. Continuously optimize talent introduction and cultivation mechanisms, stimulate organizational innovation vitality, optimize long-term incentive mechanisms, and enhance team cohesion and combat effectiveness to provide a solid organizational guarantee for strategic implementation.

(II) Major risks to future development

1. Macroeconomic fluctuation risk

There are increasing uncertainties in the global macroeconomy. If economic growth further slows down or a regional recession occurs, it may lead to a decline in the willingness and ability of residents to consume, which could, in turn, suppress the overall demand for durable consumer goods such as home appliances. Concurrently, adjustments in domestic and overseas macroeconomic policies or weak growth in consumer demand may also directly impact the market sales of the Company’s main products.

2. Rising cost risk

Any significant fluctuation in the prices of the Company’s main raw materials (such as copper, steel, plastic, aluminum, etc.) will directly impact the product cost structure. Any increase in the costs of labor and labor costs, shipping costs, installation and maintenance services may result in the overlapping of costs in multiple segments, which could put pressure on the profitability of the

Company.

3. Exchange rate risk

Along with the continuous expansion of the Company's overseas business scale and the significant increase in the proportion of overseas revenue, if the exchange rate of RMB fluctuates significantly, it may not only affect the price competitiveness and profitability of the Company's products in overseas markets, leading to a narrowing of the profit margin of the overseas business, but also result in significant exchange losses and increase overall financial costs.

4. Market risk due to trade protectionism and trade barriers

Some countries or regions may protect their own economic interests through means such as increasing tariffs and imposing stricter technical barriers. These measures will drive up compliance costs, make market access difficult, and weaken the price competitiveness and channel penetration efficiency of enterprises in overseas markets.

FINAL DIVIDEND

The Board proposes to distribute a cash dividend of RMB 12.65 (tax inclusive) for every 10 Shares to all Shareholders (the "**Proposed Dividend**") on the basis of the total share capital of the Company of 1,384,115,264 Shares which represents the total share capital of 1,384,861,171 shares deducting the repurchased Shares from the repurchase account as at the date of this announcement (as at the date of this announcement, the Company has repurchased 745,907 Shares in total), without bonus issue or the issuance of Shares through conversion of capital reserve. (For the year ended 31 December 2024, a cash dividend of RMB12.30 (tax inclusive) per 10 Shares was paid to all Shareholders based on the total share capital of 1,384,115,264 Shares of the Company actually participating in the distribution)

The Proposed Dividend is subject to approval by the Shareholders at the forthcoming 2025 annual general meeting (the "**Annual General Meeting**"). Subject to the approval of the Proposed Dividend by the Shareholders, the Proposed Dividend is expected to be paid on or about 14 August 2026. The total amount of profits to be distributed is expected to be RMB1,750,905,808.96. Details of the payment of the Proposed Dividend will be announced after the conclusion of the Annual General Meeting.

EXPOSURE TO EXCHANGE RATE FLUCTUATION AND ANY RELATED HEDGE

Since part of the purchase and the majority of the overseas sales of the Group during the Reporting Period were denominated in foreign currency, the Group is exposed to certain risks of exchange rate fluctuation. The Group has used financial instruments such as import/export documentary bills and forward contracts for exchange rate hedging purposes.

CAPITAL EXPENDITURE

The capital expenditure of the Group for the year ended 31 December 2025 was RMB2,114.10 million. The Group has sufficient funds to meet the funding requirement for purposes such as capital expenditure plans and daily operations.

GEARING RATIO

As at 31 December 2025, the Group's gearing ratio (calculated according to the formula: gearing ratio = total liabilities/total assets) was 69.25% (2024: 72.20%).

CORPORATE GOVERNANCE CODE

To the best knowledge and information of the Company, during the Reporting Period, the Company has complied with the code provisions in the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Hong Kong Listing Rules.

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 Hong Kong Listing Rules as its code for securities transaction by Directors. After having made specific enquiries to the Directors, all the Directors confirmed that they had acted in full compliance with the Model Code during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the Reporting Period, the Company repurchased and cancelled 393,600 A Shares on 26 May 2025 and 755,634 A Shares on 29 July 2025 in accordance with the 2022 Restricted A Shares Incentive Scheme, at a repurchase price of RMB5.157 per Share, with a total repurchase amount of RMB5,926,599.74. Save for the aforesaid, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

AUDIT COMMITTEE

The twelfth session of the audit committee of the Company (the "Audit Committee") comprises three independent non-executive Directors, namely, Mr. Xu Guo Jun, Mr. Li Zhi Gang and Mr. Tsoi Wing Sing. The Audit Committee has reviewed the applicable accounting principles, standards and practices adopted by the Group as well as the financial results of the Group for the year ended 31 December 2025 and the disclosure in this announcement with the Directors.

SCOPE OF WORK OF SHINEWING CERTIFIED PUBLIC ACCOUNTANTS LLP

The figures in respect of the consolidated balance sheet and consolidated income statement of the Company, and the related notes thereto, for the Reporting Period as set out in this announcement have been agreed by ShineWing Certified Public Accountants LLP, the auditor of the Company, to the amounts set out in audited consolidated financial statements of the Company for the Reporting Period. The work performed by ShineWing Certified Public Accountants LLP 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 ShineWing Certified Public Accountants LLP on this announcement.

EVENT SUBSEQUENT TO THE REPORTING PERIOD

The Group is not aware of any significant events that could have a material impact on our operating and financial performance after the year ended 31 December 2025 and up to the date of this announcement.

PUBLICATION OF ANNUAL RESULTS AND 2025 ANNUAL REPORT

This announcement is published on the websites of the Company (hxjd.hisense.cn) and the Hong Kong Stock Exchange (<http://www.hkexnews.hk>). The 2025 annual report of the Company will be despatched to the Shareholders upon request and published on the respective websites of the Company and the Hong Kong Stock Exchange stated above in accordance with the Hong Kong Listing Rules in due course.

DEFINITIONS

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

“Board”	the board of directors of the Company
“CASBE”	China Accounting Standards for Business Enterprises
“Company”, “We”	Hisense Home Appliances Group Co., Ltd.* (海信家電集團股份有限公司), a company incorporated in the PRC with limited liability, whose shares are listed on the main board of the Hong Kong Stock Exchange and the Shenzhen Stock Exchange
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hisense Air-Conditioning”	Qingdao Hisense Air-Conditioning Company Limited* (青島海信空調有限公司), a company incorporated in the PRC with limited liability and indirectly controlled by Hisense Holdings, which holds approximately 37.31% of the issued Shares as at the date of this announcement
“Hisense Global Asia Holding”	Qingdao Hisense Global Asia Holding Co., Ltd.* (青島海信環亞控股有限公司), a company incorporated in the PRC with limited liability and 50% owned by the Company
“Hisense Holdings”	Hisense Group Holdings Co., Ltd.* (海信集團控股股份有限公司), a company incorporated in the PRC with limited liability
“Hisense Hitachi”	Qingdao Hisense Hitachi Air-Conditioning Systems Co., Ltd.* (青島海信日立空調系統有限公司), a company incorporated in the PRC with limited liability and a subsidiary of the Company
“Hisense Intelligent Electronic”	Qingdao Hisense Intelligent Electronic Technology Co., Ltd.* (青島海信智能電子科技有限公司), a company incorporated in the PRC with limited liability and a wholly owned subsidiary of Hisense Visual Technology Co., Ltd.
“Hisense International”	Hisense International Co., Ltd.* (青島海信國際營銷股份有限公司), a company incorporated in the PRC with limited liability and a subsidiary of Hisense Holdings
“Hisense Jinlong Holding”	Qingdao Hisense Jinlong Holding Co., Ltd.* (青島海信金隆控股有限公司), a company incorporated in the PRC with limited liability and a subsidiary of Hisense Holdings
“Hisense Marketing Management”	Hisense Marketing Management Co., Ltd.* (海信營銷管理有限公司), a company incorporated in the PRC with limited

	liability and 50% owned by the Company
“Hisense Xinghai Technology”	Hisense Xinghai Technology (Hangzhou) Co., Ltd.* (海信星海科技(杭州)有限公司), a company incorporated in the PRC with limited liability and 30% owned by the Company
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“Reporting Period”	the year ended 31 December 2025
“RMB”	Renminbi, the lawful currency of the PRC
“R&D”	research and development
“Share(s)”	share(s) of RMB1.00 each in the capital of the Company, comprising the A Shares and the H Shares
“Shareholder(s)”	holder(s) of the Shares
“Sanden Company”	Sanden Corporation, a Japanese listed company and 73.16% owned by the Company
“Yiyang Entrepreneurship Investment”	Qingdao Yiyang Entrepreneurship Investment Management Co., Ltd.* (青島億洋創業投資管理有限公司), a company incorporated in the PRC with limited liability
“USD”	United States dollars, the lawful currency of the United States of America
“%”	percent

**For identification purposes only*

By order of the Board
Hisense Home Appliances Group Co., Ltd.
Gao Yu Ling
Chairperson

Foshan City, Guangdong, the PRC, 30 March 2026

As at the date of this announcement, the Company’s executive Directors are Ms. Gao Yu Ling, Mr. Jia Shao Qian, Mr. Yu Zhi Tao, Ms. Fang Xue Yu and Mr. Dai Hui Zhong, the Company’s independent non-executive Directors are Mr. Li Zhi Gang, Mr. Tsoi Wing Sing and Mr. Xu Guo Jun, and the Company’s employee representative Director is Mr. Yin Bi Tong.