Midea Group Co., Ltd.
美的集團股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock code: 0300)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

ANNUAL RESULTS

The board of directors (the "Board") of Midea Group Co., Ltd. (the "Company", and together with its subsidiaries, the "Group") hereby announces the consolidated annual results of the Group for the year ended 31 December 2025 together with comparative figures for the year ended 31 December 2024 as follows:

FINANCIAL HIGHLIGHTS

	Year ended 31 December		
	2025	2024	**Change**
	RMB million	*RMB million*	
Revenue	**458,502**	409,084	12.1%
Gross profit	**120,040**	107,102	12.1%
Operating profit	**54,743**	46,817	16.9%
Profit for the year	**44,520**	38,759	14.9%
Profit attributable to owners of the Company	**43,945**	38,539	14.0%
Earnings per share for profit attributable to owners of the Company:			
– Basic (RMB per share)	**5.80**	5.44	6.6%
– Diluted (RMB per share)	**5.76**	5.42	6.3%

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2025

		Year ended 31 December	
		2025	2024
	Note	***RMB'000***	*RMB'000*
Revenue	*3*	**458,502,407**	409,084,266
Cost of revenue	*4*	**(338,462,194)**	(301,982,533)
Gross profit		**120,040,213**	107,101,733
Selling and marketing expenses	*4*	**(42,891,490)**	(38,753,424)
General and administrative expenses	*4*	**(16,765,506)**	(15,403,802)
Research and development expenses	*4*	**(17,787,624)**	(16,232,771)
Net impairment (losses)/reversal on financial assets and contract assets		**(389,535)**	28,676
Other income		**10,139,756**	9,680,098
Other gains, net		**2,397,345**	396,234
Operating profit		**54,743,159**	46,816,744
Finance income		**1,121,099**	944,785
Finance costs		**(3,000,695)**	(1,916,510)
Finance costs, net		**(1,879,596)**	(971,725)
Share of profit of associates and joint ventures, net		**588,828**	847,098
Impairment provision for investments in associates		**(367,048)**	–
Profit before income tax		**53,085,343**	46,692,117
Income tax expense	*5*	**(8,565,147)**	(7,933,153)
Profit for the year		**44,520,196**	38,758,964
Attributable to:			
Owners of the Company		**43,945,411**	38,538,987
Non-controlling interests		**574,785**	219,977
		44,520,196	38,758,964
Earnings per share for profit attributable to owners of the Company:			
– Basic (RMB per share)	*6*	**5.80**	5.44
– Diluted (RMB per share)	*6*	**5.76**	5.42

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2025

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Profit for the year	**44,520,196**	38,758,964
Other comprehensive income:		
Items that may be reclassified to profit or loss		
– Other comprehensive income that will be transferred subsequently to profit or loss under the equity method, net of tax	**(22,314)**	37,830
– Cash flow hedging reserves, net of tax	**491,074**	(435,632)
– Currency translation differences of foreign operations	**(294,649)**	(240,744)
– Others, net of tax	**(60,323)**	(34,592)
Items that will not be reclassified to profit or loss		
– Changes arising from remeasurement of defined benefit plan, net of tax	**148,642**	(43,558)
– Changes in fair value of investments in other equity instruments, net of tax	**(5,813)**	(2,336)
Other comprehensive income/(loss) for the year, net of tax	**256,617**	(719,032)
Attributable to:		
Owners of the Company	**49,147**	(353,788)
Non-controlling interests	**207,470**	(365,244)
Total comprehensive income for the year	**44,776,813**	38,039,932
Attributable to:		
Owners of the Company	**43,994,558**	38,185,199
Non-controlling interests	**782,255**	(145,267)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2025

		As at 31 December	
		2025	2024
	Note	***RMB'000***	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**48,931,256**	39,628,721
Right-of-use assets		**11,551,982**	10,799,523
Investment properties		**1,142,213**	1,184,541
Intangible assets		**47,493,900**	38,562,436
Deferred tax assets		**15,118,022**	14,074,278
Prepayments, other receivables and other assets		**3,390,345**	2,907,320
Investments in associates and joint ventures		**4,775,044**	5,223,478
Loan receivables		**622,248**	308,903
Derivative financial instruments		**348,834**	481,315
Other financial assets at amortized cost		**54,288,425**	97,682,820
Other financial assets at fair value through other comprehensive income		**29,901**	35,595
Other financial assets at fair value through profit or loss		**4,437,255**	4,399,137
Total non-current assets		**192,129,425**	215,288,067
Current assets			
Inventories	*7*	**64,628,834**	63,339,188
Contract assets		**4,268,501**	3,499,556
Trade and note receivables at amortized cost	*8*	**45,696,860**	42,517,549
Trade and note receivables at fair value through other comprehensive income		**14,935,344**	17,646,449
Prepayments, other receivables and other assets		**29,636,592**	22,652,175
Loan receivables		**11,779,217**	11,047,886
Derivative financial instruments		**2,969,464**	5,255,303
Other financial assets at amortized cost		**156,789,662**	69,234,257
Other financial assets at fair value through other comprehensive income		**–**	6,525,002
Other financial assets at fair value through profit or loss		**710,717**	6,936,113
Term deposits and restricted cash		**16,738,480**	85,291,580
Cash and cash equivalents		**68,508,670**	55,118,728
Total current assets		**416,662,341**	389,063,786
Total assets		**608,791,766**	604,351,853

	Note	As at 31 December 2025 RMB'000	2024 RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings	*9*	**15,853,617**	13,758,532
Lease liabilities		**1,901,053**	1,825,258
Deferred tax liabilities		**5,891,940**	4,896,815
Other payables and accruals		**2,606,947**	2,181,809
Deferred income		**2,638,278**	2,196,222
Derivative financial instruments		**92,008**	6,020
Total non-current liabilities		**28,983,843**	24,864,656
Current liabilities			
Trade and note payables	*10*	**130,802,372**	118,774,248
Contract liabilities		**46,993,060**	49,254,717
Borrowings	*9*	**48,331,021**	69,549,174
Lease liabilities		**1,395,306**	1,122,108
Customer deposits		**134,110**	137,344
Derivative financial instruments		**872,439**	3,095,850
Other financial liabilities at fair value through profit or loss		**706,439**	873,776
Current tax liabilities		**4,485,221**	3,798,350
Other payables and accruals		**109,663,732**	105,214,239
Total current liabilities		**343,383,700**	351,819,806
Total liabilities		**372,367,543**	376,684,462
EQUITY			
Share capital	*11*	**7,597,145**	7,655,956
Treasury shares		**(8,151,117)**	(5,728,446)
Reserves		**56,547,492**	61,231,287
Retained earnings	*12*	**167,227,785**	153,591,297
Equity attributable to owners of the Company		**223,221,305**	216,750,094
Non-controlling interests		**13,202,918**	10,917,297
Total equity		**236,424,223**	227,667,391
Total equity and liabilities		**608,791,766**	604,351,853

1. GENERAL INFORMATION

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

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

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

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

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

2.2 Amended standards adopted by the Group

The Group has applied the following amendments to standards for the financial year beginning on 1 January 2025.

Amendments to IAS 21	Lack of Exchangeability

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

2.3 New standards, amendments to standards and interpretations not yet been adopted by the Group

New standards, amendments and interpretations that have been issued but not yet effective and have not been early adopted:

		Effective for annual periods beginning on or after
Annual Improvements to IFRS Accounting Standards – Volume 11	Clarifications, simplifications, corrections, and changes intended to improve consistency	1 January 2026
Amendments to IFRS 9 and IFRS 7	Amendments to the classification and measurement of financial instruments	1 January 2026
Amendments to IFRS 9 and IFRS 7	Contracts referencing nature-dependent electricity	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint venture	To be determined
Amendments to illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37	Disclosures about Uncertainties in the Financial Statements	Not applicable

Except for IFRS 18 mentioned below, the above new standards and amended standards are not expected to have a material impact on the consolidated financial statements of the Group and performance in the current or future reporting periods and on foreseeable future transactions.

IFRS 18 will replace IAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

3. SEGMENT INFORMATION AND REVENUE

(a) Description of segments and principal activities

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

- Smart home solutions: this part of the business includes manufacturing and sales of a wide range of home appliances, including air conditioners, refrigerators, washing machines, kitchen appliances, and various other appliances.

- Building technology: this part of the business includes providing intelligent and integrated solutions for infrastructure, public premises, industrial parks, agricultural facilities and more, supported by offerings of commercial air conditioners, elevators, building energy management and building control software.

- Industrial technology: this part of the business includes manufacturing and sales of core industrial components, including compressors, motors, industrial control systems and new energy vehicle components.

- Others: this part of the business mainly includes one-stop automation solutions of industrial robotics, production cells and fully automated systems, automated logistics systems, intelligent supply chain business integration solutions, green energy solutions, large-scale energy storage, industrial and commercial energy storage, household energy storage, intelligent power grids, distributed photovoltaic solutions, financial services and medical device products and related services.

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

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

(b) Segment information

Segment information for the year ended 31 December 2025 is as follows:

	Smart home solutions	Building technology	Industrial technology	Other segments and unallocated	Inter-segment elimination	Total
Revenue from external customers	**326,084,667**	**36,755,772**	**33,420,450**	**62,241,518**	**–**	**458,502,407**
Inter-segment revenue	**2,744,257**	**786,522**	**23,206,144**	**10,691,684**	**(37,428,607)**	**–**
Operating costs and expenses	**(291,698,538)**	**(33,038,554)**	**(51,538,423)**	**(70,329,336)**	**37,528,238**	**(409,076,613)**
– Cost of revenue (excluding impairment loss, taxes and surcharges)	**(237,762,778)**	**(25,794,717)**	**(46,733,555)**	**(59,006,530)**	**33,306,135**	**(335,991,445)**
Segment profit	**37,130,386**	**4,503,740**	**5,088,171**	**2,603,866**	**99,631**	**49,425,794**
Other profit or loss						**3,659,549**
Total profit before income tax						**53,085,343**
Total assets	**424,090,303**	**51,557,420**	**57,544,231**	**363,784,806**	**(288,184,994)**	**608,791,766**
Total liabilities	**275,549,428**	**37,970,284**	**35,117,403**	**313,484,933**	**(289,754,505)**	**372,367,543**
Long-term equity investments in associates and joint ventures	**862,383**	**27,729**	**–**	**3,884,932**	**–**	**4,775,044**
Share of profit of associates and joint ventures, net	**512,013**	**7,059**	**–**	**69,756**	**–**	**588,828**
Increase in non-current assets (excluding long-term equity investments, financial assets, goodwill and deferred tax assets)	**9,891,611**	**6,969,796**	**3,030,199**	**5,590,456**	**–**	**25,482,062**
Net impairment losses on financial assets and contract assets	**249,322**	**21,611**	**11,149**	**186,046**	**(78,593)**	**389,535**
Depreciation and amortisation	**3,266,999**	**1,224,884**	**1,049,001**	**3,804,107**	**(5,296)**	**9,339,695**

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

	Smart home solutions	Building technology	Industrial technology	Other segments and unallocated	Inter-segment elimination	Total
Revenue from external customers	295,231,074	28,835,174	31,228,903	53,789,115	–	409,084,266
Inter-segment revenue	1,764,638	1,284,339	23,144,322	9,232,225	(35,425,524)	–
Operating costs and expenses	(268,277,841)	(25,069,335)	(49,732,717)	(60,129,681)	35,339,309	(367,870,265)
– Cost of revenue (excluding impairment loss, taxes and surcharges	(215,864,488)	(21,196,400)	(45,790,461)	(51,202,195)	34,464,045	(299,589,499)
Segment profit	28,717,871	5,050,178	4,640,508	2,891,659	(86,215)	41,214,001
Other profit or loss						5,478,116
Total profit before income tax						46,692,117
Total assets	386,253,672	39,086,692	51,954,093	427,765,531	(300,708,135)	604,351,853
Total liabilities	265,820,926	26,106,072	33,103,881	358,729,335	(307,075,752)	376,684,462
Long-term equity investments in associates and joint ventures	839,536	38,155	–	4,345,787	–	5,223,478
Share of profit of associates and joint ventures, net	548,921	9,817	–	288,360	–	847,098
Increase in non-current assets (excluding long-term equity investments, financial assets, goodwill and deferred tax assets)	5,258,764	526,374	2,148,192	4,450,222	–	12,383,552
Net impairment (reversal)/losses on financial assets and contract assets	(273,373)	45,349	1,099	249,395	(51,146)	(28,676)
Depreciation and amortisation	3,136,991	451,176	860,875	3,374,973	(2,546)	7,821,469

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

There was no customer who individually contributed 10% or more of the Group's revenue during the years ended 31 December 2025 and 2024.

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

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Chinese Mainland	**262,554,714**	240,049,883
Other countries or regions	**195,947,693**	169,034,383
	458,502,407	409,084,266

4. EXPENSES BY NATURE

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

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Raw materials and consumables used	**266,002,301**	238,073,033
Employee benefit expenses	**45,735,671**	45,143,440
Advertising and promotion expenses	**23,527,102**	21,361,103
Transportation and insurance charges	**23,741,584**	21,236,684
Installation and after-sales expenses	**13,737,156**	11,840,153
Depreciation and amortization	**9,339,695**	7,821,469
Auditors' remuneration		
– Audit services	**50,681**	47,624
– Non-audit services	**4,252**	6,062
Listing expenses	**–**	8,332
Others	**33,768,372**	26,834,630
	415,906,814	372,372,530

5. INCOME TAX EXPENSE

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

The following table sets forth the component of income tax expenses of the Group for the years ended 31 December 2025 and 2024:

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Current income tax	**9,955,102**	9,424,735
Deferred income tax	**(1,389,955)**	(1,491,582)
	8,565,147	7,933,153

6. EARNINGS PER SHARE

(a) Basic

Basic earnings per share ("EPS") is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue for the years ended 31 December 2025 and 2024, excluding ordinary shares held for share schemes as these shares are not considered outstanding for earnings per share calculation purposes.

	Year ended 31 December	
	2025	2024
Profit attributable to owners of the Company *(RMB'000)*	**43,945,411**	38,538,987
Less: Dividends payable to expected vested restricted shares *(RMB'000)*	**(115,437)**	(83,941)
Profit attributable to owners of the Company used in calculating basic EPS *(RMB'000)*	**43,829,974**	38,455,046
Weighted average number of ordinary shares in issue *(thousand shares)*	**7,559,265**	7,071,322
Basic EPS *(RMB per share)*	**5.80**	5.44

(b) Diluted

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

For the years ended 31 December 2025 and 2024, the Restricted Share Incentive Schemes and Stock Ownership Schemes granted by the Group's subsidiaries had either anti-dilutive effect or insignificant dilutive effect to the Group's diluted earnings per share.

	Year ended 31 December	
	2025	2024
Adjusted profit attributable to owners of the Company used in calculating diluted EPS *(RMB'000)*	**43,829,878**	38,538,987
Weighted average number of ordinary shares in issue *(thousand shares)*	**7,559,265**	7,071,322
Adjustments for potential shares arising from share schemes *(thousand shares)*	**48,867**	41,872
Weighted average number of ordinary shares used in calculating diluted EPS *(thousand shares)*	**7,608,132**	7,113,194
Diluted EPS *(RMB per share)*	**5.76**	5.42

7. INVENTORIES

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Finished goods	**47,835,452**	48,969,138
Raw materials	**12,104,641**	11,083,471
Work in progress	**4,235,990**	2,864,446
Consigned processing materials	**446,794**	486,960
Contract fulfilment costs	**1,105,308**	859,581
	65,728,185	64,263,596
Less: Provision for impairment loss	**(1,099,351)**	(924,408)
	64,628,834	63,339,188

8. TRADE AND NOTE RECEIVABLES AT AMORTIZED COST

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Trade and note receivables		
– Trade receivables	**42,169,868**	37,199,712
– Note receivables	**5,310,603**	6,780,317
	47,480,471	43,980,029
Less: allowance for credit losses		
– Trade receivables	**(1,719,771)**	(1,400,738)
– Note receivables	**(63,840)**	(61,742)
	(1,783,611)	(1,462,480)
	45,696,860	42,517,549

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

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Below 3 months	**33,445,481**	31,696,901
Between 3 and 6 months	**3,989,458**	2,728,345
Between 6 months and 1 year	**2,447,480**	936,438
Between 1 and 2 years	**937,373**	708,810
Over 2 years	**1,350,076**	1,129,218
	42,169,868	37,199,712

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

9. BORROWINGS

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Secured		
Bank loans	**19,649,173**	17,064,946
Unsecured		
Bank loans	**41,340,691**	62,975,985
Debentures	**3,194,774**	3,266,775
Total unsecured borrowings	**44,535,465**	66,242,760
Total borrowings	**64,184,638**	83,307,706

At 31 December 2025 and 2024, the Group's borrowings were repayable as follows:

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Within 1 year	**48,331,021**	69,549,174
Between 1 and 2 years	**6,306,803**	7,619,857
Between 2 and 5 years	**9,422,026**	6,016,675
Over 5 years	**124,788**	122,000
	64,184,638	83,307,706

10. TRADE AND NOTE PAYABLES

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Trade and note payables		
– Trade payables	**103,680,491**	92,800,426
– Notes payables	**27,121,881**	25,973,822
	130,802,372	118,774,248

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

	As at 31 December	
	2025	2024
	RMB'000	*RMB'000*
Below 3 months	**93,560,011**	86,873,115
Between 3 and 6 months	**5,611,433**	2,392,548
Between 6 months and 1 year	**2,211,610**	1,609,844
Over 1 year	**2,297,437**	1,924,919
	103,680,491	92,800,426

11. SHARE CAPITAL

	Year ended 31 December 2025		
	Domestic listed A shares	**Overseas listed H shares**	**Number of shares**
	(RMB'000)	***(RMB'000)***	***('000)***
At the beginning of the year	**7,005,107**	**650,849**	**7,655,956**
Issuance of shares under share schemes	**50,101**	**–**	**50,101**
Cancellation of shares	**(106,091)**	**–**	**(106,091)**
Treasury shares cancelled under share schemes	**(2,821)**	**–**	**(2,821)**
At the end of the year	**6,946,296**	**650,849**	**7,597,145**

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

12. RETAINED EARNINGS

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
At the beginning of the year	**153,591,297**	136,282,362
Net profit	**43,945,411**	38,538,987
Dividends	**(30,476,852)**	(20,764,776)
Appropriation to general reserves	**(85,611)**	(486,489)
Reversal of general reserves	**257,648**	21,213
Others	**(4,108)**	–
At the end of the year	**167,227,785**	153,591,297

13. DIVIDENDS

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Dividends declared or paid during the year (tax inclusive)	**30,495,446**	20,780,278
Dividends of lapsed restricted shares	**(18,594)**	(15,502)
	30,476,852	20,764,776

A final dividend in respect of the year ended 31 December 2024 of RMB35 per 10 shares (tax inclusive) was proposed pursuant to a resolution passed by the Board of Directors on 28 March 2025 and approved by the shareholders at the Company's 2024 annual general meeting held on 30 May 2025. The dividend was paid in 2025.

An interim dividend in respect of the six months ended 30 June 2025 of RMB5 per 10 shares (tax inclusive) was proposed pursuant to a resolution passed by the Board of Directors on 29 August 2025 and approved by the shareholders at the Company's extraordinary general meeting held on 24 September 2025. The dividend was paid in 2025.

On the basis of the total shares 7,522,863,645 to be distributed (total 7,603,276,186 shares net of repurchased 80,412,541 shares) of the Company at the date on which the consolidated financial statements were authorized for issue, a final dividend distribution in respect of the year ended 31 December 2025 of RMB28,586,881,851 at RMB38 per 10 shares (tax inclusive) (2024: RMB35 per 10 shares) was proposed pursuant to a resolution passed by the Board of Directors on 30 March 2026 and subject to the approval of the Company's 2025 annual general meeting.

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

FINANCIAL REVIEW

REVENUE

The table below sets forth the absolute amounts and percentages of the Company's revenue by business segment for 2025 and 2024:

	2025		2024		**Change**
	RMB million	***% of Revenue***	*RMB million*	*% of Revenue*	
Smart Home Solutions	**299,927**	**65.4%**	269,532	65.9%	11.3%
Industrial Technology	**27,232**	**5.9%**	24,702	6.0%	10.2%
Building Technology	**35,791**	**7.8%**	28,470	7.0%	25.7%
Robotics & Automation	**31,011**	**6.8%**	28,701	7.0%	8.0%
Other businesses	**28,719**	**6.3%**	22,623	5.5%	26.9%
Commercial & Industrial Solutions	**122,753**	**26.8%**	104,496	25.5%	17.5%
Others	**35,822**	**7.8%**	35,056	8.6%	2.2%
Total	**458,502**	**100.0%**	409,084	100%	12.1%

In 2025, the Company achieved revenue of RMB458.5 billion, representing a year-on-year growth of 12.1%, of which revenue from Smart Home Solutions amounted to RMB299.9 billion, representing a year-on-year increase of 11.3%; revenue from Commercial & Industrial Solutions reached RMB122.8 billion, up 17.5% year on year; and revenue from raw materials sales and other businesses amounted to RMB35.8 billion, representing a year-on-year increase of 2.2%.

From a business segment perspective, Smart Home Solutions recorded revenue of RMB299.9 billion, up 11.3% year on year. In 2025, the Company (1) firmly implemented the Technology Leadership strategy, consistently augmented its investment in research and development to ensure the effective implementation of its "Three Generations" R&D mode, drove product structural upgrades by leveraging differentiated innovation, facilitated the breakthrough of domestic high-end brands and supported overseas Original Brand Manufacture (OBM) Priority strategy, comprehensively enhanced global market competitiveness; (2) led new growth in the domestic market through unwavering commitment to Direct to Customers (DTC) transformation, focused on retail capabilities, drove innovation in digital business models, enhanced operational efficiency and user experience, integrated retail resources to improve operational efficiency, and deeply integrated online and offline channels to create a seamless customer experience; (3) adhered to the OBM Priority strategy in overseas markets, continuously promoted the expansion and deepening of overseas business, refined operations in key country markets, and continuously improved overseas manufacturing, R&D, branding, channel, and service systems development; and (4) continuously advanced the "COLMO + Toshiba" dual high-end brand strategy with double-digit year-on-year growth in overall retail sales of the dual high-end brands.

Industrial Technology achieved revenue of RMB27.2 billion, reflecting a 10.2% year-on-year growth. In 2025, the Company (1) continuously deepened expertise in heating, ventilating and air conditioning (HVAC) appliance components to consolidate the leading position in the industry, launched multiple products and solutions to serve global HVAC customers, and achieved breakthroughs in key overseas markets; (2) continuously expanded markets to secure orders in the New Energy Vehicle (NEV) components sector with sustained growth in market share for products such as electric vehicle compressors and EPS motors; (3) continued its presence in product offerings in the robotics components sector, including servo motors for industrial robots, precision transmission products (e.g., reducers), and joint modules for humanoid robots.

Building Technology recorded revenue of RMB35.8 billion, up 25.7% year on year. In 2025, the Company (1) accomplished business model transformation and upgrading in the domestic market, focused on high-potential industries, promoted channel synergy and after-sales service system development, and comprehensively transformed from an equipment provider to a "full life cycle building operation and maintenance" service provider; (2) acquired strategical M&A of Arbonia Climate and designation of Europe as the second home market in overseas markets, integrated and optimised advantageous resources from acquisition projects to establish MBT Climate, commitment to becoming a mainstream brand in the European heating market by localizing production, R&D and sales, channel synergy, and enhancement of efficiency across the entire value chain, continuously focused on markets such as Southeast Asia, the Middle East, Africa and Latin America, developed localized channels and technical service systems, continuously increased its proportion of overseas OBM business; and (3) promoted product innovation, launched multiple new products and solutions covering areas such as HVAC and digital elevators, and introduced industry-leading products included liquid-cooling key component CDU and magnetic water chillers, and achieved a high market share.

Robotics & Automation reported revenue of RMB31.0 billion, up 8.0% year on year. In 2025, the Company (1) kept product innovation, provided multiple new products with enhanced performance for high-end manufacturing sectors such as consumer electronics, semiconductors, healthcare and automotive components; (2) with KUKA's proactive investment in frontier technologies including artificial intelligence and embodied intelligence, through collaboration with leading AI companies domestically and internationally, deeply integrated AI vision, force control sensing and intelligent algorithms with robotics systems to achieve intelligent and simplified robot commissioning, programming and maintenance; (3) firmly implemented the localization development strategy in the Chinese market, continuously drove product upgrades, technological innovation and ecosystem development, resulting in a sustained increase in market share for industrial robots in the domestic market.

From a regional contribution perspective, in 2025, revenue from Chinese Mainland amounted to RMB262.6 billion, representing a year-on-year increase of 9.4%; revenue from other countries or regions amounted to RMB195.9 billion, reflecting a year-on-year increase of 15.9%. The following table sets forth the absolute amounts and their respective percentages of total revenue of the Company by region for 2025 and 2024:

	2025		2024		**Change**
	Amount *RMB million*	**% of Total revenue**	Amount *RMB million*	% of Total revenue	
Chinese Mainland	**262,555**	**57.3%**	240,050	58.7%	9.4%
Other countries or regions	**195,947**	**42.7%**	169,034	41.3%	15.9%
Total	**458,502**	**100.0%**	409,084	100.0%	12.1%

GROSS PROFIT AND GROSS PROFIT MARGIN

The table below sets forth the absolute gross profit amounts and gross profit margins of the Company for 2025 and 2024 by business segment:

	2025		2024	
	Gross profit *RMB million*	**Gross profit margin**	Gross profit *RMB million*	Gross profit margin
Smart Home Solutions	**89,667**	**29.9%**	80,791	30.0%
Industrial Technology	**4,764**	**17.5%**	4,228	17.1%
Building Technology	**10,944**	**30.6%**	8,590	30.2%
Robotics & Automation	**6,607**	**21.3%**	6,313	22.0%
Other businesses	**3,234**	**11.3%**	3,219	14.2%
Commercial & Industrial Solutions	**25,549**	**20.8%**	22,350	21.4%
Others	**4,824**	**13.5%**	3,961	11.3%
Total	**120,040**	**26.2%**	107,102	26.2%

In 2025, the Company's gross profit margin was 26.2%, which remained stable as compared with the same period. In 2025, competition in the home appliance industry intensified and prices declined, the Company effectively withstood external shocks and maintained stable gross profit margin levels by optimizing product structure through technological innovation, and advancing smart manufacturing and digital efficiency improvements.

SELLING AND MARKETING EXPENSES

The table below sets forth the Company's selling and marketing expenses and percentages of revenue for 2025 and 2024:

	2025		2024		Change in expense ratio
	RMB million	***Percentage of revenue***	*RMB million*	*Percentage of revenue*	
Selling and marketing expenses	**42,891**	**9.4%**	38,753	9.5%	-0.1%

In 2025, the Company's selling and marketing expenses amounted to RMB42.9 billion, with a sales and marketing expense ratio of 9.4%, representing a decrease of 0.1% year on year. On the one hand, the Company has adopted a globalization strategy, i.e., continuously expanding into new global markets and increasing expenditure on overseas distribution channels and advertising and promotional activities, thereby driving up the overseas selling and marketing expense ratio; and on the other hand, the Company adhered to an operational philosophy of "simplification for growth", while deepening its DTC reforms to reduce intermediary steps, streamlining SKUs to lower marketing complexity, which has significantly improved its sales efficiency, and consequently reduced the domestic sales and marketing expense ratio.

GENERAL AND ADMINISTRATIVE EXPENSES

The table below sets forth the Company's general and administrative expenses and percentages of revenue for 2025 and 2024:

	2025		2024		Change in expense ratio
	RMB million	***Percentage of revenue***	*RMB million*	*Percentage of revenue*	
General and administrative expenses	**16,766**	**3.7%**	15,404	3.8%	-0.1%

In 2025, the Company's general and administrative expenses amounted to RMB16.8 billion, with a general and administrative expense ratio of 3.7%, representing a decrease of 0.1% year on year, which is primarily because the Company exercised strict control over all types of non-operating expenditure.

RESEARCH AND DEVELOPMENT EXPENSES

The table below sets forth the Company's research and development expenses and percentages of revenue for 2025 and 2024:

	2025		2024		Change in expense ratio
	RMB million	***Percentage of revenue***	*RMB million*	*Percentage of revenue*	
Research and development expenses	**17,788**	**3.9%**	16,233	4.0%	-0.1%

In 2025, the Company's research and development expenses amounted to RMB17.8 billion, with a research and development expense ratio of 3.9%, representing a year-on-year decrease of 0.1%, primarily because the Company concentrated its resources, focused on core areas, and improved R&D efficiency.

OTHER INCOME

The Company's other income increased from RMB9.7 billion in 2024 to RMB10.1 billion in 2025, primarily due to an increase in interest income from the financial assets at amortized cost invested by the Company.

OTHER GAINS, NET

The Company's other gains increased from a gain of RMB0.4 billion in 2024 to a gain of RMB2.4 billion in 2025, primarily due to an increase in net exchange gains arising from monetary items denominated in foreign currencies held by the Company and certain of its subsidiaries due to exchange rate fluctuations.

FINANCE COSTS, NET

The Company's net finance costs increased from RMB1.0 billion in 2024 to RMB1.9 billion in 2025, primarily attributable to the increased exchange losses on foreign currency borrowings held by the Company and certain subsidiaries as a result of exchange rate fluctuations.

PROFIT FOR THE YEAR

The Company's profit for the year increased from RMB38.8 billion in 2024 to RMB44.5 billion in 2025, representing a year-on-year growth of 14.9%. The profit margin for the year improved from 9.5% in 2024 to 9.7% in 2025, as the Company focused on its core businesses, core markets, and steadfastly advanced its strategy of enhancing efficiency across the full value chain and maintaining technological leadership. Through product innovation and a shift toward high-end offerings, the Company achieved a structural upgrade of its product portfolio, thereby strengthening its profit resilience amid intensifying industry competition.

FINANCIAL POSITION

The table below sets forth the absolute amounts from the Company's consolidated statement of financial position as of 31 December 2025 and 31 December 2024:

	31 December 2025	31 December 2024
	RMB million	*RMB million*
Total non-current assets	**192,129**	215,288
Total current assets	**416,663**	389,064
Total assets	**608,792**	604,352
Total non-current liabilities	**28,984**	24,864
Total current liabilities	**343,384**	351,820
Total liabilities	**372,368**	376,684
Equity attributable to owners of the Company	**223,221**	216,750
Net assets	**236,424**	227,667

The Company's total non-current assets decreased from RMB215.3 billion as of 31 December 2024 to RMB192.1 billion as of 31 December 2025, primarily due to a decrease in other financial assets at amortized cost, partially offset by an increase in property, plant and equipment and intangible assets.

The Company's total current assets increased from RMB389.1 billion as of 31 December 2024 to RMB416.7 billion as of 31 December 2025, primarily due to an increase in other financial assets at amortized cost, partially offset by a decrease in term deposits and restricted cash.

The Company's total non-current liabilities increased from RMB24.9 billion as of 31 December 2024 to RMB29.0 billion as of 31 December 2025, primarily due to an increase in long-term borrowings, as well as an increase in deferred income tax liabilities resulting from the acquisition of subsidiaries.

The Company's total current liabilities decreased from RMB351.8 billion as of 31 December 2024 to RMB343.4 billion as of 31 December 2025, primarily due to a decrease in short-term borrowings, partially offset by an increase in trade and note payables.

The Company's net assets increased from RMB227.7 billion as of 31 December 2024 to RMB236.4 billion as of 31 December 2025, primarily due to an increase in net profit, partially offset by profit distribution.

CASH FLOW

The table below sets forth the absolute amounts from the Company's consolidated statement of cash flows for 2025 and 2024:

	2025	2024
	RMB million	*RMB million*
Net cash generated from operating activities	**53,346**	60,512
Net cash generated from/(used in) investing activities	**25,340**	(87,902)
Net cash (used in)/generated from financing activities	**(64,958)**	22,698
Net increase/(decrease) in cash and cash equivalents	**13,728**	(4,692)
Cash and cash equivalents at beginning of the year	**55,119**	59,887
Exchange losses on cash and cash equivalents	**(338)**	(76)
Cash and cash equivalents at end of the year	**68,509**	55,119

In 2025, the Company's net cash generated from operating activities amounted to RMB53.3 billion. The difference between the net cash generated from operating activities and the profit before income tax of RMB53.1 billion was primarily due to: (1) several adjusting items, including RMB9.3 billion of depreciation and amortization of non-current assets, partially offset by RMB7.4 billion of interest income; (2) changes in working capital, mainly including an increase of RMB3.8 billion in other payables and accruals, an increase of RMB10.0 billion in trade and note payables, and a decrease of RMB2.1 billion in inventory, partially offset by a decrease of RMB2.7 billion in contract liabilities, an increase of RMB1.0 billion in loan receivables and an increase of RMB0.8 billion in contract assets.

In 2025, the Company's net cash generated from investing activities amounted to RMB25.3 billion, primarily due to net cash proceeds of RMB32.6 billion from the disposal of financial assets (proceeds from disposal of financial assets and interest received less payments for purchasing financial assets), partially offset by a net payment of RMB11.1 billion for the purchase of property, plant and equipment, intangible assets and other non-current assets, and a net cash outflow of RMB6.1 billion from the acquisition of subsidiaries.

In 2025, the Company's net cash used in financing activities amounted to RMB65.0 billion, primarily due to RMB30.5 billion in dividend payments to Shareholders, RMB11.7 billion for the repurchase of shares and the refund of the exercise price of lapsed restricted shares, and RMB112.1 billion for the repayment of borrowings, partially offset by proceeds of RMB88.9 billion from borrowings.

WORKING CAPITAL AND FINANCIAL RESOURCES

The Company maintains sufficient cash and cash equivalents to ensure capital flexibility. The Company's cash and cash equivalents mainly comprise cash at banks, cash in hand, and short-term bank deposits with initial terms within three months. The table below sets forth the absolute amounts of cash and cash equivalents of the Company as of 31 December 2025 and 31 December 2024:

	31 December 2025	31 December 2024
	RMB million	*RMB million*
Cash at banks and in hand	**67,487**	52,852
Short-term bank deposits with initial terms within three months	**699**	1,901
Other deposits at financial institutions	**323**	366
Total	**68,509**	55,119

The Company's cash and cash equivalents increased from RMB55.1 billion as of 31 December 2024 to RMB68.5 billion as of 31 December 2025. This increase was mainly due to the Company's adjustment of its cash at banks and in hand structure, leading to an increase in short-term bank deposits.

The Company obtains financing based on market interest rates and its capital operation plans. The Company's bank loans and bonds are sourced from commercial banks and financial institutions in Chinese Mainland and other countries or regions. The table below sets forth the absolute amounts of bank loans and debentures as of 31 December 2025 and 31 December 2024:

	31 December 2025	31 December 2024
	RMB million	*RMB million*
Bank loans	**12,659**	10,492
Debentures	**3,195**	3,267
Subtotal of non-current	**15,854**	13,759
Bank loans	**48,331**	69,549
Subtotal of current	**48,331**	69,549
Total	**64,185**	83,308

The Company's non-current borrowings increased from RMB13.8 billion as of 31 December 2024 to RMB15.9 billion as of 31 December 2025, primarily due to the increase in long-term borrowings during the current period, which was partially offset by the reclassification of certain borrowings with remaining terms of less than one year to current liabilities.

The Company's current borrowings decreased from RMB69.5 billion as of 31 December 2024 to RMB48.3 billion as of 31 December 2025, mainly due to the repayment of borrowings during the current period.

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

The Company maintains a prudent capital ratio to support its business and manages its asset structure through asset-liability ratio. The table below sets forth the absolute amounts of total assets, total liabilities, and the asset-liability ratio as of 31 December 2025 and 31 December 2024:

	31 December 2025	31 December 2024
Total assets (RMB million)	**608,792**	604,352
Total liabilities (RMB million)	**372,368**	376,684
Asset-liability ratio	**61.2%**	62.3%

The Company's asset-liability ratio, defined as the proportion of total liabilities to total assets, decreased from 62.3% as of 31 December 2024 to 61.2% as of 31 December 2025. This decrease was primarily due to a decrease in liabilities resulting from the repayment of part of the borrowings during the Reporting Period.

The Company maintains a healthy cash flow level. In 2025, the Company's operating cash conversion ratio (defined as net cash generated from operating activities divided by annual profit) was 1.2 times. The cash generated from operating activities of the Company was used to support business operations. As of 31 December 2025, monetary assets accounted for appropriately 50% of the Company's total current assets. Considering the Company's available financial resources, including cash and cash equivalents, available bank financing, cash flows from operating activities, and net proceeds from global offerings, the Company has sufficient working capital to operate for at least the next 12 months.

CAPITAL COMMITMENT

The table below sets forth the absolute amounts of the Company's capital commitments as of 31 December 2025 and 31 December 2024:

	31 December 2025	31 December 2024
	RMB million	*RMB million*
Contracted, but not provided for purchase of property, plant and equipment	**3,913**	4,595
Investment commitment	**2**	6,751
	3,915	11,346

CAPITAL EXPENDITURE

The Company's capital expenditures consist of buildings, overseas land, machinery and equipment, transportation vehicles, electronic equipment and others, construction in progress, leasehold improvements and land use rights. The Company's capital expenditure (excluding business combinations) increased from RMB9.9 billion in 2024 to RMB13.0 billion in 2025, which was mainly due to the Company's increased investments in the construction of global production bases and R&D centers, and the restructuring of intelligent manufacturing capabilities in the current year.

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

CONTINGENCIES

As at 31 December 2025, the amounts of the maximum potential loss in tax disputes involving a Brazilian subsidiary with 51% interests held by the Company were approximately BRL547 million (equivalent to approximately RMB699 million). Some of these cases have been ongoing for more than 10 years. The above amounts included the principal, penalties, related interest, etc. According to the agreement signed between the Company and the original shareholders of the Brazilian subsidiary prior to the acquisition (the "Original Shareholders"), the Original Shareholders have committed to compensating the Company according to verdict results of the above tax disputes. As at 31 December 2025, the maximum remaining compensation commitment of the Original Shareholders is approximately BRL131 million (equivalent to approximately RMB168 million). As at the date of this announcement, the relevant cases were still ongoing. Upon consulting the Group's external legal counsel, management believes that the probability of losing the lawsuits is low. Accordingly, the Company's management has made necessary provisions based on its best estimate.

FOREIGN EXCHANGE RISK

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

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

PLEDGED ASSETS

As of 31 December 2025, the net carrying amount of pledged or mortgaged assets to draw bank acceptance bills and secure bank borrowings of the Company amounted to RMB29.9 billion. These pledged assets primarily comprise constant return financial products, trade and note receivables, as well as certain property, plant, and equipment, leased land, and land use rights.

OFF-BALANCE SHEET ARRANGEMENTS

As of 31 December 2025, the Company had no material off-balance sheet arrangements.

MANAGEMENT DISCUSSION AND ANALYSIS

I. COMPANY BUSINESS OVERVIEW

(I) Summary of Main Products and Businesses

Midea is a world-leading technology group comprising the Smart Home, Industrial Technology, Building Technology, Robotics & Automation, New Energy, Healthcare and Smart Logistics, among others. With a business portfolio that is focused on the coordinated development of ToC and ToB businesses, Midea offers various smart home products and services to individual consumers, as well as providing diversified commercial and industrial solutions for corporate clients.

Midea Smart Home Solutions primarily covers smart home appliances, smart home and related peripheral industries and ecological chains, which has centered on the construction of intelligent scenarios for end users, user operations and data value discovery, and is committed to providing end users with the best experience of smart home appliances and services.

Midea Industrial Technology focuses on HVAC appliances, new energy vehicles, and core components for robotics, featuring brands such as GMCC, Welling, and MR. With its products covering compressors, motors, chips, valves/pumps, components for new energy vehicles, robot components, and more, it is committed to providing customers with green, efficient, and intelligent products and technological solutions through leading-edge technology, quality, and services.

Midea Building Technology takes iBUILDING, its digital building service platform, as the core. Its business covers HVAC, elevators, energy management, building control, etc., offering products including VRF units, large chillers, unitary units, machine room air conditioners, escalators, passenger elevators, freight elevators, etc., as well as building automation software and building weak electricity integrated solutions. Supported by "Building Equipment and Facilities + Digital Technology + Industrial Ecosystem Layout", it facilitates logistics, information, feeling and energy flows of buildings to empower buildings with digital and low-carbon technologies and build sustainable smart space.

Midea Robotics & Automation focuses on providing globally leading intelligent and efficient automation solutions applicable to various industries including automotive (including electric vehicles and batteries), electronics, metals, plastics, consumer goods, food, e-commerce, retail, and healthcare. Its product range covers industrial robots, autonomous mobile robots, and encompasses business segments such as system integration, robots, Swisslog Logistics, Swisslog Healthcare, and digitalization departments.

Midea New Energy centers on the entire energy ecosystem chain encompassing "source, grid, load, storage, and heat", offering customers low-carbon, efficient, and intelligent full-chain energy solutions. Its subsidiary, Hiconics, concentrates on three main business areas: green energy solutions, household energy storage and photovoltaic (PV) inverters, and high-voltage inverters. Meanwhile, CLOU Electronics focuses on two key sectors: smart grids and new electrochemical energy storage.

Midea Healthcare includes Wandong Medical, which is committed to technological innovation in medical imaging and provides high-quality medical imaging products and services for clinical use in the field of healthcare; and certain business assets of Carestream Health, Inc. outside the United States, which were acquired in December 2025 to drive the internationalization of Midea's healthcare business and expand into high-end markets.

Annto Smart Logistics, in the sector of Midea Smart Logistics, is a leading provider of integrated supply chain logistics solutions in China. It has pioneered the unique "1+3" supply chain logistics model, which combines end-to-end logistics capabilities with three core solutions: "production logistics", "unified warehousing and distribution of a consolidated inventory", and "last-mile integrated delivery and installation". It remains dedicated to providing customers with end-to-end integrated and digitally intelligent supply chain solutions.

With "Bring Great Innovations to Life" as its corporate vision, "Integrate with the World, to Inspire Your Future" as its mission, "Embrace What's Next – Aspiration, Customer First, Innovation, Collaboration, Dedication" as its values, "High-quality Development and High-performance Operations" as its management and operation standard, Midea integrates global resources and promotes technological innovation to create a better life for over 500 million users, major customers and strategic partners from various sectors worldwide every year with satisfying products and services. In face of higher requirements for products and services in the digital Internet era, Midea continues to promote its strategic focus of "Technology Leadership, Direct to Users, Digitization & Intelligence Driven, and Global Impact", so as to build Midea in the new era. Particularly, it strives to achieve Technology Leadership by building scale advantages in R&D and strengthening the efforts and investment in core and cutting-edge technologies; be Direct to Users through direct contact and interaction with users and reinventing product service and business models; be Digitization & Intelligence Driven through comprehensive digitalization and comprehensive intellectualization, as well as improving efficiency internally and focusing on users externally; and achieve Global Impact by seeking breakthroughs in terms of market, channel and business model in key regions and serving global users.

Midea, a global operating company, has established global presence and served customers all over the world. To date, Midea has over 600 subsidiaries, 41 R&D centers, 65 major manufacturing bases, and more than 190,000 employees worldwide. Its business covers more than 200 countries and regions. Overseas, Midea has 29 R&D centers and 43 major manufacturing bases in more than twenty countries and regions.

(II) Industry Status

On the Fortune Global 500 list in 2025, Midea Group ranked No.246, surging 31 places and marking its 10th consecutive year among the world's top 500 companies. In June 2025, Forbes Global 2000 list of publicly traded companies placed Midea Group 184th globally, a significant leap of 21 places from the previous year. Leveraging its "AI+" core strategy and breakthrough achievements in intelligent manufacturing, Midea Group was also honored on the "2025 Forbes China AI Technology Enterprises TOP 50" list. In September 2025, Forbes released its 2025 Global Best Employers list, with Midea Group securing a spot for the second consecutive year due to its outstanding corporate management, superior employee experience, and sustained innovation capabilities, which recognition not only highlighted the Group's strong employer brand influence but also underscored its exceptional performance in talent attraction and development, as well as corporate culture building. According to the "2026 Global 500 Most Valuable Brands" list released by the UK-based brand valuation agency Brand Finance, Midea Group climbed 43 places to rank No.228, significantly outpacing other domestic brands in the same industry. Guided by its global breakthrough strategy, Midea Group continues to enhance its brand influence in overseas markets. In November 2025, during the "2025 Forbes China Going Global 30&30 Series Awards", Midea Group was honored with the "Flagship Brand" title for the second consecutive year, which selection emphasized professionalism and systematization, showcasing a dual-wheel-driven approach that highlights the transformation of Chinese enterprises from product exports to ecosystem collaboration.

In April 2025, Midea Group won the highest-level Grand Jury Award and a Silver Invention Award at the 50th International Exhibition of Inventions Geneva for its two entries: the "Skincare Bathroom Water Softener" and the "Ultra Slim Under-sink Water Softener". In August 2025, the China Association for Promotion of Private Science and Technology announced the results of the "2024 Private Science and Technology Development Contribution Awards", with Midea Group receiving three first-place awards, one second-place award, and one third-place award for its scientific and technological innovation. Notably, its programs such as "Research and Industrialization of Key Technologies for Integrated Rotor Compressors", "Research and Application of Key Technologies for Deep Cooling and Energy Efficiency in Refrigerators", and "Key Technologies and Applications of Modular Heat Pumps for Efficient and Clean Heating at Low Ambient Temperatures" all received first-place awards.

In May 2025, Midea Group was selected for the third consecutive year on the 2025 Fortune China ESG Impact List, thanks to its continuous improvement in ESG management systems, enhanced management capabilities, and outstanding product performance in energy conservation, emission reduction, and material utilization. In 2025, Midea Group was included in the 2025 Sustainability Yearbook (China Edition) as published by S&P Global, further demonstrating its achievements in the ESG domain. In August 2025, Midea Group's washing machine factory in Jingzhou, Hubei Province, received certification from the London-based World Record Certification Agency (WRCA) as the "World's First Outstanding Multi-Scenario Intelligent Agent Factory", marking the official establishment of the industry's first intelligent agent factory. In September 2025, as a benchmark for digitalization in overseas expansion, Midea Group's air conditioner factory in Thailand was recognized as a World Economic Forum (WEF) Supply Chain Resilience Lighthouse Factory, becoming the first overseas lighthouse factory for Midea Air Conditioners and the first in China's home appliance industry. In January 2026, Midea Group's kitchen and heating factory in Wuhu, Anhui Province, was also selected as a WEF Supply Chain Resilience Lighthouse Factory, becoming Midea Group's eighth lighthouse factory and the world's first fully AI-empowered water heater factory. By early 2026, Midea Group had 39 national-level green factories, 13 green supply chain factories, 10 5G factories, 3 excellent-level intelligent factories, and 8 world-class lighthouse factories, showcasing its leading intelligent manufacturing capabilities and digitalization level in the global manufacturing industry.

Additionally, Midea Group obtained international credit ratings from S&P, Fitch, and Moody's, with results leading among global peers in the same industry and domestic private enterprises.

(III) Industry Overview

1. Home Appliance Industry

In 2025, amid a complex global backdrop of sluggish economic recovery, ongoing geopolitical conflicts, and rising trade protectionism, China's home appliance exports reached USD96.233 billion, a 3.9% year-on-year decline, according to the data from the General Administration of Customs. However, supported by trade-in policies, the domestic home appliance market showed a trend of high growth in the first half followed by a decline in the second half. Data from the All View Cloud (AVC) indicated that the retail market size for domestic home appliances (excluding 3C products) reached RMB893.1 billion in 2025, a 4.3% year-on-year decrease. Future trends in the home appliance industry include: first, there is a shift from traffic-driven scale growth to mindset-driven value growth, moving from demand satisfaction to meaning creation and from physical consumption to service consumption; second, there is a transition to an integrated and boundaryless retail model combining online, offline, and social commerce, with a focus on product upgrades for e-commerce, customer acquisition for instant retail, and in-store operations for traditional physical stores; third, in the AI era, intelligent ecosystems will become the core driver of industrial upgrading, with home appliances evolving into empathetic household managers; and fourth, with an aging population, the development of age-friendly products will become increasingly important. Considering that the trade-in policies have already stimulated and advanced some home appliance demands, the domestic home appliance industry is under pressure. According to AVC forecasts, the market size is expected to reach RMB833.2 billion in 2026, a 6.7% year-on-year decline.

Residential air conditioner market:

According to AVC data, the retail sales of domestic air conditioners reached RMB235.7 billion in 2025, a 0.4% year-on-year decrease. In terms of products, four major trends emerged, i.e., energy efficiency improvement, comfortable airflow, healthy air, and space-saving design. For example, in 2025, the online sales share of wall-mounted air conditioners with an APF (Annual Performance Factor) greater than 5.3 increased to 40%, while the offline sales share rose to 24%, indicating a growing market share for high-efficiency products. Airflow optimization technology for comfortable airflow became a breakthrough in product innovation, with increasingly refined air control methods and upgrades in human sensing technology to wide-angle, stereoscopic, multi-point sensing. The healthy air segment diversified into micro-positive pressure fresh air, internal circulation purification, and oxygen enrichment. Large-capacity wall-mounted units grew rapidly, with online sales of 3-horsepower units increasing by 50.7% in 2025, reflecting consumer demand for space-saving solutions in small areas with high power. In terms of pricing, the air conditioner industry in 2025 was characterized by "increased volume but decreased revenue", with retail volume growing under trade-in incentives but overall market size remaining flat due to price wars, resulting in an industry average price decrease of approximately 5%. Additionally, AI is influencing the air conditioner industry in terms of intelligent manufacturing on the production side, intelligent control on the product side, and intelligent operation and maintenance on the service side.

Washing and drying appliance market:

According to AVC data, the retail sales of domestic washing machines reached RMB96.3 billion in 2025, a 4.6% year-on-year decrease, while the retail sales of dryers reached RMB14.5 billion, a 10.4% year-on-year decrease. The market showed a significant trend of high growth in the first half followed by a decline in the second half throughout the year. In terms of pricing, the online market exhibited a clear "K-shaped" divergence, with the market share of cost-effective low-end products continuously expanding, while mid-to-high-end products with innovative features such as separate washing zones also grew against the trend. In terms of sales, "washer-dryer combos" achieved slight growth in online channels, reflecting a pursuit of space efficiency and convenience, while "single-wash" products showed signs of a rebound in offline channels, with "large capacity" models gaining traction. In terms of products, heat pump washing and drying, as well as separate washing zones, continued to drive market upgrades. Current product innovations focus on the popularization of mid-to-high-end features and refined usage scenarios. For example, separate washing care has evolved from "separate washing" to "specialized washing", with the market penetration of multi-tub (three or more) washing machines exceeding 2% and entering a rapid growth phase. The market penetration of heat pump washer-dryer combos also accelerated, with online sales accounting for over 3.5% and offline sales accounting for over 5%. Leading brands continue to introduce new products with heat pump washing and drying features, which are gradually extending to mid-to-high-end price segments. In the long term, heat pump washing and drying is expected to replace condensation washing and drying and achieve widespread functional popularization.

Refrigerator market:

According to AVC data, the retail sales of domestic refrigerators reached RMB127.1 billion in 2025, an 11.5% year-on-year decrease. Current product innovations in refrigerators are evolving in four directions, i.e., professional refinement, intelligent integration, health and energy efficiency, and visual appeal. In 2025, "cross four-door" and "French multi-door" refrigerators remained dominant in the market, accounting for over 60% of online sales and nearly 80% of offline sales, becoming core products in the refrigerator category. The market penetration of built-in refrigerators continued to rise, with Midea's built-in refrigerators ranking first in online sales for three consecutive years. Refrigerator products also focused heavily on the 501-550L capacity segment, which showed a trend of continuous concentration, accounting for 48.55% of offline retail sales and 40.9% of online retail sales. The AI penetration rate in domestic refrigerators is rapidly increasing, with smart refrigerator sales accounting for 57.35% online and 70.83% offline in 2025, according to AVC statistics. In terms of pricing, the market showed a U-shaped distribution in growth, with mid-range products as priced between RMB4,000-8,000 experiencing the most significant decline, as consumer decisions leaned toward cost-effectiveness. Products as priced below RMB3,000, however, achieved growth, with intensifying price competition in the entry-level and traffic-driving product segments.

Kitchen and bathroom appliance market:

According to AVC data, the overall retail sales of domestic kitchen and bathroom appliances reached RMB161.3 billion in 2025, an 8.5% year-on-year decline, with all categories experiencing downward trends, particularly integrated stoves. By category, the retail sales of dishwashers reached RMB12.73 billion, a 3.6% year-on-year decrease, with an average price of RMB5,728, a slight 0.3% year-on-year decrease. The retail sales of built-in microwave steam ovens reached RMB8.3 billion, a 4.8% year-on-year decrease. The retail sales of range hoods reached RMB34.91 billion, a 3.6% year-on-year decrease, while the retail sales of gas stoves reached RMB19.45 billion, a 4.9% year-on-year decrease. The retail sales of electric water heaters and gas water heaters reached RMB22.9 billion and RMB27.1 billion, respectively, a 2.6% and 8.6% year-on-year decrease. The retail sales of end-point water purification (including water purifiers, water dispensers, and drinking fountains) reached RMB33.48 billion, a 2.2% year-on-year increase, with water dispensers growing by 31.2%.

Small kitchen appliance and cleaning appliance market:

According to AVC data, the overall retail sales of domestic small kitchen appliances reached RMB63.3 billion in 2025, a 3.8% year-on-year increase. Small kitchen appliance products in 2025 showed significant differentiation, and fell into three categories: first, essential products such as rice cookers and pressure cookers, which maintained stable market performance due to consistent daily usage demands and served as the industry's foundation; second, health and wellness products including soy milk makers, health pots, and coffee machines, which achieved growth against the trend by precisely meeting consumer demands for health and emotional well-being; and third, scenario-limited products such as electric slow cookers, electric kettles, and induction cookers, which faced poor market performance due to single usage scenarios and competition from other small kitchen appliance categories, requiring breakthroughs through technological innovation, functional upgrades, and precise consumer targeting. According to AVC data, the domestic cleaning appliance industry achieved growth in both volume and value in 2025, with retail sales reaching RMB47.1 billion, a 11.3% year-on-year increase, and sales volume reaching 35.5 million units, a 17.0% year-on-year increase. Benefiting from continuous product innovation and iteration, AVC monitoring data showed that the online retail sales of floor-cleaning robots, steam & hot water floor cleaners, and base station dust-collecting vacuum cleaners all experienced significant year-on-year growth in 2025.

2. Robotics and Automation Industry

In January 2026, the International Federation of Robotics (IFR) released the "Top Five Global Robotics Trends for 2026", which are as follows: the continuous enhancement of robot autonomy through artificial intelligence (AI & Autonomy in Robotics); the increased versatility of robots as information technology (IT) converges with operational technology (OT) (Robots gain versatility as IT meets OT); the need for humanoid robots to demonstrate reliability and efficiency (Humanoids to prove reliability and efficiency); the imperative for robots to meet safety and security requirements (Safety and Security in Robotics); and the role of robots in addressing labor shortages (Robots as allies in tackling labor gaps). According to the IFR's "World Robotics 2025", there were 4.664 million industrial robots operating in factories worldwide in 2024, representing a 9% year-on-year increase. The annual installation volume of industrial robots globally reached 542,000 units in 2024, remaining largely unchanged compared to the previous year but exceeding 500,000 units for the fourth consecutive year. Regionally, Asia saw a 5% increase, while both the Americas and Europe experienced declines. Notably, China's domestic industrial robot installations reached 295,000 units, a 7% year-on-year increase, accounting for 54% of the global total. The service robot market continued to grow in 2024, with global sales of professional service robots (including autonomous mobile robots, or AMRs) increasing by 9%, medical robot sales surging by 91%, and consumer-grade service robot sales rising by 11%. Although the growth rate of professional service robot sales remained relatively stable, the scale of Robotics-as-a-Service (RaaS) expanded by over 30%, exceeding 24,000 units. This underscores the growing importance of flexible business models, enabling companies to adjust the scale of robot deployment according to demand elasticity.

Furthermore, according to the latest IFR data, in terms of industrial robot density (the average number of industrial robots per 10,000 workers), the global average reached a new high of 177 in 2024. South Korea continued to lead the world with a robot density exceeding 1,200, while China's robot density rose to 567 in 2024, surpassing Germany and Japan to maintain its position as the third-highest globally, driven by the accelerated adoption of robots in the country. China has long been a key growth driver for the global robot market. Considering factors such as the flexible demands in manufacturing, the diminishing demographic dividend, the emergence of new markets, and the development of innovative technologies, the application areas of industrial robots will continue to expand, indicating significant growth potential and promising prospects. Given the fragile global macroeconomic environment in 2025, geopolitical tensions, intense regional conflicts, and trade disruptions continued to negatively impact the global economy. Additionally, trade barriers such as tariffs accelerated the regionalization and diversification of supply chains. According to IFR forecasts, global industrial robot installations are expected to grow by 6% in 2025, reaching 575,000 units. Despite macroeconomic challenges, the long-term growth trend of industrial robots is expected to continue, with a compound annual growth rate (CAGR) of 7% in robot installations from 2025 to 2028, surpassing 700,000 units by 2028.

At the press conference for the 2025 World Robot Conference, it was announced that the sales of China's industrial robot market reached 302,000 units in 2024, maintaining its position as the world's largest industrial robot market for the 12th consecutive year. According to the MIR Databank report, China's industrial robot sales exceeded 334,000 units in 2025, a 13.6% year-on-year increase, and are expected to continue growing at a double-digit rate in 2026. Market growth was driven by increased investment in downstream industries such as automotive, electronics, lithium batteries, and semiconductors. Additionally, the continuous improvement in the localization rate of industrial robot components led to a further decline in the prices of complete robots, lowering the barriers to user adoption and rapidly increasing market penetration. According to the MIR Databank report, in the electronics industry, on the one hand, there was significant investment in traditional electronic products such as mobile phones, and the AI industry performed outstandingly, with increased applications of robots in the assembly, locking, and testing of AI server components and sub-components such as optical modules, heat dissipation modules, printed circuit boards (PCBs), memory, and server structural parts; and on the other hand, automation adoption was driven by the overseas expansion projects of the electronics industry. In the automotive industry, supported by national subsidy policies for trade-ins and industrial equipment upgrades, the new energy vehicle (NEV) sector maintained robust growth in 2025, with rapid production and sales growth driven by both domestic demands and exports. The rapid iteration of automotive components and electronic technologies, such as the penetration of LiDAR, multi-link screens, and head-up displays (HUDs) from high-end to mid – and low-end vehicle models, along with the entry of new cross-border domestic automotive component players, spurred new automation investments. In the lithium battery industry, the overseas expansion of the lithium battery supply chain, with Europe and Southeast Asia as the primary markets, provided incremental demands. Second-tier manufacturers increased their terminal automation investments to capture market share, while leading energy storage battery manufacturers boosted their terminal investments, increasing the demand for automation adoption. Additionally, the implementation of new national standards for electric bicycles accelerated the replacement of electric bicycles, and the transition from lead-acid to lithium batteries also drove automation investments.

3. Building Technology Industry

The building technology industry focuses on products, services, and related industries for building construction, using a building digitalization platform as its core to integrate traffic flow, information flow, experience flow, and energy flow within buildings, providing users with intelligent and sustainable building solutions. The intelligent building ecosystem primarily encompasses businesses such as heating, ventilation, and air conditioning (HVAC), elevators, building automation (building controls), and integrated energy management, covering scenarios in industrial, hospital, infrastructure, park, commercial, hotel, and educational settings.

From the perspective of industry competition, the competitive landscapes for domestic HVAC, elevator, and building control sectors are quite similar and share two key characteristics: first, a high proportion of foreign and joint venture brands, and second, relatively low market concentration. According to the data from ChinaIOL.com, foreign brands accounted for approximately 41% of the domestic central air conditioning market in 2025, a declining share, with only four manufacturers, including Midea, holding over 10% market share, indicating a significant long-tail effect. According to the "China Elevator Industry Business Yearbook", foreign and joint venture brands still dominate the elevator market, while leading domestic brands have relatively low revenue scales and market shares. The building controls market is primarily led by foreign brands such as Honeywell, Siemens, Johnson Controls, and Schneider Electric. From the perspective of market size and development prospects, according to the data from ChinaIOL.com, the total market size of domestic and export sales of central air conditioners in China was RMB138.68 billion in 2025, representing a 4.1% year-on-year decline, of which domestic sales amounted to RMB112.55 billion, representing a 7.4% year-on-year decrease. The application areas of central air conditioning include residential, commercial, industrial, and public buildings, with ToB sales accounting for over 70% of the total. From the perspective of industry development, the non-residential segment of central air conditioning exhibits less cyclicality than the residential segment and is more closely tied to infrastructure investment. Downstream sectors such as government public buildings, transportation, data centers, cultural and educational entertainment, and healthcare show significant growth potential, with a high likelihood of sustained long-term growth. According to the data from the National Bureau of Statistics, the production volume of domestic elevators, escalators, and lifting equipment reached 1.401 million units in 2025, a 1.8% year-on-year decline, as still affected by the real estate industry in the short term. Based on operational data from major manufacturers, while considering the average ex-factory price per elevator as combined with maintenance services, the production value per elevator is approximately RMB200,000, pushing the annual market size for domestic elevator equipment close to RMB300 billion. The demand for elevator installations and upgrades in old residential communities is steadily increasing. Additionally, the "Residential Project Specifications" as implemented on 1 May 2025 stipulate that each residential unit in newly built residential buildings of four stories or more must be equipped with at least one elevator, which is expected to further expand the industry's scale. According to the data from EqualOcean Intelligence, the current market size for intelligent building remains relatively modest. The equipment-based businesses such as commercial air conditioner and elevator are "organs" in building construction, whereas building control is the "nervous system" which controls various equipment for the high-efficiency and low-carbon operation of buildings, and determines the overall quality of building solutions. In aggregate, the domestic industrial scale of the intelligent building technology industry has surpassed RMB400 billion. Additionally, with the ongoing implementation of the "Action Plan for Promoting Large-Scale Equipment Upgrades and Replacement of Consumer Goods" issued by the State Council of the People's Republic of China, industrial demand remains robustly supported.

The building technology industry is now presented with fresh opportunities, particularly those stemming from the "carbon peaking and carbon neutrality" goals, "digitalization and intelligence" trends, and the push for "domestic substitution". The establishment of the "carbon peaking and carbon neutrality" strategic objectives has signaled an acceleration in the transition towards smart and low-carbon buildings. Buildings constitute a substantial portion of energy consumption and carbon emissions across society. The "2025 Report on Carbon Emissions in Urban and Rural Construction in China", jointly published by the China Association of Building Energy Efficiency and Chongqing University in Beijing, reveals that in 2024, emissions from building operations accounted for roughly 22% of the country's total carbon emissions. As the balance shifts between new constructions and existing buildings, the proportion of emissions from building operations is poised to increase further. Consequently, as a key contributor to the society's carbon footprint, the drive towards low-carbon or even zero-carbon emissions in the building sector will undoubtedly gain greater momentum. In recent years, a series of policies aligned with the "carbon peaking and carbon neutrality" goals have been progressively unveiled, as designed to bolster the framework for managing building energy consumption, enhance monitoring and management capabilities for energy efficiency in buildings and overall building energy performance, and promote the large-scale development of ultra-low energy consumption, near-zero energy consumption and low-carbon buildings. From a market standpoint, initiatives such as electricity price reforms and power rationing elevate costs, subsequently enhancing the return on investment for energy-saving retrofits, energy management, and digital operations within the building sector. An increasing number of market participants are actively embracing the national strategy of "carbon peaking and carbon neutrality" goals and undertaking energy-saving retrofits. Amidst the shift towards a digital economy, buildings, which currently lag in development despite being a pivotal component of "smart cities", are poised to witness a substantial increase in the demand for digitalization and intelligence. Meanwhile, advancements in communication technologies, computing capabilities and algorithms, and AI technologies are driving the industry's evolution from system-level control – including HVAC and elevators – to building-level control. This shift encompasses two pivotal dynamics: the expansive transition from "control" to "services" and the narrowing disparity with foreign firms that hold a first-mover advantage. An even more encouraging and unequivocal trend is the role that digitization is currently playing in catalyzing the transformation and upgrading of the elevator industry. The substitution of foreign brands by domestic counterparts in the central air-conditioning sector has progressed through three phases: unitary air conditioners, variable refrigerant flow (VRF) systems, and large chilled water units. By 2025, domestic brands have collectively approached 60% of the market share. Notably, domestic manufacturers have made continuous breakthroughs in the large chilled water unit segment, which possesses higher entry barriers. The central air-conditioning industry has fully entered the phase of domestic substitution, with considerable potential for future growth. The pace of domestic substitution within the elevator industry has been relatively gradual; however, amid the waning real estate boom, evolving maintenance models, and the adoption of IoT technologies, the optimization of the market landscape is poised to gather pace. In the medium to long term, the market structure marked by a "high proportion of foreign capital + low market concentration" presents an increasing number of competitive opportunities in the smart building sector.

II. BUSINESS SCOPE IN THE REPORTING PERIOD

In 2025, despite the recovery in consumer demand in the domestic home appliance market as driven by the continued impact of "trade-in" subsidy policies, industry competition around "user traffic" and "product pricing" intensified. Overseas operations continued to face challenges due to the persistent effects of trade protectionism, exchange rate fluctuations, and geopolitical conflicts. Midea Group adhered to its annual operating strategy of "simplification for growth and self-disruption to confront challenges", focusing on core businesses and products, particularly achieving significant results in overseas business development. The Group's overall scale expanded further, and its core profitability indicators improved, demonstrating Midea's operational resilience and long-term trend of high-quality growth. In 2025, the Group's total operating revenue reached RMB458.5 billion, a 12% year-on-year increase, with net profit attributable to Shareholders of the parent company reaching RMB43.95 billion, a 14% year-on-year increase, and net profit attributable to Shareholders of the parent company excluding non-recurring items reaching RMB41.24 billion, a 15.4% year-on-year increase. The revenue data and year-on-year changes by business segment in 2025 are as follows:

Unit: RMB'000	Smart Home Solutions	Building Technology	Robotics & Automation	Industrial Technology	Other Innovations
Revenue	299,927,239	35,790,825	31,010,933	27,232,432	28,718,768
Year-on-year changes	11.28%	25.72%	8.05%	10.24%	26.94%

(I) Smart Home Solutions

1. China Region

In 2025, Midea has comprehensively carried forward the "Number One Engine" strategy in the domestic China market, maintaining its position as the industry leader in home appliance sales across major domestic online platforms, including JD.com, Tmall, Douyin, and Pinduoduo, as well as offline channels such as key accounts (KAs), distributors, and penetration into lower-tier markets. Midea's e-commerce sales in the domestic market (including penetration into lower-tier markets) accounted for more than 55% of the domestic sales revenue of the Smart Home Solutions. Notably, in the lower-tier markets, Midea's retail sales exceeded RMB30 billion, maintaining the industry's largest market share and achieving dual leadership in market scale and comprehensive competitiveness.

(1) Midea was committed to driving new growth through steadfast DTC transformation, focusing on retail capabilities, advancing digital business model innovation to achieve upgrades in operational efficiency and user experience

The Group streamlined retail resource elements to enhance operational efficiency, and deeply integrated online and offline channels to create a consistent user experience. We built a multi-traffic platform referral system, improved the business opportunity conversion chain, and enhanced lead conversion capabilities. Through policy retailization, it achieved retail-driven operations, aligned the entire value chain with a focus on retail and user services, simplified the application of the Midea Cloud Sales APP to reduce customer usage costs, and advanced the integration of online and offline inventory management to improve intelligent replenishment capabilities centered on retail actual sales and inventory turnover efficiency, fully ensuring retail supply. In 2025, Midea enhanced inventory turnover efficiency across all domestic market channels, with customer inventory turnover efficiency improving by over 10%.

For offline channels, Midea continued to deepen digital transformation and focus on building retail capabilities. In terms of offline channel optimization, the Group promoted product integration across online and offline channels through an O2O model, achieving parity in product models, pricing, and promotions, effectively enhancing product efficiency. It focused on promoting its Meijia suite of products, elevating the user's one-stop shopping experience through scenario-based and intelligent offerings; established 600 Mall stores, positioning them as "hubs for sales, brand promotion, and user interaction" to create offline traffic entry points and user experience venues; implemented a "select merchants, optimize stores, and allocate products" strategy to optimize customer structure and enhance channel quality; and established a multi-platform direct connection system to improve both operational quality and efficiency. Adhering to the operating principle of "ascending to higher levels and deepening into lower levels", Midea supported platform structure upgrades and safeguarded customer interests, solidifying its leading market position.

In terms of offline store operations, Midea implemented refined operations, matching differentiated products to different store types to effectively meet diverse retail demands. The Group initially established a foundation for digital transformation in home appliance brand stores, completing the digital transformation of over 3,000 stores, and covering aspects such as electronic price tags, cloud screens, and customer flow heat mapping systems, to enhance customer store operational efficiency. It released Version 2.0 of its standardized operational procedures for store operations, empowering the transformation of retail operations in stores, and promoting standardized terminal construction in Mall stores. By combining online referrals with offline ground promotions and planning marketing activities, Midea effectively drove terminal sales growth and fully motivated merchants to prioritize its products.

In terms of user operations, Midea improved the efficiency of full-link user operations by integrating service, membership, mall, and home delivery entry points through the launch of the "Midea WeChat Mini Program". In 2025, the number of users on the mini program increased by over 700% year-on-year, with daily page views (PVs) reaching 5.15 million. As of the end of 2025, the number of registered users on the Midea Home APP exceeded 88 million, with over 21 million monthly active users. Through the "Midea Fan Restructuring Initiative" in 2025, Midea upgraded its membership system and optimized the user experience, building a data-driven and scenario-based refined operation system. The Group deepened its "fan appreciation" strategy, improving user satisfaction through beyond-expectation benefits such as integrated delivery and installation, seven-day no-reason returns, complimentary cleaning, half-price consumables, and 1v1 dedicated butlers. Midea constructed a "data-insight-implementation-optimizati on" operation loop, and leveraged AI analysis for real-time strategy optimization, which approach drove membership benefits to cover over 60 million person-times throughout the year, collaborating efficiently with stores to empower them to participate in implementing Midea fan benefits, and achieving dual improvements in reputation and value.

In terms of user services, Midea took the enhancement of user experience as its core objective, while focusing on intelligent scheduling, technical support, and return/exchange services to promote the deep integration of technology and service scenarios. The Group built an intelligent capacity management model, relying on capacity forecasting and early warning and intelligent automatic dispatching functions to dynamically and precisely match user demands with service capacity, optimizing the operational efficiency of service outlets and significantly improving service punctuality rates; and deepened its technical capacity building, implementing a three-tier training and certification system for technical capabilities. Through measures such as engineer grade certification and mentorship from top engineers, the Group systematically improved the professionalism of its frontline teams. From a user perspective, Midea optimized the entire process of return and exchange services, simplifying procedures and reducing response times to improve both service efficiency and user experience.

In terms of intelligence, Midea continuously enhanced its home intelligent scenarios, meeting differentiated demands through multi-brand coverage. The Group upgraded and renewed the Midea Home APP, focusing on reconstructing user experience around the Xiaomei AI home assistant, providing multiple control methods such as "visual + voice", supporting multi-intent understanding and fuzzy command control in a single sentence, and building a smart home platform that comprehensively covers users' life scenarios. Midea launched multiple new smart hardware products, creating a rich product matrix based on "comprehensive home appliance intelligence + high-frequency smart home products", offering ubiquitous voice interaction scenarios through home appliances, central control screens, and the APP. Simultaneously, the Group comprehensively upgraded the intelligent scenario experience mode in its offline stores, integrating the design tool "Home Design Pro" with AI functions to quickly output solutions and provide full-link one-stop services. Midea continued to deepen its AI technology applications, building the first AI agent implemented in the home appliance industry based on self-developed Meiyan and external third-party large models and multimodal reasoning and other underlying technologies. This agent achieved a complete closed loop of "perception-learning-decision-making-execution", forming diverse proactive intelligent application capabilities across six systems like air, water, and cooking. It currently serves over 20 million users, with nearly 30 million daily interactions and an intent recognition accuracy rate of 95%. Additionally, through upgrading its human-vehicle-home strategy, Midea deepened its cooperation with leading companies in the industry such as BYD, NIO, and Huawei to implement human-vehicle-home interconnection scenarios, striving to build the most comprehensive industry ecosystem. Meanwhile, the Group actively embraced domestic and international industry organizations such as the Global Intelligent Internet of Things Consortium (GIIC), participating in the formulation of national standards for smart home interconnection and interoperability, and building an open and win-win smart ecosystem.

(2) Dual High-End Brand Strategy

In 2025, Midea continued to advance its "COLMO + Toshiba" dual high-end brand strategy, with the overall retail sales of both high-end brands achieving double-digit year-on-year growth in the same period. The COLMO brand is positioned as AI-powered tech home appliances, promoting the deep integration of appliance suites and whole-house intelligence to provide users with comprehensive high-end smart living solutions. On the product front, in 2025, COLMO successively launched the Turing and Xinxiang appliance suites. Through deeply intelligent products and an AI butler system, it achieved full-space proactive intelligent services and effortless control, creating breakthroughs in both living scenarios and advanced experiences. On the brand front, adhering to the concept of "elegance in utility", COLMO created a new range of intelligent home appliance suites that balance aesthetics and practicality. Collaborating with the renowned design team ZUHAUS, it launched the "COLMO Xinxiang Titanium Platinum Silver Space", which topped trending lists on multiple online platforms such as Xiaohongshu, Douyin, and Weibo. Offline, it initiated an immersive experience space in Altay, Xinjiang, the first stop, and conducted tours across fifteen cities nationwide. Through coordinated online and offline efforts, it reached and deeply engaged high-end user groups, achieving the top position in user asset scale within the large home appliance industry on Xiaohongshu and a year-on-year increase of over 400% in overall brand searches. By leveraging "OMO local life traffic acquisition + online/offline cross-industry collaborations", it boosted traffic and sales conversions, while creating a new track for the integration of home appliances and scenarios through cross-industry partnerships, pioneering new models for reaching high-end audiences, and driving dual growth in brand visibility and sales. On the channel front, COLMO persisted in building independent brand positions, establishing over 1,600 COLMO brand stores covering approximately 280 cities across the country by the end of 2025. Through channel short-chain reforms and simplified hierarchy, it continuously improved full-link retail efficiency. On the service front, by the end of 2025, COLMO had nearly 5 million registered members and continued to build an expert-level service system. By offering full-link 1v1 butler services, 24/7 customer support, and one-stop customized solutions for "measurement, installation, and renovation", and relying on a team of engineers, it continuously enhanced the high-end user experience throughout the lifecycle of home appliances. Additionally, it introduced services such as 365-day replacement for performance failures and free visiting measurement and old appliance removal and installation, moving towards proactive service transformation.

Toshiba continued to solidify its positioning as "artistic home appliances", creating breakthrough artistic lifestyles for consumers with its inherited craftsmanship aesthetics. Toshiba, a globally renowned home appliance brand with a century of historical heritage, has become a new choice for domestic high-end consumer groups. On the product front, Toshiba launched the Pearl appliance suite, meeting the needs of quality-oriented lifestyle enthusiasts for "high-quality home appliances", and achieved outstanding performance across different product categories. In 2025, Toshiba refrigerators saw a 20% year-on-year increase in retail sales in the domestic market, Toshiba washing machines with a fully flush-mounted design experienced a year-on-year sales increase of over 25%, and Toshiba kitchen appliances witnessed a year-on-year sales growth of over 60%. On the brand front, Toshiba achieved a total exposure of nearly 800 million views throughout the year, ranking first among joint venture brands in comprehensive search rankings for core categories on Xiaohongshu. It conducted over 3,000 offline circle events, comprehensively promoting its new proposition of artistic home appliances. On the channel front, domestically, it collaborated with over 200 brand operators, establishing over 650 Toshiba brand stores and over 1,200 Toshiba brand showrooms. It promoted the implementation of the latest terminal standardization system and completed the construction of the domestic retail system. On the user front, through operations on multi-traffic platforms such as Douyin, Xiaohongshu, Meituan, and Gaode Maps, it achieved online-guided transaction volumes exceeding RMB400 million and added over 4 million new registered members.

2. Overseas OBM Business

By 2025, in alignment with the global breakthrough strategy, the number of countries/regions covered by Midea's overseas self-operated subsidiaries increased from 27 in 2024 to 50, effectively supporting the growth of OBM business. In 2025, OBM business revenue accounted for over 45% of overseas revenue from the smart home solutions. On the overseas supply chain front, Midea continued to deepen the localization and collaborative construction of its overseas supply chain, advancing digital transformation. It successfully rolled out the global customs clearance system in Indonesia and Thailand, and implemented local warehousing and distribution systems in Italy and Germany. It deepened ecological collaborations, forming strategic partnerships with COSCO Shipping and GLP to jointly build a green and smart supply chain delivery center in Thailand, creating a benchmark supply chain hub in Southeast Asia, and achieving intelligent, low-carbon, and efficient supply chain operations. It launched overseas efficiency optimization pilots, such as the multi-category consolidated shipping project in Malaysia, to achieve end-to-end supply chain delivery.

In 2025, Midea continued to advance its localization strategy, driving product innovation through in-depth market and user insights. In the European region, it successfully completed the acquisition of TEKA, achieving deep resource synergies in research and development, manufacturing, sales, and channels for home appliance products, and comprehensively promoting the "In Europe, for Europe" strategy across the entire value chain. Through systemic integration and leveraging TEKA's advantageous resources, it continuously promoted cross-selling of multiple brands and categories, driving double-digit high-speed revenue growth in the European region. Midea's localized innovation representative product, the Porta Split mobile air conditioner as launched in Europe in 2024, experienced explosive growth in 2025, fully reflecting precise insights into local market demands. It also launched series such as Essenza, Ispira, and Eleva. TEKA introduced the Van Gogh series of kitchen products to cater to different family structures and diverse population needs, while continuously optimizing the product mix of core categories such as refrigerators and washing machines.

In 2025, according to internal and external agency statistics, multiple home appliance categories under Midea's own brands achieved market breakthroughs in multiple overseas regional markets.

In the Asia-Pacific region, in 2025, Toshiba's white goods increased their combined retail sales market share in Japan to over 16% across six categories, i.e., refrigerators, washing machines, air conditioners, microwaves, rice cookers, and vacuum cleaners. Among them, refrigerators and microwaves achieved the top market share in Japan. The overall sales revenue grew by over 10%, with air conditioners seeing a year-on-year increase of over 30%, laying a solid foundation for the "Toshiba Japan No.1" strategy. Toshiba and Midea dual-brand refrigerators ranked first in both sales volume and revenue in Malaysia, while Toshiba brand refrigerators climbed to first and second place in sales revenue in Thailand and Vietnam, respectively. Toshiba and Midea dual-brand washing machines ranked first in both sales volume and revenue in Malaysia, with Toshiba brand washing machines jumping to second place in sales revenue in Vietnam. And Toshiba brand microwave ovens ranked first in sales revenue in both Thailand and Vietnam.

In the Americas region, through the launch of innovative products such as the One Touch Auto Fill™ automatic sensing French door refrigerator, 50/50 Flex™ three-in-one convertible freezer, AI ECOMASTER smart energy-saving solutions, fully flush-mounted drum washing and drying products, and washing and drying tower sets, Midea's product sales achieved double-digit growth. Its residential air conditioners ranked first in sales volume in South America, with overall residential air conditioners topping the sales charts in North America. Its refrigerator and washing machine products ranked second in sales revenue in Chile. The Everest series refrigerators and agitator-type fully automatic washing machines as developed and produced locally in Brazil became best-selling products due to their novel appearance and reliable performance.

In the Middle East and Africa region, Midea's large ovens and refrigerators ranked first in sales volume in Saudi Arabia, dishwashers maintained the top position in both sales volume and revenue in Saudi Arabia, and microwaves rose to second place in both sales volume and revenue in Saudi Arabia. Toshiba brand's LAVA series freestanding large ovens won market acclaim and became the market sales champion through localized design and functional innovation.

Midea's overseas own-brand e-commerce business experienced high-speed growth for two consecutive years, with a year-on-year increase of over 35% in 2025, and e-commerce revenue growth in excess of 50% in multiple countries including the UK, France, Italy, South Korea, Brazil, and Argentina. Through synergistic efforts across the product matrix, diverse and abundant growth drivers, and significant achievements in global e-commerce layout, Midea's own-brand products ranked first in market share across 32 sub-categories on Amazon's core market sites (North America, Europe, and Japan).

Midea also continued to expand its overseas smart home appliance market and enhance user experiences, strengthening the application of AIoT technology in overseas home appliances. It empowered user experiences in dimensions such as energy efficiency, services, and smart control through AI, launching the AI ECOMASTER smart energy solution and AI Diag smart service solution. In 2025, the number of overseas cumulative registered users of Midea's smart home applications exceeded 11 million, with the average monthly active user count growing by over 60% year-on-year.

Midea strengthened its overseas own-brand construction, accelerating the pace of global breakthroughs for its own brands, and promoting the parallel advancement of brands, products, and services. It deepened user reach channels in front-end markets, expanded product-based brand promotion, and strengthened brand awareness across cross-category whole-house appliances. It further deepened its collaborations with the globally renowned Manchester City Football Club (Man City) and the star player Erling Haaland. Starting from the 2026/2027 season, Midea will also become a sleeve-level main partner of Barcelona Football Club. Through sponsorships of regional leading sports organizations and events such as the Asian Football Confederation, the African Football Confederation, and the South American Football Confederation, it effectively reached hundreds of millions of global football fans and potential home appliance consumers across different market regions, continuously enhancing brand value and expanding brand influence. Through OBM special fund investments, it strengthened its own-brand influence globally across multiple dimensions, including offline terminal retail experience, professional channel expansion, social media matrix management system establishment, and whole-house appliance suite marketing. It increased online on-site and off-site content marketing, updated and upgraded 51 overseas brand official websites, and established a social media matrix comprising nearly 200 accounts, improving its multi-brand matrix and comprehensively upgrading content planning, visual presentation, and shopping experience, while establishing a marketing resource pool. At the 2025 IFA show in Germany, it further enhanced its brand awareness in the international market with higher-quality booth design and professional displays.

Midea accelerated the expansion and improvement of its overseas channel layout, mapped out channels in relevant countries, established and focused on a list of global key clients, and continuously deepened collaborations with key clients in regions such as the Americas, Asia-Pacific, Europe, the Middle East and Africa. It continuously promoted terminal outlet construction and professional channel breakthroughs, conducting comprehensive collaborations with channel clients in areas such as product placement, product upgrades, terminal construction, marketing promotion, user services, and system integration, and upgrading and improving the channel structure; and empowered front-end sales guides, providing them with more vivid and localized sales scripts that align with consumer insights and product core selling points. Leveraging digital tools, it empowered overseas terminal retail, adding over 16,000 digital terminal outlets in 2025. It utilized digital tools to drive traffic acquisition, conversion enhancement, and user retention; and promoted the application of digital business assistants, achieving over ten thousand client visits per month, and improving retail terminal productivity. It utilized new media content marketing to strengthen product-user interactions, optimizing the quality and efficiency of content placement across various touchpoints.

Midea continuously improved its global service system, comprehensively enhancing service capabilities. Adhering to a "customer-centric" approach, it systematically promoted service improvements across five key dimensions, i.e., spare parts delivery, customer communication, service network, service digitization, and service technology engineering. To support the overseas OBM priority strategy, Midea made special investments in various overseas service areas, accelerating the construction of foundational capabilities and the optimization of customer experiences. It continuously built a global four-tier supply chain system, creating a warehouse network layout close to overseas manufacturing bases to achieve global supply guarantees. It completed the construction and activation of warehouses in the Middle East and the EU region, as well as the regional warehouse at its manufacturing base in Thailand. It activated regional warehouses in Vietnam and Egypt in the second half of 2025, improving market-end spare parts supply timeliness by 20% year-on-year in 2025.

In terms of customer service, Midea built an international intelligent customer service system. Since introducing the Amazon Connect cloud-based omnichannel customer communication system in 2022, it iteratively upgraded its global call center, achieving full-process closed-loop management from user contact to service completion. Through cloud transformation, it effectively reduced operational costs and improved voice call quality, relying on Amazon cloud security tools to meet overseas data compliance requirements and safeguard end-user privacy and data security. It launched the cloud call system in 22 countries and regions, including Japan, the United States, and Brazil, and introduced overseas intelligent voice robots that combine AIGC technology to achieve voice analysis, semantic recognition, and social media integration, thus continuously building a rapid-response and proactive global service system. By establishing a unified knowledge base system, scenario-based interaction standards, and intelligent response capabilities, it promoted customer service experience optimization, with intelligent and text interactions accounting for 18%. Through the Digital 3.0 program, Midea continuously improved its overseas after-sales service system, iService, and its cloud call platform, optimizing global outlet and service engineering master data management, and improving service precision and efficiency. In 2025, the iService overseas service system was rolled out to 22 overseas subsidiaries, further enhancing the transparency and consistency of service management and promoting standardized service processes. Midea expanded its service network layout through various models such as direct-operated service centers, exclusive service centers, and exclusive service engineers, and empowered third-party cooperative service outlets to improve their capabilities, achieving a 15% year-on-year increase in work order processing efficiency. To support new product launches, it completed the new product introduction (NPI) service preparation process and IT system function integration in 2024, aligning collaboration across value chain links. In 2025, this process was applied to 17 overseas subsidiaries and factories in China, Thailand, Vietnam, and other locations. Additionally, in overseas markets such as Vietnam, Thailand, and Indonesia, Midea also introduced a "365-day replacement" service model for small home appliances and continuously optimized the return and exchange experience, further enhancing customer satisfaction and brand trust.

3. Product Innovation

Midea firmly implemented its technology leadership strategy, continuously increasing R&D investment, and solidly advancing the implementation of the "Three Generations" model. Through differentiated innovation, it promoted product mix upgrades, aided domestic high-end brand breakthroughs, and supported the overseas OBM priority strategy, comprehensively enhancing its global market competitiveness.

(1) Residential Air Conditioners:

With carbon neutrality, air value, and smart homes as its core directions, Midea deeply explored disruptive and differentiated product technologies around the CHESS (Comfort, Health, Efficiency, Safety, and Smart) technology system, driving product breakthroughs in overseas markets and comprehensively improving product competitiveness. For the domestic market in 2025, it created multiple differentiated products. Midea launched the omni-directional wind series air conditioners, with the cabinet model featuring the industry-first omni-directional wind technology, creating bionic forest winds to meet demands for high air volume and gentle and dead-zone-free airflow, while maintaining an indoor temperature difference of less than 1°C. It adopted super-level carving techniques, giving the full-screen metal brushed finish a perfect integration into home environments. The wall-mounted model featured an innovative panel air outlet grille design, with an air outlet area far exceeding that of traditional air conditioners. The air outlet end adopted triple soft wind technology to achieve cooling without direct airflow, and it added a hydrophobic, antibacterial, and mold-resistant filter to meet demands for comfort and healthy environment. Midea's navigator dual-outlet residential central air conditioners introduced industry-first ultra-low-frequency continuous injection enthalpy technology, achieving 6Hz ultra-low-frequency steady-state operation, ±0.3°C balanced temperature without waking up from cold, and 10H continuous cooling with single-unit operation without stopping. When operating at low frequency with a single unit, the power consumption is as low as 245W. When two units operate continuously for 8 hours, electricity savings exceed 48%. The large-displacement high-frequency control technology ensures that the main unit operates without output decline in the outdoor temperature range of -7°C to 48°C. The dual-outlet indoor unit is the first to feature a "cold and warm dual-outlet" form, as equipped with industry-first dual-wing variable-track air control technology. In cooling mode, the dual-outlet mode takes a Y-shaped bidirectional airflow design to output cold air both upwards and downwards simultaneously; the upper-outlet mode takes an X-shaped pressurized airflow to achieve an airflow distance of up to 14m. In heating mode, the golden 45° L-shaped floor-level airflow allows hot air to be output from the lower air outlet, tripling the heating speed. Paired with air outlet grille large-opening-angle blades, it achieves a "warm feet with hot air" effect. The Premium II condensing wall-mounted boiler series, based on an ultra-thin and compact platform, incorporates "DC inverter + waste heat recovery condensing" technology to achieve ultra-first-class energy efficiency output, with energy-saving and gas-saving effects of over 20%. It features intelligent fire control for four-stage combustion along with a wide load adjustment ratio of 1:12, enabling stable operation at a minimum load of 2.4kW. It operates at first-class quietness during heating and provides a hot water output of 16L/min to meet multi-point water usage demands, as accompanied by intelligent constant temperature control. It is the first to introduce an air conditioner linkage smart scenario, achieving dual-source rapid heating and intelligent hybrid operation.

For overseas markets, Midea launched Raynor, the high-performance inverter split product for the Nordic region, which features a newly equipped high-density tube evaporator to improve indoor unit heat exchange efficiency, with a 35% increase in low-temperature heating capacity at -25°C and a maximum heating capacity of up to 8kW. The low-slot dual-rotor high-efficiency compressor with ultra-low-temperature oil technology can achieve operation at a minimum outdoor temperature as low as -40°C. The full-frequency band noise reduction technology can achieve a reduction of outdoor unit noise by up to 8%. The rapid thin-frost melting technology can achieve a reduction of indoor temperature fluctuations by 50%. The product has won the 2025 IFA Product Innovation Gold Award, the German Red Dot Design Award, and the iF Design Award. The North American high-efficiency inverter silent heat pump PTAC is equipped with the industry's first all-climate integrated terminal heat pump certified by Intertek, which maintains unimpaired performance output within the temperature range of -15℃ to 46℃. It introduces industry-first technologies, including a low-temperature condensate water treatment system and a heating solution that can be directly implemented in urban high-rise buildings without the need for plumbing modifications. With AI inverter technology, it achieves 50% energy savings. It integrates fresh air ventilation and humidity control functions, featuring a high air circulation rate of 60CFM to meet the building code requirements for hotels in North America. Additionally, it employs composite soundproofing materials and automotive-grade seals, reducing noise levels to as low as 30dB.

(2) Washing, Drying, and Refrigerator Products

Washing and Drying Products:

Focusing on six key technical directions of "zoned washing and care, healthy electrocatalysis, slow-release stain removal, efficient heat exchange, thorough cleaning, and intelligent sensing", Midea has comprehensively built its core competitiveness in the global washing and care industry. For the domestic market, Midea has intensified its layout of versatile, space-saving, and large-capacity products while adhering to the main technological path of fast drying and quiet operation. It launched the industry's first 850mm standard-height triple-tub zoned washing and drying all-in-one machine, the "Midea Triple-Tub Lovely Series", which model perfectly matches mainstream custom cabinetry without requiring modifications for easy replacement. The triple-tub health care system features the industry's first Midea Yuanqi Bar MINI 2.0 in the small tub, which removes bacteria, odors, and stains. All three tubs have earned the medical-grade health washing certification from CHS. The machine allows simultaneous washing and drying across all three tubs, with independent air ducts to prevent odor transfer. Its five-horizontal and six-vertical vibration damping balance system ensures vibration amplitude below 0.15mm during operation, earning it the Red Top Award and the Panshi Award in China's home appliance industry. The Toshiba XP5 heat pump washing and drying all-in-one machine achieves efficient washing, drying, and care through large drum diameter, high capacity, and strong airflow. It utilizes UFB dual micro-bubble PLUS technology as paired with silver ion antibacterial technology and five-level adjustable warm water to effectively remove stubborn stains. The wide-spray rinse as combined with circulating water flow enhances detergent dissolution and penetration, reducing washing time by 14% for faster, cleaner, and more reassuring results. The upgraded Fluffy Rich quick-drying technology and fully variable frequency heat pump drying maintain an average low-temperature drying of 42°C. With 7 fabric-specific care programs, it offers customized washing and care.

For overseas markets, Midea focuses on large-capacity products, new platform development, and enhancing the product structures of both Toshiba and Midea brands while continuously improving product lines. The Midea 205 tumble dryer series, as a flagship OBM model for overseas markets, seamlessly integrates into high-end home decor with its revolutionary flat-embedded design. It features the innovative POWERGUARD intelligent energy-saving system for industry-leading energy efficiency and the FABRICGUARD™ professional care system, which provides gentle drying for delicate fabrics with low-temperature technology. The Multi-Sensor Pro intelligent sensing matrix enables millisecond-level humidity monitoring and adaptive drying algorithms for precise moisture detection. The Toshiba T26 rear-control series top-loading washing machines innovatively adopt a rear-mounted control panel design and an integrated flat cabinet structure, as well as an increasing capacity to a massive 21kg washing space to precisely meet the urgent needs of Southeast Asian users for washing large items and home textiles. They are equipped with Cyclone Mix detergent pre-mixing technology and Rain Spray high-efficiency spray system, improving dissolution efficiency by 87%. The Aroma+ intelligent fragrance care system has been upgraded to an adjustable gear mode, enhancing fragrance retention by 200%. The exclusively developed Origin Color fabric color protection technology has been comprehensively upgraded, increasing color protection rate to over 90% to effectively meet the diverse washing needs of overseas markets for colorful and varied fabric types.

Refrigerator Products:

Refrigerators continue to focus on user-centricity, emphasizing technological layouts in "intelligence, home integration, preservation, and basic performance" to build core competitiveness in smart and healthy home appliances and continuously launch differentiated leading products. For the domestic market, by addressing consumer demands for large capacity, built-in design, and health purification, Midea refrigerators developed the Xiongdundun series, achieving "standard features as top-tier configurations". These products balance "small footprint and large capacity" with "fully flat built-in design", offering over 600L capacity while occupying the space equivalent to conventional 500L models. They feature a 600mm ultra-thin body and bottom cooling technology for seamless integration with mainstream cabinets. The entire series is equipped with PST+ intelligent purification technology, as developed in collaboration with the University of Science and Technology of China by applying the cutting-edge single-atom catalysis technology from the catalytic field to refrigerators for healthy food preservation. By constructing a purification closed loop of "active air suction, rapid electrolysis, and thorough catalysis", they achieve 3-minute rapid odor removal and 90-second elimination of airborne floating bacteria, setting the industry's fastest odor removal and sterilization record. The series includes Standard, Pro, and Ultra versions to meet diverse user needs, with the sales reaching 150,000 units, ranking first among 600L refrigerator products in the industry.

For overseas markets, the new generation of products as equipped with ice-throwing technology integrates the bulky ice-making device originally occupying the refrigerator compartment into the freezer compartment, freeing up approximately 17 liters of refrigerator storage space and optimizing overall usage. Simultaneously, by streamlining the ice dispensing components on the refrigerator door, the door becomes lighter and the appearance more streamlined. The ice-throwing technology delivers ice "right to the door", allowing users to easily retrieve ice without bending over, significantly enhancing daily usability. By making ice in and storing it in the freezer compartment, lower temperatures ensure more stable ice-making performance and offer different ice cube sizes to accommodate various usage scenarios. For the European market, the Midea Space Master series employs ultra-thin foam layers, miniaturized core components, and compact compressor compartments to maximize internal space within the same dimensions while meeting energy-saving requirements. The Eco Master ultra-energy-saving multi-door products achieve efficient refrigeration system thermal management and improve electronic control system operating efficiency through refrigeration system pressure maintenance technology and intelligent anti-condensation technology, as combined with low-power energy-saving fans and electronic control boards. Additionally, the TEKA brand has launched flat-embedded series, making a fresh debut as a kitchen artist.

(3) Kitchen Appliances and Other Home Appliance Products

Whole-House Water Solutions:

Targeting the domestic market for whole-house water heating scenarios, the Midea Superconducting New Energy Water Heater CD80-Z800 addresses long-standing industry pain points of insufficient hot water volume and bulky and difficult-to-install traditional storage-type electric water heaters. Through superconductive energy storage heat exchange technology, it eliminates the traditional tank entirely, constructing an efficient energy transfer channel with 18 times the heat exchange area. Its 17kW instantaneous heat exchange power is three times that of traditional water heaters, delivering an entirely new experience of "tankless flow-through instant heating" for electric water heaters. The product volume is only 60% of that of traditional 80L electric model, and its tankless structure prevents scale buildup. With technological innovation, it achieves ultra-fast charging, providing "8 minutes of energy storage for 30 minutes of bathing". It has received the five-star industry safety certification from the China Household Electric Appliance Research Institute and the world record certificate for "the longest continuous hot water output time among new energy water heaters". The Midea Soft and Pure Integrated Water Purifier MSO120-1000G integrates central water softening and reverse osmosis purification into a single unit, replacing multiple machines ("pre-filter + water softener + pure water purifier") with one product. Its under-cabinet integrated installation method and 0.06m³ compact design save 40% cabinet space. By using ion exchange resin to remove calcium and magnesium ions, it softens high-hardness water and protects the rear-end RO membrane filter, enabling a 10-year filter lifespan without replacement. The pure water-to-wastewater ratio exceeds 5:1, far surpassing the national first-level water efficiency standard, and meeting various household water needs for bathing, laundry, drinking, and cooking. In response to high energy costs in Europe, Midea introduced the "Dual-Engine Smart Heating" hybrid water heater, featuring the industry's first "intelligent dual-mode hybrid heating system". It integrates high-efficiency R290 microchannel technology, a V-shaped evaporator, and self-developed Smart AI learning algorithm, consuming only 435kWh annually and saving nearly 70% on electricity bills. Its unique lower-mounted modular design allows for easy replacement, earning it the German iF Design Award and the Red Dot Design Award.

Range Hoods and Stoves:

Targeting the domestic market and focusing on continuously enhancing kitchen environment comfort, the Midea All-time Fully Concealed Smoke-free Range Hood T9 constructs a "smoke collection zone + rapid suction zone + smooth discharge zone" golden negative pressure triple-zone through the "reverse cavity + air curtain" technology. At an 800mm hanging height, it is the industry's first model with a concealed switch design, achieving first-class smoke removal efficiency. Its innovative temperature-sensing linkage technology enables automatic on/off operation, while smoke-sensing intelligent control automatically adjusts air volume and pressure based on public flue resistance and smoke concentration, realizing fully automatic operation throughout cooking without manual intervention. It has set the world record for "the highest smoke removal distance to achieve first-class smoke removal in a fully concealed range hood" and won the "Panshi Award" in China's home appliance industry. Targeting the European market, the Fully Concealed Range Hood Tbox resolves the pain points of protruding panel and uneven installation in traditional built-in products, maximizing under-cabinet space release. With an air volume of up to 800m³/h and strong suction power, it offers excellent energy efficiency performance. As the first Midea brand product to break into the European built-in cabinet channel, it represents a significant milestone.

Dishwashers:

Targeting the domestic market and aiming to effectively address post-meal cleaning needs, the COLMO Xinxiang Heat Pump Dishwasher employs heat pump gentle drying technology and self-developed low-temperature washing consumables. Paired with a specialized dual-rotation water curtain spray technology, it precisely controls the optimal washing and drying temperatures at 37°C and 45°C, ensuring that sensitive materials such as plastic, colored glaze, mother-and-baby silicone, and aluminum tableware do not deform, fade, or oxidize, meeting the cleaning and care needs for highly sensitive tableware. Equipped with the industry's first heat pump fully enclosed drying system, it achieves stable and thorough drying without moisture return in all seasons. Combined with dual-mode thermal mass drying control technology, the washing and drying time is significantly reduced to 79 minutes. Featuring a flat zero-clearance door panel and the fully concealed slide rail design, it supports various installation scenarios including island counters and tall cabinets. The product has also obtained the German TÜV tableware care certification and the 2025 China High-End Home Appliances and Consumer Electronics Red Top Award. Targeting the American market, due to the high proportion of plastic tableware and the challenges such as difficulty in drying, long drying times, and susceptibility to moisture return, the Midea Dishwasher W6708F is assigned with gear-shifting forced drainage drying technology and original air duct fluid dynamics design, resolving the pain points of difficult drying and moisture return in plastic materials without the need to open the door. The drying time is compressed to 20 minutes, and the rapid washing and drying cycle takes only 60 minutes.

Microwave and Oven Products:

Continuously focusing on the technological strategy of "precise microwave control, freshness-locking steaming, whirlwind baking, all-around heating, AI cooking, and healthy cooking", Midea has launched the world's first embedded microwave, steam, and oven combination series featuring AI automatic cooking through image and voice recognition for the domestic market, specifically targeting novice cooks from Generation Z. The self-developed SmartEye intelligent cooking system overcomes the limitations of camera interference from microwave and high-temperature radiation, enabling smart cooking degree control via AI, ingredient recognition for menu matching, and fully automatic and unsupervised cooking. They have been honored as the "Xiaohongshu Annual Grass-Planting Products" and received the Korean PINUP Design Award. In response to Chinese consumers' demands for composite and healthy cooking, Midea's Ranka Xunwei Pro microwave, steam, oven, and air fryer all-in-one machine and Xiaozhiwei microwave, steam, and oven all-in-one machine integrate microwave, steam, and oven combination cooking with intelligent program control to achieve low-fat, low-salt, and low-sugar cooking. They apply the internationally leading 130°C superheated steam technology to retain original flavors and nutrients, significantly improving anthocyanin retention rate. By equipping a self-developed compact microwave system, the Xiaozhiwei model reduces its footprint by 30%. For overseas markets, targeting professional cooking enthusiasts, Midea pioneered the graphene kiln-baked pizza oven series as equipped with a self-developed carbon infrared graphene heating tube for 450°C high-temperature baking, becoming the world's first pizza oven capable of cooking authentic Italian-style pizzas (which require temperatures above 400°C). Applying an industry-first all-around fire combustion technology, it significantly enhances cooking efficiency and performance, with a substantially reduced preheating time compared to that of traditional gas pizza ovens, improving the overall cooking efficiency by 65%. The cooking results rival traditional kiln-roasting to bring annual sales up to 120,000 units, and the series has been popular in over a dozen countries worldwide.

Small Kitchen Appliances:

To meet diverse user cooking needs, the Midea High-Efficiency Petal PRO Rice Cooker features innovative upgrades with its high-efficiency "petal"-style multi-dimensional micro-zone IH heating and "SPA" micro-bubble multi-dimensional boiling technology, achieving simultaneous improvements in the taste, aroma, and appearance of rice. With a completely new design, it reshapes product perception and continues to solidify its leading position in the industry. The Midea Fresh Air Roasting Air Fryer pioneers fresh air technology, enhancing the crispiness and flavor of ingredients through step-wise intelligent precise temperature control while inhibiting the formation of the heat-induced factor acrylamide. The oil content is significantly reduced by over 90%, achieving a dual breakthrough of "low-fat health + ultimate taste". It also incorporates oxygen absorption and moisture extraction technology, improving the exhaust rate of moisture from the surface of ingredients through efficient air circulation inside and outside the chamber, greatly enhancing crispiness and tenderness to meet diverse cooking needs such as roasting, baking, and frying. The frying bucket/roasting pan adopts a 0-fluorine ceramic coating material, providing full-cycle assurance for healthy cooking and convenient use.

(II) Commercial and Industrial Solutions

1. Industrial Technology

Midea Industrial Technology focuses on the fields of HVAC appliances, new energy vehicles, and core components for robots. It is committed to providing customers with green, efficient, and intelligent products and technological solutions through leading-edge technology, quality, and services. Building on solid root technologies, it continuously expands its technology matrix, including thermal management technology, motor and drive control technology, friction and wear technology, and mechatronics and high-precision parts manufacturing technology, thus forming a complete industrial chain layout and a product matrix. It is also actively advancing its globalization strategy, achieving significant breakthroughs in overseas markets.

(1) HVAC Appliance Components

Midea Industrial Technology continues to deeply cultivate the HVAC appliance components sector, while constantly consolidating its leading position in the industry. According to the data from ChinaIOL.com, in 2025, GMCC maintained its top global market share in the sales of residential air conditioner compressors, with its domestic market share of scroll compressors exceeding 10%. It also held the top global market share in the sales of residential air conditioner motors and washing machine motors, while ranking among the leaders in the global market share of refrigerator compressors.

Midea Industrial Technology has made continuous global investments to serve HVAC appliance customers worldwide and is determined to break through into key overseas markets. It has initiated the Thailand High-End Intelligent Manufacturing Base Project, which is set to commence production in 2026. It has continued to invest in its Indian manufacturing base, with the annual production capacity of air conditioner compressors exceeding 5 million units. The two variable frequency production lines at the new refrigerator compressor base in Hefei have achieved mass production, adding an annual production capacity of 8 million units. The motor factory in Brazil has officially commenced operations, with an annual production capacity of 2 million BLDC high-efficiency air conditioner motors. Additionally, it has continued to deepen its layout in chip product technology, with self-developed chip shipments exceeding 46 million units, over 80% of which are used in air conditioners, refrigerators, and washing machines.

In 2025, Midea Industrial Technology launched multiple products and solutions, winning widespread trust from global customers and high market recognition. These include GMCC's wide-frequency rotary compressors, high-reliability silent wide-range rotary compressors, R290 air conditioner compressors, KN full-aluminum fixed-speed compressors, high-efficiency two-stage variable capacity scroll compressors, M-series integrated electronic expansion valves, light commercial Ultra ultra-efficient R290 variable frequency reciprocating compressors, Welling heat pump EC fans, and modular IPM high-efficiency silent motors. Midea Industrial Technology's R&D achievements have repeatedly received industry accolades. The programs "Research and Industrialization of High-Torque-Density and Efficient Ferrite Motor Systems and Their Low-Carbon Manufacturing Key Technologies" and "Research and Application of Wide-Frequency Key Technologies for Variable Frequency Scroll Compressors Based on Efficiency Enhancement and Quality Improvement" were awarded the first and second prizes, respectively, of the 2024 China National Light Industry Federation Science and Technology Award. The program "Research and Industrialization of Key Technologies for Wide-Frequency and Full-Domain Operation Efficient and Silent Compressors" was selected as an advanced scientific and technological innovation achievement in the light industry's 14th Five-Year Plan.

In 2025, Midea applied for over 1,000 new patents, with the cumulative authorized invention patents exceeding 8,800. It had participated in the formulation of 7 national standards which were released and came into effect in 2025, and newly participated in the formulation of 10 national standards, including such national standards as "Electric Compressor Assemblies for Automotive Air Conditioners", "Test Methods for Insulation Compatibility of Electric Motors for Hermetic Refrigeration Compressors", and "Energy Efficiency Limits and Energy Efficiency Grades for Hermetic Motor-Compressors for Air Conditioners". It established the first ISO/TC86/S4C Standard Verification Joint Laboratory for the compressor industry, which will collaborate with the industry to drive breakthroughs in international standards and help Chinese technologies lead the global refrigeration transformation.

(2) New Energy Vehicle Components

In the field of components for new energy vehicles, Midea Industrial Technology continued to increase its market share in electric compressors and EPS motors in 2025. Its customer base covered both emerging new energy vehicle manufacturers and traditional mainstream automakers. Its thermal management and other mainstream products secured orders from well-known automakers and commenced supply in 2025. Its first in-vehicle front-mounted refrigerator compressors, the DE14M and DE17M, were put into production and launched onto the market. It introduced the fourth-generation water pump technologies and products, featuring advantages such as compactness, lightweight design, low cost, and easy assembly. Among them, the first-of-its-kind integrated rotor structure improved performance by 62%, aiding its overseas strategic layout. It launched a two-in-one compressor, the world's first to integrate a vehicle-use round-tube thick-film heater with an 800V automotive compressor, offering smaller size, better performance, and higher efficiency, precisely meeting the cost-reduction and weight-reduction needs of new energy vehicles, which has secured orders from multiple automakers. Its Mexican overseas base officially commenced production, with the first thermal management series products successfully rolling off the production line, providing nearshore services to American customers and further enhancing its market competitiveness.

(3) Robot Components

In the field of components for robots, Midea Industrial Technology focuses on the layout of servo motors, precision transmission products (such as reducers) for industrial robots, and joint modules for humanoid robots. It deepened its cooperative relationships with key customers, further improving delivery quality and efficiency. In 2025, its servo motor shipments exceeded 70,000 units, and precision reducer shipments exceeded 30,000 units, showing significant year-on-year increase. Leveraging advantages in forward design and precision manufacturing, it achieved high precision and reliability in its products. It also won the Gaogong Robot Golden Globe Award for its breakthrough technological innovations, leading product evaluation systems, and product quality. In addition, it has achieved multiple breakthroughs through continuous increased investment in R&D for joint modules of humanoid robots.

2. Building Technology

As a provider of integrated smart ecological solutions for building architecture, Midea Building Technology operates in the HVAC, elevator, building intelligence, and energy management sectors. Leveraging the iBUILDING digital platform, it connects the hardware and software equipment and systems in building architecture, providing full-stack digital and intelligent building solutions to offer customers better scenario experiences, optimal energy strategies, and more reliable space services. According to the data from ChinaIOL.com, Midea's central air conditioners accounted for over 20% of the domestic market sales in 2025, maintaining the top position in the industry. Its commercial multi-split air conditioners accounted for over 28% of the domestic market sales, continuing to rank first in the industry. Midea's centrifugal chillers accounted for over 16% of the domestic market sales, ranking first in the industry, and among them, its magnetic levitation centrifugal chillers also ranked first in the industry in terms of their share of domestic market sales volume. Additionally, Midea ranked among the industry leaders in domestic market shares of air-cooled screw chillers, water-cooled screw chillers, and modular chillers. In 2025, Winone Elevator's shipments increased by over 40% year-on-year. It delivered over 10,000 freight elevators for various industrial scenarios and led the domestic freight elevator segment market for three consecutive years. As the preferred service provider for the government bond-supported old elevator renovation programs in multiple regions, Winone Elevator has entered 110 residential communities, providing over 2,000 elevator products and upgrading the travel experiences for approximately 60,000 households.

(1) Global Business Layout

While pursuing in-depth development in the HVAC business, Midea Building Technology is also expanding into elevator, data center, and industrial sectors as new growth engines. For the domestic market, it focuses on business model transformation and upgrading, targeting high-potential industries, conducting vertical industry cultivation and modular scenario replication, promoting channel synergy, and building a post-market service system. It is comprehensively transforming from an equipment provider to "a whole life cycle operation and maintenance service provider for buildings". For overseas markets, with Europe as its second home market, it aims to become a mainstream brand in the European heating market through localized production, research and sales, channel synergy, and entire value chain efficiency improvements. It continues to deepen its presence in Southeast Asia, the Middle East, Africa, and Latin America, developing localized channels and technical service systems, and continuously increasing the proportion of overseas OBM business. Midea Building Technology has established 16 product manufacturing bases and 7 innovation R&D centers worldwide, with 9 manufacturing bases and 4 R&D centers located overseas.

In 2025, Midea merged its Italian Clivet air conditioning business with the newly acquired ARBONIA Climate to form MBT Climate. As a specialist in indoor environmental systems, MBT Climate focuses on the R&D and production of related products, providing comprehensive product and system solutions for residential, commercial, and industrial buildings to drive Europe's energy transition. The MBT Climate R&D Center officially opened in Italy in July 2025, aiming to become an international R&D benchmark in the HVAC field. Equipped with cutting-edge technologies and high-standard laboratories, it is composed of a multidisciplinary team of engineers, researchers, and technical experts. It focuses on natural and eco-friendly refrigerants, intelligent energy management systems, and other cutting-edge low-carbon technologies. The laboratories can meet the extreme environment test requirements from -30°C to 60°C, ensuring product excellence and precisely responding to European market demands to provide users with customized, intelligent, and eco-friendly solutions.

The Company continues to deepen its global manufacturing layout, achieving key breakthroughs in the construction and operation of key overseas manufacturing bases, and laying a solid foundation for the implementation of the OBM strategy and the in-depth cultivation of regional markets. In 2025, relying on its localized operational capabilities, the Rayong factory in Thailand achieved rapid commencement of production, mainly providing HVAC products such as rooftop units, ducted units and gas furnaces for the North American market, with an annual production capacity of up to 600,000 units, thus further strengthening its supply chain support for the North American region. It steadily advanced the construction of a joint venture factory in Saudi Arabia, building a core fulcrum for future radiation across the entire Middle East regional market and for enhancing local market competitiveness. The project adopted a "small, simple, and lightweight" strategy for efficient progress, covering a total of 125 models of indoor and outdoor units, with production line construction already completed.

Currently, the post-market has become a core track and important growth pole for high-quality corporate development. Midea Building Technology has incorporated the post-market into its strategic layout, committed to extending from "equipment sales" to "whole life cycle value management of equipment". The post-market business covers activities such as post-sales installation, commissioning, repair, maintenance, upgrade, renovation, and repurchase. To better enhance user stickiness and connections, Midea Building Technology has set up the post-market business as a separate business segment. Guided by user needs and leveraging digital platforms and original factory professional services, Midea Building Technology provides users with eight core service contents through the digital service platform iBUILDING Service, including original factory installation, original factory maintenance, original factory spare parts, original factory extended warranty, Midea iButler, health diagnostics, renovation and upgrading, as well as training and certification. These services help ensure efficient equipment management and stable operation, creating a green, intelligent, comfortable, and reliable building ecological experience. In 2025, Midea Building Technology's revenue from post-market services exceeded RMB2 billion, achieving a doubling in growth.

(2) Technology Research and Product Innovation

In 2025, Midea Building Technology continued to increase its R&D investment and achieved remarkable results. In the commercial HVAC sector, focusing on the goal of "maintaining comfort while reducing energy consumption" during air conditioner operation, Midea Building Technology took the lead in applying for the program "Energy-Saving Technology and Industrialization of High-Precision Operation of Comfortable Multi-Split Air Conditioning Systems under All Operating Conditions", which won the Special Award for Scientific and Technological Progress at the 2025 China Energy Conservation Association Innovation Award and was identified as reaching international leading levels, and whose results have been widely applied. In addition, Midea Building Technology achieved industry breakthroughs in the fields of ultra-high temperature steam heat pumps and industrial applications of air compressors by making breakthroughs in technologies such as "Key Technology for 5t/h Magnetic Levitation Centrifugal Steam Compressors" and "8.5bar Magnetic Levitation Air Compressor Technology", with its products featuring leading advantages of stability and reliability, high efficiency and energy saving, and oil-free maintenance-free operation. In the elevator sector, LINVOL launched the new MECS2.0 control cabinet that incorporates intelligent group control technology for up to 8 elevators, achieving functional breakthroughs and industry leadership in safety, energy efficiency, electronic control, and operation.

In terms of product innovation, Midea launched the MDV9 Boundless Multi-Split Air Conditioner. Its product innovation draws on the core architecture of electric controls in new energy vehicles, achieving a maximum 310° coverage of full-series G-type heat exchangers, increasing the heat exchange area by up to 32%. The electronic control volume is reduced to 30% of that of the previous generation, while the heat flux density increases by 3.5 times. It is equipped with the industry's highest IP68-rated electronic control protection. In terms of installation design, it features full-series openable panels and external wiring, along with an independently cooled electronic control design that allows for electronic control box replacement in just 15 minutes, greatly shortening installation and repair time. In terms of energy efficiency, the MDV9 is the first in the HVAC industry to introduce the concept of "fuel consumption per 100 kilometers", incorporating a nationally certified first-class electricity meter and being fully equipped with a network module and an i Butler energy management platform to provide customized energy-saving strategies and energy consumption management for buildings. Moreover, its full DC architecture design allows for quick integration with photovoltaic systems, enabling photovoltaic transformation to be completed within 1 hour without the need for energy storage or equipment replacement.

The European Heat Pump Integrated Water Circuit launched by Midea Building Technology serves as a multi-scenario water circuit platform product, helping customers "save money, time, and effort". It provides a one-stop solution from the outside in, designing the required components for installation as product modules, synthesizing a complete heating solution consisting of an outdoor unit, a water circuit integration module, and indoor terminals. The system installation cost is reduced by 40%. With a modular design approach, it incorporates the integrated primary and secondary circulation heating systems, a buffer system, an automatic water replenishment system, dual-zone temperature control, and other heating

modules, saving 75% installation work and enabling single-day installation. The products and components undergo strict inspections with full warranty coverage, leading the new business model for the whole product life cycle.

Based on its self-developed magnetic levitation technology platform, Midea's Kunyu Integrated Magnetic Levitation Centrifugal Chiller breaks through the refrigeration boundaries of industry integrated magnetic levitation water-chilling units while maintaining stability, efficiency, and intelligence. It fully adopts a mechatronic integrated design with a single head refrigeration capacity of up to 300RT, redefining the benchmark for efficient refrigeration with innovative technology. This series of chillers features oil-free efficiency, stability and reliability, wide-range operation, low noise and environmental protection, and cost savings. Applying years of accumulated aerospace aerodynamic technology, magnetic levitation bearing control technology, phase-change circulation liquid cooling heat management inverter technology, and high-efficiency permanent magnet synchronous motor technology, it achieves national first-class energy efficiency for all series of chillers. Its highly integrated mechatronic integrated architecture and heat management technology enable the products to be widely applied in various building fields such as airports, rail transit, hotels, commerce, new construction, or renovation, adapting to various harsh environments and providing customers with efficient and reliable green building solutions.

Midea's HPC Series Centrifugal Heat Pump Chillers are designed to meet the heating demands of northern centralized heating and waste heat utilization, developing medium – and high-temperature centrifugal heat pumps with a heat source side temperature range of 10-40°C and a condenser outlet water temperature of 60-80°C. The maximum heating capacity of a single unit supports 9MW, achieving energy savings of over 75% compared to traditional heating boilers. Based on the solution of a two-stage compression cycle with flash gas injection, it uses R134a refrigerant to achieve an 80°C outlet water temperature, with a maximum temperature rise of 55°C and an extreme pressure ratio greater than 5.0, providing an economical medium – and high-temperature outlet water heat pump solution. The HPC heat pump can independently raise common heat sources to 80°C to meet heating demands. Additionally, it can serve as the downstream unit of an R1233zd(E) steam heat pump, jointly meeting the demand for steam generation from low-temperature heat sources and expanding the application range of low-temperature heat sources.

Winone Freight Elevators continue to break through weight capacity boundaries, launching the Winone 50-ton ultra-large heavy-duty freight elevator. With an extra-large 3.5×20×3.5m car, it can accommodate 30 sedans and is equipped with a ten-linkage safety gear system for progressive braking, reducing the impact force on the elevator by 30%. This series of elevators has been applied in the Nansha International Supply Chain Base Project of Guangdong Meijoy Material, serving as the Winone's largest capacity freight elevator landing application project in the world, enabling direct container loading onto floors and empowering new heights in logistics for industrial parks. The upgrade of Toshiba Elevator's machine room new platform W has been implemented to have significant performance optimization and improved cost structure, further enhancing the platform's market cost competitiveness.

(3) Market Channel Expansion

In 2025, for the domestic market, Midea Building Technology continued to deeply explore industry scenarios, closely grasped the trends of industrial upgrading and green transformation, and achieved breakthrough growth in multiple industries, including chemicals and new materials, energy storage, semiconductor materials and equipment, biopharmaceuticals, vehicle manufacturing, food and beverage, airport aviation, and park warehousing. Meanwhile, it actively empowered channels and continuously expanded its ecosystem collaboration. In overseas markets, it made phased progress through quasi-localized business operations in Southeast Asia, the Middle East, Africa, and Latin America, adding more than 600 new secondary channel partners. In July 2025, Midea established a joint venture with Shaker in Saudi Arabia, actively responding to Saudi Arabia's local investment, local manufacturing, and sustainable development strategies to offer efficient and low-carbon HVAC solutions to the local market. In September 2025, Midea reached joint venture agreements with its long-term European partner Frigicoll in Spain and France to establish "Midea Frigicoll HVAC Spain" and "Midea HVAC France" to comprehensively expand its business footprint in the HVAC markets of these two countries. The joint ventures will be specialized in providing high-performance, energy-efficient, and eco-friendly HVAC solutions for residential, commercial, and industrial facilities, further driving brand growth and technological innovation.

In 2025, Midea Building Technology continued to establish benchmark projects across different industries. In an energy performance contracting and energy-saving benefit-sharing project for the air compressor station of a shipyard, 3 high-efficiency gear centrifugal air compressors from Midea were used to cover all air consumption intervals in the shipyard, meeting the air demand. An intelligent group control system and a digital operation platform for the air compressor station were built to help the station operate in an energy-saving and efficient manner. Through the energy performance contracting model, the customer's operation and maintenance risks and costs were reduced with zero initial investment.

In a large-scale ultra-high-temperature steam heat pump project at a food factory in Xiamen, by means of recovering low-grade waste heat in the production process and adopting Midea's innovative high-temperature heat pump technology, 150°C high-temperature steam was supplied, significantly reducing carbon emissions and operating costs. This marked the official operation of the first set of fully variable-frequency ultra-high-temperature steam heat pump systems with a capacity of over 4 steam tons in China's food industry, solving the problems of high costs and high energy consumption for heat in food processing plants and setting a new benchmark in the food industry.

In the efficient machine room project at the Huanghu and Bengbu factories of Konfoong Materials International, Midea Building Technology pioneered a roof-mounted prefabricated high-efficiency refrigeration machine room for the semiconductor industry. Through a deeply integrated hardware-software delivery model, it completed the delivery in just 75 days, ensuring ultra-high cleanliness and stable control of constant temperature and humidity in the precision electronics production environment, and promoting the green and intelligent upgrading of the electronic materials industry.

In the field of rail transit, Midea Building Technology won the bid for Phase I of Taiyuan Metro Line 1, providing 1,310 horsepower multi-split units and 20 water-cooled variable-frequency screw chillers, among other equipment. It also built a prefabricated group-controlled chilled water machine room for Panxiang Road Station of Shanghai Metro Line 2, achieving a refrigeration energy efficiency ratio of 6.0 and reducing the power consumption of the public area's air conditioning by 30% as compared to traditional stations, thus setting a benchmark for upgrades in rail transit environmental control systems.

In the field of elevator energy-saving renovation, Toshiba Elevator secured the Shanghai Bund Guanglu Building Project, achieving a "comprehensive functional upgrade" on the premise of "not damaging the historical style", redefining the conservation logic of century-old historical buildings.

In the European market, Midea Building Technology participated in construction projects such as the first Mercedes-Benz new concept center in the Baltic region, Phase I and Phase II of the University of Malta, the new logistics center of Italian bathroom design brand Gessi, the Arena Milano Arena, the Kirchwerder District School in Hamburg, Germany, the Fortuna School in Chur, Switzerland, the headquarters of AC Milan Football Club, etc. In the Latin American and Southeast Asian markets, Midea has also participated in projects including Dexco House chain stores, Foxconn's chip factory project, Smart Fit's Mexico project (the largest fitness chain brand in Latin America), Singapore's centralized cooling project for government housing (Tengah Town Phase II), Australia's tram project, Thailand's Big C commercial complex project, Kuala Lumpur Times Square project in Malaysia, Yadea's Vietnam factory project, and the renovation project of Davao International Airport in the Philippines.

(4) Breakthroughs in Data Center Business

In 2025, Midea Building Technology launched industry-leading products such as liquid cooling key components (CDU) and magnetic levitation chillers, and achieved a relatively high market share. It continued to research and develop a full-chain liquid cooling product line, aiming to become a major liquid cooling solution provider in the industry. Domestically, it maintained a collaborative research ecosystem with multiple leading Internet companies to further enhance its industry influence. It also continued to develop liquid cooling products suitable for overseas markets. Leveraging its extensive overseas sales and after-sales systems, it quickly entered the overseas data center liquid cooling market. In 2026, Midea Building Technology officially commenced the construction of a liquid cooling intelligent manufacturing base in Shunde, Foshan, further accelerating its strategic layout in the field of liquid cooling temperature control for data centers.

On the product technology front, through collaborative research and development of a new generation of CDU products with industry-leading customers, the refrigeration density was increased by nearly 50% as compared to the first-generation products, with significant improvements in reliability, availability, online maintenance, efficient heat exchange, and intelligent control, winning unanimous recognition from customers and the industry. The demands for chiller products in data centers primarily revolved around oil-free magnetic levitation, hybrid free cooling, liquid cooling adaptation upgrades, AI-driven intelligent control, and low-GWP refrigerants. Midea Building Technology has customized and developed natural cooling magnetic levitation chillers for customers, adapting to the new generation of wind-liquid co-source scenarios, improving the rated energy efficiency by 12% as compared to traditional chillers and reducing front-end power distribution investment by 10%. Simultaneously, it accelerated the layout and development of products such as air walls and dry coolers for domestic and overseas markets, with plans to launch them in 2026. In the field of cold plate technology, with a view to addressing the issue of heat dissipation limit in existing microchannel cold plate technology solutions, Midea Building Technology collaborated with the Central Research Institute to develop a new generation of two-phase cold plate technology for high-density chips, aiming to replace the current single-phase heat exchange with phase-change heat transfer of the secondary refrigerant, while actively exploring immersion cooling technologies.

On the market expansion front, Midea Building Technology participated in projects such as an AI intelligent computing center project of a leading Internet enterprise and the Guian Midea Cloud Data Center project.

(5) Industry Honors

In 2025, Midea Building Technology was recognized as a National Manufacturing Single Champion Enterprise, winning 1 provincial/ministerial/industry special science and technology award and 6 first prizes. It applied for more than 1,100 domestic and foreign patents in 2025 and participated in the formulation of more than 430 standards in total, including the first thermal management national standard for the energy storage industry as led by Midea Building Technology, GB/T46443-2025 “Thermal Management for Energy Storage – Refrigeration (Heat Pump) Units for Electrochemical Energy Storage”.

On the product front, the magnetic levitation centrifugal chiller CCWG200EV(X) and the variable-frequency direct-drive centrifugal chiller CCWF1200EV from Midea Building Technology were included in the 2025 Recommended Catalog of Energy-Saving and Carbon-Reducing Technologies and Equipment in the Field of National Industrial and Information Technology. The M thermal Arctic HT series heat pump won the "French PEP Eco-Environmental Protection Standard" certification. Products such as the "Space Horizon" controller, the Heyou Hospital's Intelligent Operation Center, the Clivet R290 EDGE PRO series heat pump, the Ridge series gateway, and the Midea magnetic levitation centrifugal chiller control screen from Midea Building Technology won the German iF Design Award. Toshiba Elevator won the "Asia's Top 50 Building Gold Elevator Supplier" award as jointly issued by Asia Construction Media and the Organizing Committee of the Global Elevator Industry Summit, and its elevator solution for Taipei 101 was also selected as one of the "Asia's Top 50 Building Classic Elevator Application Cases". The Nature series heat pump won the prestigious Quiet Mark certification for its excellent performance in noise reduction technology, becoming the first heat pump product in China to receive this certification.

3. Robotics & Automation

KUKA, a subsidiary of Midea, is a world-renowned robotics manufacturer. Relying on its industry-leading motion algorithms, KUKA can ensure the superior motion performance of robotics products throughout their life cycle, and its mature design philosophy continuously gives rise to new products able to lead the market. In 2025, KUKA Group's revenue resumed growth, with particularly outstanding business performance in China. During the same period, KUKA China's revenue contribution accounted for nearly 30%.

(1) Product Technology

In 2025, KUKA continued to advance in technological innovation and product development, offering new products with enhanced performance for specific market segments. As the demands for precision assembly in high-end manufacturing sectors such as consumer electronics, semiconductors, healthcare, and automotive components grew, KUKA launched the new autonomous mobile robot platform, KMP 250P, with a payload capacity of 250kg. Designed with modularity, high safety, and easy integration, the KMP 250P optimizes internal logistics and goods transportation, enhancing automation and human-robot collaboration efficiency in production environments. Its lightweight mobile robot body features a compact design for efficient and flexible movement, supports both inductive and contact-based dual-mode charging to meet continuous operation demands, and has passed the ESD certification. It can also be optionally equipped with ISO Class 5 cleanroom protection to meet operational standards in electrostatic-sensitive and cleanliness-sensitive environments like consumer electronics and semiconductors. Equipped with a 360° three-dimensional safety protection system, the robot automatically avoids personnel when they approach and precisely identifies obstacles with its front and rear 3D cameras, providing dual safeguards to ensure production safety while combining efficiency and reliability. In May 2025, KUKA's Box Picker automated pharmacy storage system, as developed by its subsidiary Swisslog Healthcare, won the Best Hospital Technology Implementation Award at the MedTech Breakthrough Awards.

(2) AI Applications

KUKA proactively positioned itself in the forefront of artificial intelligence (AI) and embodied intelligence technologies. Through collaborations with leading domestic and international AI technology companies, KUKA deeply integrated AI vision, force-sensing control, intelligent algorithms, and robotic systems, enabling intelligent and simplified robot debugging, programming, and maintenance. At the 25th China International Industry Fair, KUKA officially unveiled five intelligent agents: the KUKA AI Vision for AI visual intelligence, the iiQWorks for engineering software intelligence, the KUKA CONNECT IOT for equipment operation and maintenance intelligence, the XiaoKu AI Assistant, and the KUKA AMR Fleet for logistics intelligence. These agents collectively formed a full-link intelligent ecosystem spanning perception, decision-making, and execution.

(3) Market Expansion

In terms of market expansion, KUKA initiated a collaborative project with the modular construction leader KLEUSBERG to modernize and automate KLEUSBERG's factory in Halle. KUKA will provide a complete robot-based welding system for producing floor and ceiling frames for modular buildings. Scheduled to be operational by 2027, this system will empower modular buildings with advantages in cost, planning reliability, and construction speed. As demands in the pet food industry grew, KUKA robots were deployed on the production line of a Polish pet food manufacturer for high-speed automated palletizing, capable of processing 1,200 cans per minute with potential for further increases. The system solution integrator, an Italian company called Clevertech, which has a strong partnership with KUKA, uses KUKA robot products in over 80% of its systems, highlighting KUKA's significant position in automation solutions for this industry. KRONE, a large agricultural machinery and commercial vehicle manufacturer, implemented KUKA handling/welding robots and autonomous mobile robots (KMP 1500P) to work collaboratively in its factory in Werlte, Germany, and its new smart factory in Ibbenbüren. This integration enabled automated material supply and finished product transportation, driving production automation and intelligent transformation. It significantly improved production and internal logistics efficiency. After securing an order from a major U.S. automaker last year, KUKA received an additional purchase of 12 friction stir welding (FSW) workstations for the automaker's electric vehicle (EV) manufacturing expansion. The FSW workstations equipped with KUKA KR FORTEC robots will be integrated into the EV production line for welding battery housings and other manufacturing processes, and will support the mixed production of internal combustion engine, hybrid, and electric vehicles on the same line.

(4) KUKA China

Market Expansion:

In 2025, KUKA China continued to lead industrial automation innovation, further solidifying its leading position in the robotics industry through product upgrades, technological innovation, and ecosystem development. On the market front, according to the MIR Databank statistics, KUKA shipped over 32,000 industrial robots in the domestic market in 2025, representing a year-on-year increase of over 30% and capturing a 9.6% market share, ranking among the top three in the industry. KUKA held a significant advantage in the heavy-duty robot segment, with a 47.4% market share for robots with a payload in excess of 300kg in China. These robots were widely applied in high-value-added scenarios such as premium automotive welding, new energy, and aerospace. Additionally, KUKA actively assisted Midea Group in enhancing its smart manufacturing capabilities. By the end of 2025, Midea had achieved a density of 670 robots per 10,000 employees and planned to further increase investment to elevate its smart manufacturing prowess.

As a leading one-stop and full-category automation solution provider in the industry, KUKA China possessed the capability to integrate full-link solutions from individual robots to complete factory "automation + digitization + intelligence" transformations. It offered customized solutions for industries such as automotive, consumer electronics, and home appliances, and had accumulated over 2,000 successful cases. KUKA China was also a pioneer in integrating AI large models with industrial robots, achieving the world's first intelligent agent-collaborated production at Midea's washing machine factory in Jingzhou. Multiple types of intelligent agents, including those for logistics, planning, and equipment management, were deployed, marking a new stage in factory intelligence transitioning from "mechanical automation" to "autonomous decision-making".

Product and Manufacturing Localization:

In 2025, KUKA China introduced multiple new devices and solutions with the application scenarios covering popular industries such as automotive, lithium batteries, photovoltaics, aerospace, electronics, logistics, and healthcare, enabling flexible responses to automation and intelligent upgrade demands across various fields. The KUKA iico easy-to-collaborate robot was designed for efficiency and safety, featuring a lightweight body and multi-angle installation adaptability to seamlessly integrate into complex production lines and accommodate diverse scenarios. With an IP67 protection rating, it could operate stably in harsh environments while being resistant to dust, oil, and humidity, and met ISO Class 5 cleanliness requirements.

The KUKA composite robot KMR iico 12i deeply integrated high-precision robotic arms with intelligent mobile chassis technology, breaking through traditional equipment functional boundaries. Equipped with an omnidirectional motion system, it supported complex trajectory movements such as zero-turn-radius translation and diagonal advancement while maintaining high positioning accuracy in narrow aisles, achieving true full-domain coverage capabilities for "three-dimensional space operations + two-dimensional plane movement".

The fully upgraded KUKA KR AGILUS-3 ultra series robots saw an approximately 30% increase in A1 axis speed, further reduced their self-weight, and saved over 17% in floor space. With an increased rated payload capacity of 7kg, they offered higher precision and flexibility, thus being suitable for industries such as consumer electronics, metal processing, food, and pharmaceuticals.

The Swisslog Logistics Wonder Store four-directional shuttle featured core advantages such as fully geared maintenance-free operation, real-time dynamic correction, and six-fold safety protection. The system supported efficient multi-shuttle collaboration and extremely flexible irregular warehouse layouts, assisting enterprises in creating smarter and more flexible next-generation pallet logistics solutions.

The Swisslog Healthcare UniSmart outpatient pharmacy replenishment and dispensing integrated solution aimed to address the pain point of limited storage capacity in traditional dispensing machines, which required frequent manual replenishment by healthcare personnel. This system constructed an intelligent ecosystem that comprises an intelligent secondary drug warehouse, shelf robots, medicine box conveyor systems, and intelligent replenishment robots. It increased drug buffer capacity by tenfold, enabling a transformation from manual-driven to intelligent decision-making in pharmacies.

Furthermore, KUKA continued to advance full product localization and core component indigenization. Its new generation of heavy-duty industrial robots integrated domestically produced core components, demonstrating significant technological advantages in payload, stiffness, precision, and process control stability, and meeting demands for processes such as friction stir welding, milling, drilling, and riveting. These robots were applied in key industries including automotive manufacturing, metallurgical processing, energy equipment, and aerospace.

KUKA's industrial robot smart manufacturing factory in Shunde was successfully included in the Ministry of Industry and Information Technology's "List of 2025 5G Factories", marking official recognition of its deep integration model of "5G + Industrial Internet". With its excellence in quality management model innovation, full-link value creation, and industrial ecosystem empowerment, KUKA was honored with the Eighth Guangdong Provincial Government Quality Award. At the 2025 China International Industry Fair, KUKA robots were awarded the CR Certification Reliability L5 highest-level certificate issued by the National Robot Testing and Evaluation Center for meeting standards such as a mean time between failures (MTBF) of no less than 100,000 hours and a lifespan of no less than 60,000 hours, setting a new industry benchmark for the development of robot "reliability" technology.

4. New Energy

Facing the rapid growth of the renewable energy industry, Midea New Energy is committed to becoming an industry-leading digital energy solution provider.

(1) Product Innovation

Midea New Energy's product portfolio covers large-scale energy storage, industrial and commercial energy storage, residential energy storage, smart grids, distributed photovoltaics, etc. In 2025, its subsidiary Hiconics launched photovoltaic grid-connected inverter products in the 20KW-40KW power range and unveiled the M-Ecolux Villa Green Power Generation II product at the 2025 International Photovoltaic Power Generation and Smart Energy (Shanghai) Conference & Exhibition (2025 SNEC). This product achieved solar energy conversion through intelligent control, constructing an integrated clean energy system for power supply, heating, energy storage, and charging, and realizing green energy supply, self-sufficiency, and intelligent scheduling goals. It won the overseas version of CGC certification (sharing the same origin as TÜV certification), the German iF and Red Dot Design Awards, and the 2025 Annual Gold Medal Photovoltaic-Storage Product Award. Hiconics also introduced a new-generation residential energy storage platform system, including residential energy storage all-in-one series and residential energy storage split series (Hybrid+Pack), covering high-voltage and low-voltage application scenarios to meet demands in multiple markets including Europe, Australia, and Asia-Africa. Additionally, it collaborated with Midea Building Technology and Residential Air Conditioners to launch a thermal-storage linkage function, enabling efficient connection with Midea's heat pump systems and water heater systems and promoting deep integration of residential energy storage systems with Midea's home appliances and family energy scenarios. In 2025, Hiconics' residential photovoltaic solution also received the Household Photovoltaic System Certificate issued by the China Quality Certification Center (CQC).

Under Midea New Energy, CLOU Electronics has formed a comprehensive product line of large-scale energy storage systems covering domestic and overseas markets, launching the AquaC2.5 AC/DC integrated series products and achieving mass production of self-developed string-type power conversion system (PCS). Based on the AquaC2.5 series products' large-scale fire testing (LSFT) conducted under the witness of the Canadian Standards Association (CSA) and achieving CSA/ASNIC-800 certification (demonstrating zero thermal runaway propagation across containers), it released a white paper on the Thermo Flux Active Ventilation and Explosion-Proof System, showcasing its safety design system for whole-station-level fire protection. Its products have obtained multiple international recognitions including UL, IEC, VDE, and TÜV Süd certifications. The photovoltaic-storage integrated cabinet Aqua-EX adopted an integrated design concept of photovoltaic-storage DC coupling, integrating photovoltaic MPPT modules, batteries, BMS, EMS, PCS, liquid cooling systems, and fire protection systems within the cabinet. It could adapt to various application scenarios. The domestic 261kWh/522kWh series and the overseas version Aqua E series industrial and commercial energy storage products also provided customers with diverse and highly adaptable selection options.

(2) Market Channel Expansion

Midea New Energy continued to advance market expansion. Hiconics has successfully completed over a hundred project construction in the field of green energy solutions, with its business covering multiple sectors including engineering manufacturing, smart manufacturing, aerospace, healthcare, and traditional heavy industry. It had successfully implemented a series of cross-industry benchmark projects with an individual scale in excess of 25MW. Among them, the photovoltaic project at Shanghai Midea Global Innovation Park received the "Near-Zero Carbon Park" certification from the China Association of Building Energy Efficiency, becoming a model for green and low-carbon park construction. Meanwhile, Hiconics, in collaboration with Midea's Residential Air Conditioning Division, successfully implemented a photovoltaic project at Midea's lighthouse factory for residential air conditioners in Thailand, laying a solid foundation for large-scale overseas business expansion. The sales channels of M-Ecolux Villa covered 26 provinces and municipalities across China, establishing in-depth cooperation with over 150 industry-specific channel partners and setting up 55 offline M-Ecolux Villa stores and exhibition halls.

In the field of residential energy storage, it launched the PowerInfi all-in-one and PowerX1 split energy storage systems at Intersolar Europe, systematically showcasing Midea's technological accumulations in power electronics, heat pump control, and battery cell management. It achieved concentrated deliveries amid surging demands in the Australian market, forming a certain scale of commercial installations. In Europe, it steadily advanced product technology evaluations and scenario validations around key distributors while continuously enhancing channel trust through distributor conferences and other means.

In the field of high-voltage inverters, Hiconics successfully delivered the circulating water pumps for Units 3 and 4 at Xudaopu Nuclear Power Station in 2025, secured the high-voltage variable frequency transformation project for seawater desalination at Xudaopu Nuclear Power Station from China National Nuclear Corporation, and signed contracts for new supporting high-voltage variable frequency drive project at Fuqing Nuclear Power Station under China National Nuclear Corporation. Additionally, the HC1000 high-voltage variable frequency speed control solution as provided by Hiconics was applied to the 1,000MWh "thermal power + molten salt" energy storage project as constructed by China Energy Group Anhui Company at Suzhou Power Plant and the world's first "twin-tower single-turbine" solar thermal energy storage project.

Overseas, CLOU Electronics seized global energy transition opportunities and continuously deepened its global layout. It established regional teams in the Americas and Europe that integrate sales, support, and services, thoroughly exploring differentiated demands of local customers to drive business implementation. In the Middle East, Africa, and Asia-Pacific markets, it gradually built market awareness and channel networks by collaborating with local partners to penetrate the markets. Its overseas business expansion yielded remarkable results. It newly entered energy storage markets in countries such as Greece and Bulgaria, and successfully completed the delivery of multiple overseas energy storage projects. Its fully self-developed Aqua C2.5 containerized energy storage system achieved large-scale commercial application. In the domestic market, CLOU Electronics targeted strategic customers such as central state-owned enterprises and state-owned enterprises, promoting cooperation project implementations through strategic binding and ecosystem co-construction. During the Reporting Period, it successfully completed the delivery of multiple large-scale energy storage projects, including the "Ningxia Project" with a total capacity of 2GWh, the "Mengxi Project" featuring GW-level smart hybrid energy storage, and the "Mianyang Gangqing Project", one of Sichuan Province's first batch of new energy storage demonstration projects.

CLOU Electronics' industrial and commercial energy storage products followed a "CLOU + Midea" dual-brand strategy, leveraging Midea's in-depth empowerment in manufacturing, R&D, and channels, as combined with its own nearly 30 years of profound accumulations in the power sector, to target different customer groups with differentiated positioning and cover a broader range of market demands. Meanwhile, it innovatively introduced a "regional operator co-creation model", transforming channel partners into long-term benefit-sharing "regional energy operators" to jointly cultivate the local market. CLOU Electronics was listed on BloombergNEF's "2025 Global Energy Storage Product and System Integrator Bankability" list and the "Tier 1 Global Primary Energy Storage Manufacturer" list, and has been recognized as an "International Reputation Brand" by the United Nations Industrial Development Organization and the Shenzhen Well-known Brand Evaluation Committee.

(3) Manufacturing Layout

Hiconics, relying on its independent R&D capabilities, successfully developed the first low-voltage automated testing equipment for high-voltage inverters, achieving a key breakthrough in product testing automation. Through production line automation upgrades and process optimizations, it achieved mass production of such products as EPC photovoltaic inverters, 3-6KW low-voltage split machines, 15-30KW high-voltage split machines, third-generation single-three-phase integrated machines, and 100Ah DCDC battery packs, significantly improving output efficiency. By implementing lean production management and optimizing logistics layout, it significantly reduced semi-finished product delivery cycles as compared to the previous year. It added one pilot production line to specifically support rapid development and sampling needs for new R&D products. The Anqing production base officially commenced operations in June 2025 to safeguard future development. CLOU Electronics' Yichun Energy Storage Base had an annual production capacity of 12GWh. To further improve its overseas layout and enhance its competitiveness and overall risk resistance, CLOU Electronics had initiated the construction of an energy storage production base in Indonesia with an initial planned capacity of 3GWh.

5. Smart Logistics:

Annto Smart Logistics, a supply chain technology enterprise under Midea Group's smart logistics segment, is committed to providing end-to-end integrated and digitized supply chain logistics solutions. It deepens the "1+3" supply chain logistics service model to help enterprises enhance supply chain efficiency, reduce operational costs, and achieve supply chain transformation and business model innovation.

Annto Smart Logistics has a deep-rooted presence in the supply chain service field. Adhering to the customer-centric business philosophy, it offers customers a full supply chain service covering pre-production logistics, finished product storage, finished product distribution, and last-mile integrated delivery and installation, assisting enterprises in driving channel reform and optimizing supply chain efficiency. It insists on supporting new growth through supply chain innovation, helping customers optimize their retail transformation and expand multi-category operations. It also supports the logistics digital transformation and efficiency improvement of channel distributors and retailers, enabling them to achieve high-quality growth and sustainable development. Leveraging the industry-leading channel reform practical experience of leading customers like Midea and its continuously improving domestic intelligent supply chain warehouse network system, Annto Smart Logistics provides customized solutions for these enterprises in various industries, including home appliances, home furnishings, 3C electronics, general fast-moving consumer goods, automotive & automotive parts, and new energy, driving supply chain reforms across industries.

In the digital field, Annto Smart Logistics continuously increases its digital investment, effectively supporting the efficient implementation of the "1+3" supply chain logistics service model. Its digital platform has served thousands of enterprise customers. Through scientific warehouse network planning and product layout optimization, it helps customers reduce logistics costs, accelerate inventory turnover, and streamline full-channel inventory. AI technology is deeply integrated into the entire chain, including order management, warehousing operations, transportation scheduling, and integrated delivery and installation, significantly enhancing the accuracy of customer demand forecasting and replenishment. It provides customized solutions for a diverse range of customers across industries and scenarios, empowering their digital transformation and upgrading.

In the field of production logistics, Annto Smart Logistics adheres to the strategic pillars of "product leadership, digital drive, and full-scenario operations". On the product front, it continuously accumulates experience in nine core application scenarios, including vendor-managed inventory (VMI), in-production logistics, intelligent equipment, milk runs, consolidation warehouses, intermediate product central distribution centers (CDCs), lean manufacturing, digital management, and industrial park planning. On the digital application front, through the optimization and upgrading of digital systems such as PLS, TMS, WMS, and CMP, it continuously supports business growth, cost reduction, and efficiency improvement. On the operation front, it creates an integrated "transportation + packaging + warehousing and distribution" scenario with full-scenario digital operations, achieving integrated transportation and packaging as well as unmanned delivery. Overseas, it has conduct business operations in Thailand, Vietnam, Indonesia, and Egypt, assisting Chinese manufacturing in going global.

In the field of trunk line, Annto Smart Logistics focuses on the route-based operation model, taking the national trunk/less-than-truckload network as established by Midea's business as a strategic carrier. It efficiently aggregates full-domain freight traffic, refines the ability to optimize route cost structure, promotes comprehensive online and SaaS-based operations, and achieves a digital closed-loop management of the operation system. It prioritizes optimizing vehicle operational efficiency, achieving efficient and precise allocation of transportation capacity supply structures based on in-depth insights into route scenarios and integrating market signals with institutional constraints.

In the warehousing field, Annto Smart Logistics aims for warehouse network optimization, lean management, and intelligent upgrading, comprehensively promoting the digital and efficient transformation of the warehousing operation system. By implementing key initiatives such as the integration of online and offline inventory, B/C integrated distribution, full-link construction of reverse logistics, and refined inventory management, and relying on a full-scenario online platform and a lean operation system, it improves warehousing operation efficiency, service quality, and cost control levels. In terms of technological empowerment, it actively introduces AI tools, intelligent vertical storage equipment, and AGV sorting robots, effectively promoting the automation and intelligence of warehousing operations. Simultaneously, it continuously promotes the online collaboration of production, business, and management processes and the application of IoT smart parks, while building a unified digital service platform to achieve digital operation coverage from base warehouses to regional warehouses and providing customers with full-scenario and full-link warehousing operation solutions.

In the field of city distribution, Annto Smart Logistics promotes operational reforms around "warehouse network planning, traffic integration, route operation, and transportation capacity transformation", enhancing digital operation capabilities and direct control and distribution capabilities, with full visibility throughout order fulfillment. It comprehensively applies algorithm-based automatic vehicle scheduling, achieving unmanned vehicle scheduling and automatic order allocation, thereby improving loading rates, optimizing delivery routes, and reducing costs.

In the field of last-mile services, Annto Smart Logistics upgrades the "Annto Home Delivery" delivery and installation service product platform, in addition to building an enterprise-version customer after-sales workbench for small business customers that supports online registration, self-ordering, bulk ordering, and wallet recharging, improving customer order management efficiency. The official website of Annto Home Delivery supports real-time order progress query and one-click order reminder. It has also launched a digital management platform tool suitable for new energy charging pile services. It strengthens its "ToC integrated delivery and installation" capabilities, supporting enterprises in connecting with users. Based on terminal capability building, it promotes an operator model and a directly managed engineer model, achieving delivery and installation service upgrades through a ToC direct distribution and direct management mechanism for vehicles/drivers. It deeply applies AI technology throughout the service link, using an AI intelligent appointment system to automatically match and lock the optimal home visit time after order receipt. Relying on an algorithm-based dispatching engine, it precisely schedules delivering and installing engineers. During fulfillment, it applies intelligent route planning tools to dynamically optimize engineer itineraries to ensure efficient service delivery. As of June 2025, in the installation completion phase, Annto Smart Logistics introduced AI tools for precise acceptance. In the after-sales phase, it deploys an AI intelligent customer service system for 24/7 efficient responses. It has more than 3,500 domestic cooperative outlets and a delivery and installation service team with over 70,000 members. It has launched a pilot program for the "direct management, direct dispatch, and direct payment" model for engineers, providing cost-effective and efficient solutions such as "integrated delivery and installation" for home appliances, "three warranties or five warranties" for home furnishings, "survey and installation" for new energy products, and "maintenance and repairs" for various product categories.

III. CORE COMPETITIVENESS ANALYSIS

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

As a leading global technology company in smart home and commercial and industrial solutions, Midea provides services to customers in over 200 countries and regions, and leads the way in various markets, including various household appliances and their key components, commercial air conditioners, robotics and automation. In 2025, Midea Group's revenue reached RMB458.5 billion, marking its tenth consecutive year on the Fortune Global 500 list, demonstrating its global leadership and outstanding performance. Midea persists in consolidating its market leadership in the global home appliance industry. According to Euromonitor statistics, based on global smart home appliance sales of the brands (self-owned brand manufacturers) in 2025, Midea ranked first in global smart home appliance sales, with over 140 million smart home appliances connected globally and more than 150 million smart users connected. Currently, Midea has an extensive brand matrix targeting high-end, mass-market, and young consumer segments, and provides various smart home appliance products. In 2025, Midea Group continued to advance and implement its "Number One Engine" strategy in the domestic market. The home appliance sales of Midea-branded products on major domestic online platforms, including JD.com, Tmall, Douyin, and Pinduoduo, continued to rank first in the industry. Similarly, the home appliance sales of Midea-branded products in major domestic offline channels, such as key accounts (KA), distributors, and penetration into lower-tier markets, also topped the industry rankings. Meanwhile, Midea is also a sizable commercial and industrial solution provider, achieving market leadership in multiple sectors. According to the data from ChinaIOL.com, in 2025, Midea maintained its position as the global market leader in terms of sales volume share for residential air conditioner compressors, residential air conditioner motors, and washing machine motors. It also ranked among the top in the global market for refrigerator compressors. According to the data from ChinaIOL.com, Midea's central air conditioners accounted for over 20% of the domestic market sales in 2025, maintaining the top position in the industry. Its commercial multi-split air conditioners accounted for over 28% of the domestic market sales, continuing to rank first in the industry. Its centrifugal chillers accounted for over 16% of the domestic market sales, ranking first in the industry. Midea ranked among the industry leaders in domestic market shares of air-cooled screw chillers, water-cooled screw chillers, and modular chillers. Furthermore, Winone Elevator, leveraging its leading professional technological prowess and brand reputation, has led the domestic freight elevator segment market for three consecutive years. KUKA Group, a subsidiary of Midea, is one of the Top 4 industrial robot companies globally. According to the MIR Databank statistics, in 2025, KUKA's domestic market sales volume share of industrial robots steadily increased to 9.6%, firmly securing its position among the top three in the industry. Moreover, KUKA holds a significant advantage in the heavy-duty robot sector, with its domestic market sales volume share of robots with a payload capacity of over 300kg reaching a remarkable 47.4%.

(II) A comprehensive and continuously deepening global network

In the domestic market, with its continuous efforts over the years, Midea has formed a multi-channel network which has a complete business layout and covers a wide range of areas, thus meeting the purchase needs of online and offline consumers for household appliances. Midea continues to improve its offline business layout around user needs, and has created a network layout of comprehensive household appliance stores, specialty stores of self-owned products, traditional retailers and e-commerce franchise stores, covering the entire market from first-tier cities to townships. It also provides professional scenario-based solutions for corporate customers. Particularly, Midea boasts a unique exclusive shop system in the industry with tens of thousands of outlets, where various needs of users from new decoration to updates can be met in pre-decoration stores, flagship stores, professional stores, combo stores and other stores. Midea continuously provides industry-leading digital platform services to retail stores. It also focuses on expanding and constructing premium brand stores for COLMO and Toshiba. Centred around "smart suite operation" and "entire-house renovation solutions", Midea actively cooperates with home decoration, furniture, building materials, and design channels, seeking to capture front-end traffic. With exclusive stores as the core, the Group builds a "Midea Cloud Sales +" ecosystem covering markets at all tiers, establishes an exclusive store system with core competitiveness for various markets, as well as firmly promotes and transforms the exclusive store service, operation, and all-product-category retailing capabilities, among others. In addition, Midea is also accelerating the development of new channels such as Pinduoduo, Douyin, Kuaishou, and Xiaohongshu. These efforts, together with membership operation, product suite promotion and intelligent transformation, can drive sales and user growth. By the end of 2025, the number of domestic registered users of the Midea Home APP had surpassed 88 million, with monthly active users exceeding 21 million.

In overseas markets, Midea has put in place a global network for research and development, manufacturing, and marketing, representing the capability for global development. With 29 overseas research and development centres in 11 countries, Midea integrates global R&D resources to build complementary advantages in global technological research and development. Among the 65 major production bases globally, 43 are located overseas. As such, Midea is able to realise global production and delivery, seizing growth opportunities in overseas markets. Overseas sales contribute to over 40% of Midea's total sales, with products exported to over 200 countries and regions worldwide. In many overseas markets, online and offline sales networks have been established, with approximately 5,500 after-sales service outlets. Continuously deepening the application of digital sales platforms in overseas markets, over 25,000 retailers have joined Midea's overseas sales platform. By the end of 2025, Midea has over 40,000 overseas employees. Midea also continuously deepens and expands its global business network through strategic acquisitions and joint ventures. The rapid growth of Midea's overseas original brand manufacture (OBM) business is evident, with OBM revenue reaching over 45% of overseas revenue of smart home in 2025. Mainly featuring Toshiba, Midea, and Comfee brands, OBM products have demonstrated strong competitiveness in numerous overseas markets. By the end of 2025, the cumulative number of overseas registered users for Midea's smart home applications had exceeded 11 million, with the average monthly active user count surging by over 60% year-on-year.

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

Midea has established a rapidly growing business of commercial and industrial solutions. Revenue from this business as a percentage of total revenue has increased from 18.5% in 2020 to 26.8% in 2025, with revenue from the said business exceeding RMB100 billion in 2024. Commercial and industrial solutions have become one of the main engines driving the continuous growth in Midea's business.

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

Robotics Industry:

In the field of robotics, Midea's development strategy continues to revolve around the following three dimensions: Firstly, the intelligentization of industrial robots, achieved through the deep integration of AI and robotics technologies, expanding into new scenarios and applications such as vision-pose fusion perception, data-driven skill learning, and industrial AI agents. Secondly, the robotization of home appliances, which primarily involves integrating core technological elements from the AI and robotics fields into home appliances to realize scene intelligence, spatial intelligence, and proactive intelligence in areas such as "vertical domain models + edge intelligence", "proactive perception + intelligent interaction", and "robotic mechanism innovation". Thirdly, the value realization of humanoid robots, which focuses on R&D layout in core technologies of humanoid robots and matches different forms of humanoid robots with application scenarios, exploring feasible and scalable applications in industrial, commercial, and domestic settings.

Regarding humanoid robot technology, Midea's Humanoid Robot Innovation Center primarily researches three areas, i.e., the research, development, and application of core robot components; the robotization of home appliances, which involves integrating robotics and AI technologies into home appliances, such as visual recognition, robotic arm utilization, and human-machine interaction technologies; and the development of complete robotic systems, which involves delving into application scenarios and actively deploying core technologies. Following a development plan that spans "industrial scenarios – commercial scenarios – domestic scenarios", Midea's humanoid robots "MIRO" and "MIRA" have emerged. The former is designed for industrial scenarios, while the latter focuses on commercial and domestic scenarios. By 2025, Midea has developed three generations comprising five models of humanoid robot products. For industrial applications, MIRO has been deployed at Midea's washing machine factory in Jingzhou, performing tasks such as 3D quality inspection, equipment patrol inspection, and sheet metal feeding under the coordination of the "factory brain", and collaborating with other embodied intelligent terminals to construct Midea's first globally multi-scenario-covered intelligent agent factory. For commercial applications, MIRA can perform a series of actions, such as retrieving items from a refrigerator, heating food with a microwave, and brewing coffee with a coffee machine. It is expected to make its official debut at Midea's offline stores in 2026, providing services such as guided tours and home appliance operation demonstrations. Additionally, Midea's high-performance bipedal full-humanoid robot "MIRA X" possesses all-terrain high-dynamic motion capabilities, enabling it to climb slopes, ascend and descend stairs, run, and dance. It can also learn motion skills from videos in as little as two hours.

In December 2025, Midea unveiled its ultra-humanoid robot "MIRO U". As the third-generation flagship product in Midea's humanoid robot family, MIRO U features 3 motion degrees of freedom in its waist module, enabling stable lifting and 360-degree in-place rotation). Its six bionic humanoid robotic arms are each equipped with 6 high-precision drive joints, and the end effectors support rapid switching between various modules such as dexterous hands and vacuum suction cups, forming a multi-dimensional collaborative operation system. Its core value lies in transcending morphological imitation to achieve a leap in operational efficiency in industrial scenarios. After evaluation and calculation, MIRO U can enhance the efficiency of production line changeovers by 30% and reduce equipment space occupation by 40%. Currently, MIRO U is undergoing pilot applications at Midea's Wuxi Double High-End Washing Machine Factory.

New Energy Industry:

In June 2025, during the 2025 International Photovoltaic Power Generation and Smart Energy Conference & Exhibition (2025 SNEC) in Shanghai, Midea's energy-related businesses were showcased under the unified brand image of "Midea Energy" for the first time. Simultaneously, Midea Energy unveiled its "Energy Storage + Heat Pump + AI" three-dimensional driving strategy and introduced its next-generation container-level direct-cooling energy storage platform, next-generation heat pump technologies, and next-generation AI energy management system. Currently, Midea Energy has achieved competitive implementation by covering the entire energy industry chain while leveraging Midea's differentiated advantages. Through brands such as Midea, Hiconics, CLOU Electronics, and KUKA, it can provide home energy solutions, industrial and commercial energy solutions, green building energy solutions, large-scale ground energy storage solutions, and smart manufacturing solutions for five major energy scenarios.

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

Midea possesses leading research and development capabilities and is committed to allocating significant resources to R&D efforts. From 2023 to 2025, the total R&D investment exceeded RMB48.0 billion, with R&D spending surpassing RMB17.8 billion in 2025 alone, representing a year-on-year increase of 9.6%. By the end of 2025, Midea has over 23,000 R&D personnel worldwide, accounting for over 50% of its non-production staff. Over the next three years, Midea plans to invest over RMB60 billion, focusing on research in cutting-edge fields such as new energy, embodied intelligence, healthcare, and artificial intelligence, aiming to seize strategic initiatives in future industrial development through technological leadership. In 2025, Midea ranked fourth globally and first among Chinese private enterprises in terms of its patent family count on the "2025 Global 250: The World's Largest Active Patent Holders" list as published by the U.S. Commercial Patent Database (IFI Claims).

1. R&D System

Midea continuously improves its R&D system, constructing a collaborative architecture as centered around its Central Research Institute and R&D units and teams across various business divisions. By conducting in-depth research on technologies, user needs, and market trends, Midea has formed a "Three Generations" R&D model, i.e., the Central Research Institute focuses on frontier, foundational, and generic technologies, while business divisions concentrate on product technology development, jointly building globally leading R&D capabilities and achieving efficient synergy and organic operation of a "four-level R&D system". Midea accelerates its global R&D layout, establishing 41 R&D centers across 12 countries and forming a "2+4+N" global R&D network to create scaled R&D advantages. Domestically, it takes the Global Innovation Center in Shunde and the Global Innovation Park in Shanghai as its core hubs. Overseas, it prioritizes R&D centers in the United States, Europe, Japan, and Italy. Through the CPI (Cost Plus Incentive) model, it promotes localized user research, product support, and technological innovation, fully leveraging regional technological advantages and integrating global R&D resources to build complementary global technology R&D capabilities. By the end of 2025, Midea has accumulated 16 national-level science and technology innovation platforms, including key national laboratories, national AI open innovation platforms, national cross-industry integration platforms, national enterprise technology centers, national industrial design centers, national talent introduction and intelligence demonstration bases, and postdoctoral research stations. It also has 85 provincial and ministerial-level science and technology innovation platforms, including provincial and ministerial enterprise technology centers, innovation centers, engineering technology research centers, industrial design centers or key laboratories, and doctoral workstations. Furthermore, guided by its technology leadership strategy, Midea enhances the density and quality of its talent pool. Leveraging the local advantages of its overseas R&D centers, it attracts top leading talents and high-end professionals in various technical fields, building a global talent hub to provide strong support for technological innovation and industrial development.

2. R&D Achievements

Midea continues to increase its R&D investment, optimize the "Three Generations" R&D model, improve the operational mechanism of the research organization's TP3 elements, guide reasonable project and resource allocation for technology pre-research, frontier technology exploration, core technology breakthroughs, and technology project transformation, promote deep integration of technology strategy with medium – to long-term product planning, and achieve dual drive by technology and products to facilitate high-quality industrial development. In 2025, Midea added 27 provincial and ministerial first prizes in science and technology and 47 internationally leading achievement appraisals, bringing its cumulative total to 4 national science and technology awards, 527 provincial and ministerial science and technology awards, and over 450 internationally leading/advanced achievement appraisals. In terms of industrial design, Midea continuously promotes product design upgrades and builds a brand family matrix. In 2025, it received 115 industrial design honors, including 47 Red Dot Design Awards from Germany, 35 iF Design Awards from Germany, 30 IDEA Design Awards from the USA, and 3 GOOD DESIGN Awards from Japan. To strongly support its strategic goal of "technology leadership", Midea further advances its "3+1" standardization strategy of "innovation patentization, patent standardization, standard internationalization, and Midea standards going global". By establishing a two-tier standardization management system at both the group and business division levels, and implementing a dual-drive model of "standard innovation + product innovation", Midea converts innovative achievements into advanced standards, comprehensively enhancing its technological influence and international competitiveness. In 2025, Midea newly participated in the formulation or revision of 188 technical standards, including 4 international standards, 105 national standards, 14 industry standards, and 65 group and local standards, bringing its cumulative total to over 2,300 technical standards as participated in or revised. It also won 1 International Electrotechnical Commission (IEC) 1906 Award and 18 awards from national standardization technical committees. Midea continuously optimizes its innovation achievement transformation and patent protection layout. In 2025, it added over 13,000 globally authorized patents, including over 2,000 overseas authorized patents. By the end of 2025, its global patent applications exceeded 165,000, with over 36,000 invention patents as authorized and maintained. It persistently enhances patent quality, winning over 135 awards in previous Chinese patent award evaluations, including 6 gold awards and 14 silver awards.

3. External Cooperation

Midea focuses on technological innovation, user innovation, design innovation, product innovation, and open innovation system construction. It continuously strengthens the construction of its advanced research system and lays out medium – to long-term technological reserves to lay a solid foundation for maintaining long-term leading advantages in product technology. While strengthening its global R&D layout, Midea actively builds an open innovation ecosystem platform. By deepening the implementation of technology projects, it integrates superior global technological resources and constructs a global innovation system. Midea integrates resources from large enterprises, technology companies, universities, research institutes, and innovation consulting agencies to continuously expand its R&D technology ecosystem network and connect with a vast amount of technological innovation resources. Concurrently, Midea has established a scientist system, set up 8 academician workstations (offices), and introduced 19 strategically cooperating academicians to drive over 200 collaborative projects covering technological domains such as green technology, energy efficiency, health, intelligence, robotics, and automation.

(V) Digitisation & intelligence driven support for excellent operation across the enterprise's entire value chain

Midea has fully embraced digital and intelligent technologies under its "digitisation & intelligence driven" strategy. With AI as its core strategic direction, Midea has built a team of over 400 AI professionals, focusing on four core scenarios, i.e., smart home, smart manufacturing, smart office, and industry empowerment, to create a "Home Brain" and a "Factory Brain", thereby reshaping the industrial ecosystem, achieving entire value chain data operations and platform-based operations, and enhancing enterprise competitiveness in the digital era. The Group continues to increase its investment to drive digital transformation and upgrading, with a specific allocation of over RMB3.0 billion towards digitalization and AI in 2025 alone.

In the domestic sales sector, Midea continues to promote "DTC Digital Model Innovation", "Online-Offline Integration", "Worry-Free Retail 3.0", and "Integrated Warehouse Network for Unified Inventory". Through the "Midea Cloud Sales APP", it directly reaches retailers, replacing traditional distribution systems and enabling "no in-person meeting" transactions on mobile devices, with a 100% online achievement rate for logistics services. It integrates channel inventories to implement the "unified inventory" sharing mechanism, achieving a spot fulfillment rate of over 93%, a 10% improvement in inventory turnover, a 14% reduction in inventory obsolescence, and an average shortening of 13 days in central warehouse inventory cycles. It deepens the advancement of the OMO multi-platform traffic project, with over 20,000 stores connected to various online traffic platforms such as Meituan, Gaode, Douyin, and Xiaohongshu. It aligns online and offline systems, implementing the policy of "same price, same promotion, and same service" across channels. Then, users can schedule installations at over 5,000 outlets nationwide within two hours after placing orders online, achieving a seamless consumption experience. Based on AIGC, it comprehensively upgrades customer service intelligence levels, with customer service robots covering 95% of the businesses and product categories, providing 24/7 services to users, improving user problem resolution rate and satisfaction. The customer service workstation achieves intelligent assistance in user intent recognition, scenario-based order recording, service summaries, knowledge push, and service decision-making, resulting in a 20% improvement in service efficiency. By empowering DTC user operations through Data Agent, it reaches over 2 billion user interactions, enabling store user recommendations and private domain operations. By labeling over 15 million user voices with AI, it improves the closed-loop efficiency by 72%.

In the overseas sales sector, focusing on improving global business efficiency and digital transformation, Midea continues to advance the "Digitalization 3.0" program. Through end-to-end panoramic analysis of the value chain, it focuses on enhancing the digital capabilities of the entire overseas business value chain and actively embraces AI technology applications, extending its advanced domestic digital experience overseas to support its global breakthrough strategy. Through the Midea Club system, it assists in breaking through global professional channels and builds localized overseas service system capabilities, with over 80,000 overseas installers. It integrates and allocates installation resources, establishing an installer certification training and examination system in collaboration with overseas universities and industry associations, which system has been launched in 17 countries, covering markets in the Americas, Europe, Asia, and Africa, with over 1 million orders recorded. It improves installer order recording and audit efficiency by 85% and 62%, respectively, through AI technology, significantly reducing installation fault rates. It empowers the iService after-sales service platform with AI technology, connecting the service value chain and covering over 20 branches and more than 5,000 service providers globally. It completes cloud deployments in multiple regions, supporting multi-language, multi-currency, and multi-business scenarios. It deeply integrates AI intelligent customer service and knowledge bases to create a full-process digital closed-loop from repair reporting, work order assignment and spare parts management to service tracking and follow-up, continuously improving service efficiency and response speed. Additionally, it successfully builds an overseas smart warehouse and distribution system, fully empowering end-to-end logistics management for overseas businesses, strengthening customs compliance management, implementing refined logistics cost control, and innovatively introducing intelligent loading algorithms and AIGC automation technologies to achieve intelligent upgrades across the entire logistics process. The system has been implemented in multiple regions globally, achieving a 95% visual rate for the entire logistics operation, a 5% increase in cargo volume, and a 30% improvement in warehousing operation efficiency, thus effectively reducing logistics costs. By empowering overseas businesses with Data Agent, it supports operations through AI data queries and interpretations, driving user growth. Through piloting AI warehouse network site selection in the Middle East and Africa, it achieves a 25% improvement in delivery timeliness.

In the R&D sector, centered around the strategic pillars of "Technology Leadership" and "Global Breakthroughs", Midea continues to advance the implementation and deepening of the "Three Generations" R&D system. On the planning front, it builds ToC desktop research report Agent and ToB competitive analysis Agent to boost efficiency by 70%, and establishes a data decision-making platform in the R&D sector to quickly locate shortcomings, abnormal changes, and diagnostic attributions through AI analysis. By promoting the technology shelf model, it assists in transforming technology achievements into products, supporting the "Research Generation". Through user-centric product model reforms, it builds module parameterization capabilities of global platform, quickly meeting differentiated market needs through a selection and configuration model, improving platform efficiency, streamlining SKUs, and supporting the "Reserve Generation". Focusing on improving design process quality and flow efficiency, it improves toolchain construction, enhances development efficiency through automation and intelligence, and shortens development cycles, supporting the "Development Generation". The overall on-time initiation rate of the "Three Generations" system exceeds 93%, with a climbing rate of key programs exceeding 96%. In terms of overseas capability building, it builds a full-flow system of "demand-planning-develop ment-sales" for overseas OBM products, continuously optimizing product efficiency and digital operation mechanisms, supporting a 30% improvement in the integration efficiency of the entire OBM flow and a 20% improvement in product development efficiency for the Toshiba brand, strengthening overseas market response capabilities. It deeply empowers key areas such as AI-TRIZ, AI translation, AI user research, AI Q&A, and AI design with AIGC technology. It improves the construction of an ESG product carbon accounting platform to meet the ESG requirements for "accounting-certification-emission reduction", achieving automatic acquisition of product carbon footprint data and online calculation of renewable utilization rates, and supporting an over 30% improvement in carbon accounting efficiency. In terms of value chain collaboration, it strengthens business data collaboration among R&D, marketing, quality, and manufacturing through IPDP product parameter promotion, transparent testing progress, and online introduction of new product processes.

In the manufacturing sector, leveraging digital technologies, Midea is committed to building high-quality, flexible, green, and efficient production factories. Eight of its factories have been recognized as "lighthouse factories" by the World Economic Forum, significantly improving factory production efficiency. Meanwhile, it rapidly promotes the experience of lighthouse factories across multiple global production bases. Midea's smart manufacturing capabilities, as combined with an efficient supply chain, enable it to quickly respond to customer demands, while aligning production with customer demands, improving production efficiency, and reducing inventories. Through the overseas digitalization 3.0 program, it further "goes outward", advancing its global digital layout and continuously improving overseas manufacturing and delivery capabilities. Based on investment layout and capacity planning, it selects appropriate digital packages and carries out consistent construction in these new overseas factories in Saudi Arabia, Thailand, Egypt, Brazil, and Mexico, launching 9 new factories online and upgrading 7 old factories. It also builds its first overseas lighthouse factory in Europe through the Italian Clivet program, combining specific scenarios and product capabilities of European ToB businesses to create a European digital manufacturing template. Domestically, it focuses on building a new dual high-end factory in Wuxi, innovating a front-store-back-factory model and a four-warehouse-one-chain pulling model, and constructing Smart Agent Native Factory 1.0. It adds/iterates 12 black-light factory workshops. On the quality front, it focuses on connecting manufacturing processes and market information, optimizing the supplier quality evaluation system as a whole, assisting in promoting quality improvements, and establishing an ESG digital platform to achieve online disclosure indicators and filling tasks. It continuously empowers through AI innovation applications, promoting the implementation of Factory Agent, taking the WRCA-certified smart agent factory as a benchmark to continuously expand the scenario coverage of 14 core smart agents across supply chain, production management, quality, and processes, incorporating more embodied intelligent terminals such as humanoid robots and AI glasses, completing traditional manual hour-level tasks with second-level responses, continuously promoting the iterative evolution of the factory brain and quickly replicating it to other manufacturing bases, thus saving 1.85 million work hours in the manufacturing sector throughout the year. On the supply chain front, it achieves online visualization of core indicators for 20 overseas factories and full-link visualization of KD supply for 18 overseas factories, realizing KD completeness risk warnings through AI and assisting in a 20% reduction in the KD cycle.

In the ToB business sector, Midea continuously improves end-to-end efficiency of the global value chain. In the building technology sector, it achieves a 75% improvement in custom quotation efficiency for overseas businesses and shortens delivery fulfillment cycle by 20%. In the industrial technology and new energy sector, through direct system connections with core customers, it improves sales forecast accuracy to over 90%. It accelerates ToB business merger and integration, strengthens the integration and synergy effects of the elevator business, and achieves revenue growth and efficiency improvements, with an annual cost reduction of nearly RMB30 million. It drives end-to-end changes in the value chain of KUKA China's robot and system integration, comprehensively optimizing customer opportunity conversion and project fulfillment cycles. It continuously optimizes the ToB digital platform Sale Smart, supporting integrated entire value chains, multi-business fusion, and multi-scenario adaptation.

In the business management sector, focusing on efficiency improvement and global breakthrough, Midea deepens the digitization & intelligence driven strategy, supporting business development by deeply applying intelligent tools in areas such as finance and human resources through efficient value chain collaboration and consistent business language. In the finance sector, it successfully implements 12 AIGC application scenarios and builds an overseas one-stop global business platform covering 23 countries and 63 business units. It integrates the financial systems of newly acquired businesses, adding electronic invoice platforms for 8 countries and achieving financial data docking for 53 overseas companies. It strengthens tax and financial compliance, achieving direct connections with tax regulatory authorities for multiple tax categories and improving digital capabilities. In the human resources sector, it reshapes core business processes such as recruitment and training through AI tools to enhance talent skills and job performance. It continuously improves the global HR shared service center, while optimizing employee experience and building a standardized management system to ensure compliance and consistency of overseas human resources.

On the data front, Midea builds a unified, efficient and stable global data asset system based on the principles of unified data integration, unified data public layers, unified data indicators, and unified data services. It builds a group-level unified data asset platform, covering data asset catalog, indicator management, dimension management, service management, end-to-end lineage management, and business scenario-oriented data asset spaces, further consolidating foundational data capabilities. Additionally, based on large models, it independently develops full-domain and full-scenario Data Agents and forms three core capabilities of "AI data queries, AI analysis, and AI strategies", achieving various data intelligence application capabilities and covering over 40 scenarios in 8 business areas including domestic sales, overseas sales, and supply chain. By 2025, Data Agents contribute over RMB70 million in efficiency improvements, with user adoption surpassing 3.5 million instances. For ToC businesses, it establishes a retail data system at the headquarters, regional, and store levels through DTC data operations, empowering over 40,000 stores, helping to further improve indicator system of the operation cockpit, adding AI interpretation capabilities, and empowering various business units and after-sales outlets. For ToB businesses, it mines tens of thousands of high-value intelligence through AI market intelligence, supporting domestic blank market expansion and overseas customer growth.

In 2025, Midea comprehensively deepens the integration of AIGC applications across all operational segments of the value chain. Through employees' independent creation of 13,500 smart agents, it achieves an efficiency improvement of over 15 million work hours and cost reduction of RMB700 million throughout the year. In the smart manufacturing sector, it promotes the implementation of Factory Agent, deepening the collaboration between Meiyan vertical domain large model and industry-specific large models. Taking the WRCA-certified smart agent factory as a benchmark, it continuously expands the scenario coverage of 14 core smart agents, incorporating more embodied intelligent terminals such as humanoid robots and AI glasses, and driving the iterative evolution and replication promotion of the factory brain. Through human-machine collaboration and full-process closed-loop optimization, it achieves an average efficiency improvement of over 30% in core scenarios and a 50% improvement in scheduling response speed. In the home appliance intelligence sector, relying on underlying technologies such as large language models, multimodal reasoning, and omni-channel perception, it builds an agent system covering multiple scenarios such as whole-house smart air, water, and cooking, while creating the industry's first home Smart Home Agent. It reshapes the human-machine interaction experience through a multi-model fusion architecture, building AI butler service capabilities and creating a full-scenario smart life. Meanwhile, it launches smart home appliance products such as the Fresh & Clean Air Machine T6 as equipped with privately deployed large models to help millions of families comprehensively upgrade their smart living experiences with an integrated home appliance and home furnishing solution. It focuses on achieving industry leadership and ecosystem construction, improving the intelligence capabilities of the M IoT platform and exporting them externally. It leads the formulation of multiple national standards for large smart home models and jointly builds an AI innovation ecosystem with leading enterprises, strengthening the "knowledge + AI" governance system and training & inference engine capabilities, and consolidating its global industry leadership through end-to-end digital and intelligent innovation.

(VI) Advanced corporate governance and values

Midea is built to grow on the back of progressiveness of corporate governance, updated values, and the growth of management's mental model. Midea's corporate governance emphasizes the shared responsibilities, rights and obligations, striving to establish an internal entrepreneurial group and fully inspiring entrepreneurial spirit. Midea has long been committed to creating maximum value for its employees, customers and Shareholders, and the society. To recognize and reward its employees' contributions and performance, Midea has established a multi-tiered long-term incentive mechanism primarily centered around stock incentives. By the end of 2025, Midea had launched nine stock option incentive plans, seven restricted stock incentive plans, sixteen employee stock ownership plans, and one H-share stock award plan for its management teams and key employees at various levels, solidifying an effective mechanism that aligns the interests of the Group's senior management and core talents with those of all Shareholders. Midea is dedicated to providing customers with the best possible experience, while striving to deeply understand customer demands and preferences, and optimizing product development and business models accordingly. Over the years, Midea has continuously enriched its product portfolio to meet diverse customer demands. The trust and support from Shareholders are crucial to Midea's development. Midea is committed to creating value for its Shareholders and sharing the Group's achievements with them. Since its listing in 2013, Midea has distributed over RMB166.0 billion in cash dividends (including the 2025 cash dividend proposal). While maintaining stable dividend payouts, Midea has consistently implemented a series of share repurchase programs. In 2025, it launched two A-share repurchase plans and also repurchased its H Shares, with the total amount of share repurchases for the whole year exceeding RMB11.6 billion. Therefore, the historical cumulative share repurchases by Midea exceeded RMB38.8 billion. The total amount of the Company's cash dividends and share repurchases in 2025 exceeded the Company's net profit attributable to the parent company for the year. Midea places great emphasis on its environmental and social responsibility and is committed to pursuing sustainable development. With outstanding performance in energy conservation and emission reduction, Midea was selected for the third consecutive year on the 2025 Fortune China ESG Impact List. And it was included in the 2025 Sustainability Yearbook (China Edition) as published by S&P Global.

Development Strategies of the Company

Midea adheres to the strategic focus of "Technology Leadership, Direct to Users, Digitization & Intelligence Driven, and Global Impact", focuses on "Comprehensive Digitalization and Comprehensive Intellectualization", drives balanced development of To Consumer (ToC) and To Business (ToB) businesses under the guidance of the strategic focus, as well as builds a complementary cycle among diverse industries. The Group drives profitability improvement through the enhancement of product strength and core technologies in the ToC end, providing strategic support for the transformation of the ToB business. Also, it continues to strengthen its globalisation capability, striving to transform from a China-based company to a global one. While maintaining its superiority in efficiency, the Group drives growth through innovation and builds product and technological advantages. Midea is built to grow on the back of progressiveness of corporate governance, updated values, and the growth of management's mental model. Midea will continuously improve the governance mechanism by empowering responsibilities, rights and obligations, clarify decentralization and authorization, constantly refine the agent mechanism, optimize the incentive and constraint system, encourage entrepreneurship and boost organizational vitality, and establish a flat and agile organization and optimization process. It will also adhere to the values of long-termism and altruism, truly put employees, users, customers and partners at the center of all things, and improve the EHS governance and ESG rating. Additionally, the Management will endeavor to achieve all-round growth both spiritually and intellectually. Meanwhile, Midea will continue to improve the talent structure, build diverse teams that are inclusive and collaborative, and create a simple, straightforward, flat and equal environment. In the meantime, it will constantly improve consistency management across the Group, so as to achieve consistent operations, corporate culture and values and philosophies, which will ensure the sustained and steady development of the Group.

IV. KEY TASKS FOR 2026 INCLUDE:

In 2026, based on its four core strategic pillars centered on technology leadership, Midea will firmly implement the following business initiatives:

1. Centering on Core Growth

Focusing on growth transformation with clear strategic paths and resolute execution, and achieving growth around core businesses, core markets, and core capabilities. Since white goods and HVAC (heating, ventilation, and air conditioning), as Midea's core businesses, are the primary sources of cash flow and profitability, and must achieve growth, so Midea will build a robust technological framework and foundation, while deepening presence in overseas markets, striving to become number one globally; and resolutely expand into secondary core businesses such as robotics and new energy. Since the ToC business serves as the moat for current survival and development, while the ToB business represents the future guarantee against economic cycles, so Midea will drive ToC business growth through transformation and innovation, supporting ToB business development, achieving industrial upgrading, and enabling ToC and ToB businesses to form a "growth relay".

2. Focusing on Comprehensive Cost Leadership across the Entire Value Chain

The core of comprehensive cost leadership lies in continuous enhancement and waste reduction. As an efficiency-driven organization, Midea must continuously enhance efficiency for evolutionary development, delivering excellence on both revenue and cost aspects; return to fundamentals and core issues and simplify processes, systems, and frameworks to improve process and decision-making efficiency. Structures must be dismantled to reduce structural costs, mechanisms must be reconstructed to lower institutional costs, certain elements must be relinquished to decrease complexity costs, and collaboration must be optimized to minimize synergistic costs.

3. Global Breakthroughs as a Top Priority

Midea is expected to adhere to the overseas OBM prioritization strategy, make firm investments, focus on products, attach importance to product demands in different regional markets, and ensure product manufacturing and delivery capabilities, while sparing no effort to support the development of various overseas regions; as well as to increase investment in infrastructure, service systems, and channel networks, continuously make breakthroughs in markets such as ASEAN, Africa, Middle East, the North America, and Europe, and consistently advance the Japan No.1 strategy, achieving a transition from "products going global" to "brand going global", and enhancing the global brand awareness and product competitiveness of Midea.

4. Product and Technological Innovation as the Foundation and Core of Business Success

As the cornerstone of Midea's four strategic pillars, technological leadership necessitates increased investment in product and technological research and innovation, particularly in frontier fields such as artificial intelligence, embodied intelligence, new energy and healthcare. AI represents the future trend; and by leveraging Midea's foundation and experience in digitalization, focusing on the four core scenarios of smart homes, intelligent manufacturing, smart offices and industry empowerment, building the "home brain" and the "factory brain," thereby reshaping the industrial ecosystem. Further focus on product R&D, such as achieving technological breakthroughs in reducers, scroll compressors, and new material applications. The evaluation and assessment system within the research framework should be further established and refined to foster a competitive environment, with a focus on rewarding these project research teams that make significant contributions.

5. Continuously Strengthening Organizational Capability and Resilience

To effectively avoid falling into the "mediocrity trap", the focus should be on reducing organizational complexity, which includes: (1) Flattening the organizational structure, and ensuring extreme flatness from the group level down to each business unit; (2) Shortening decision-making chains, reducing hidden hierarchies, keeping decision-making chains short, and having management be bold in making decisions and taking responsibility; (3) Responding swiftly, addressing market and user concerns quickly, ensuring clear objectives and singular responsibility, and implementing a 24-hour response mechanism; (4) Maintaining consistency in evaluation, adhering to a results-oriented approach, and taking performance as the sole assessment criterion; and (5) Prioritizing performance, focusing on results, avoiding complexity, and returning to fundamentals and core issues.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Repurchase of H Shares

During the year ended 31 December 2025, the Company repurchased 1,243,100 H Shares on the Hong Kong Stock Exchange. Such repurchases were conducted by the Directors pursuant to the general mandate granted by the Shareholders at the annual general meeting of the Company held on 30 May 2025 for the repurchase of H Shares. These transactions are summarised as follows:

Month of Repurchase	Number of H Shares repurchased *(Shares)*	Price per Share		Aggregate consideration *(exclusive of transaction costs)* *(HK$)*
		Highest *(HK$ per Share)*	Lowest *(HK$ per Share)*	
July 2025	253,400	79.10	77.95	19,923,325
September 2025	989,700	87.60	83.30	84,776,470
Total	**1,243,100**			**104,699,795**

These repurchased H Shares were held as treasury H Shares by the Company and were subsequently fully transferred by the Company on 23 October 2025 to the (H Share) share incentive plan adopted at the annual general meeting of the Company held on 30 May 2025.

Repurchase of A Shares

RMB1.5-3.0 Billion A Share Repurchase Plan

The Company held the seventh meeting of the fifth session of the Board on 8 April 2025 to consider and approve the plan for the repurchase of the Company's A Shares by way of centralized bidding, agreeing that the Company may repurchase part of its A Shares in issue through centralized bidding for the purpose of implementing its share incentive plan and/or employee stock ownership schemes. The repurchase price shall not exceed RMB100 per Share, with a total repurchase amount of not more than RMB3.0 billion and not less than RMB1.5 billion; and the implementation period shall be within 12 months from the date on which the Board considered and approved the share repurchase plan (the "RMB1.5-3.0 Billion A Share Repurchase Plan").

During the year ended 31 December 2025, the Company repurchased 20,564,598 A Shares under the RMB1.5-3.0 Billion A Share Repurchase Plan on the Shenzhen Stock Exchange. Such Shares are currently held by the Company as treasury A Shares. These transactions are summarised as follows:

Month of Repurchase	Number of A Shares repurchased *(Shares)*	Price per Share		Aggregate consideration *(exclusive of transaction costs)* *(RMB)*
		Highest *(RMB per Share)*	Lowest *(RMB per Share)*	
April 2025	7,741,439	75.02	69.50	553,526,206
May 2025	4,447,379	80.44	74.71	346,414,177
June 2025	8,375,780	77.00	70.87	609,925,431
Total	**20,564,598**			**1,509,865,814**

RMB5.0-10.0 Billion A Share Repurchase Plan

The Company held the sixth meeting of the fifth session of the Board on 28 March 2025 and the annual general meeting of the Company held on 30 May 2025 to consider and approve the plan for the repurchase of the Company's A Shares by way of centralized bidding, agreeing that the Company may repurchase part of its A Shares in issue through centralized bidding for the purpose of cancelling and reducing registered capital in accordance with laws and implementing its share incentive plan and/or employee stock ownership schemes. The repurchase price shall not exceed RMB100 per Share, with a total repurchase amount of not more than RMB10.0 billion and not less than RMB5.0 billion; and the implementation period shall be within 12 months from the date on which the Company's annual general meeting considered and approved the share repurchase plan (the "RMB5.0-10.0 Billion A Share Repurchase Plan").

During the year ended 31 December 2025, the Company repurchased 135,012,663 A Shares under the RMB5.0-10.0 Billion A Share Repurchase Plan on the Shenzhen Stock Exchange. The repurchase under the RMB5.0-10.0 Billion A Share Repurchase Plan was completed, of which 95,000,000 Shares were cancelled by the Company to reduce its registered capital in accordance with laws, and the remaining A Shares are currently held by the Company as treasury A Shares. These transactions are summarised as follows:

Month of Repurchase	**Number of A Shares repurchased** ***(Shares)***	**Price per Share**		**Aggregate consideration** *(exclusive of transaction costs)* ***(RMB)***
		Highest ***(RMB per Share)***	**Lowest** ***(RMB per Share)***	
June 2025	13,460,016	73.49	71.20	972,714,970
July 2025	16,083,925	73.59	69.91	1,154,206,856
August 2025	11,111,975	72.28	70.17	792,668,594
September 2025	36,125,230	77.99	72.56	2,679,182,917
October 2025	33,650,109	76.82	71.05	2,466,486,912
November 2025	18,021,058	80.62	74.41	1,399,962,923
December 2025	6,560,350	83.11	79.20	534,771,576
Total	**135,012,663**			**9,999,994,748**

Repurchase and Cancellation of Restricted A Shares

During the year ended 31 December 2025, the Company had repurchased and cancelled certain restricted A Shares (the "Repurchase and Cancellation") granted to certain participants (the "Repurchase Participants") under the rules for the Restricted Share Incentive Schemes. None of the Repurchase Participants was a connected person of the Company. A special resolution in relation to the Repurchase and Cancellation was submitted to the extraordinary general meeting of the Company for consideration and approval. The summary of the Repurchase and Cancellation is set out below:

In May 2025, the Company, in accordance with the rules of the 2021, 2022 and 2023 Restricted Share Incentive Schemes, repurchased and cancelled an aggregate of 1,493,543 restricted A Shares granted to certain participants under such schemes, with a total consideration of RMB35,429,185.75. The repurchase prices under the 2021, 2022 and 2023 Restricted Share Incentive Schemes were RMB32.75 per Share, RMB20.97 per Share and RMB22.89 per Share, respectively.

In December 2025, the Company, in accordance with the rules of the 2021, 2022 and 2023 Restricted Share Incentive Schemes, repurchased and cancelled an aggregate of 1,327,686 restricted A Shares granted to certain participants under such schemes, with a total consideration of RMB26,694,771.54. The repurchase prices under the 2021, 2022 and 2023 Restricted Share Incentive Schemes were RMB29.25 per Share, RMB17.47 per Share and RMB19.39 per Share, respectively.

Non-trading Transfer under the 2025 A Share Ownership Scheme

In September 2025, the treasury A Shares held in the Company's designated A Share repurchase securities account were transferred by way of non-trading transfer to the securities account of "Midea Group Co., Ltd. – 2025 A Share Ownership Scheme". A total of 17,361,485 Shares were transferred, which was consistent with the scheme approved by the Shareholders at the general meeting of the Company.

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

ISSUANCE OF SHARES

During the year ended 31 December 2025, a total of 50,101,433 A Shares were issued following the voluntary exercise of options by the participants under the A Share Option Incentive Plans of the Company and the completion of the registration process.

Save as disclosed above and the transfers of treasury shares disclosed under "Purchase, Redemption or Sale of the Listed Securities of the Company", no other Shares of the Company were issued during the Reporting Period.

DIVIDENDS

The Board proposes a cash dividend distribution for 2025, with a distribution of RMB38 per 10 Shares. The proposed dividend distribution is subject to approval at the Company's 2025 annual general meeting and is expected to be distributed within two months from the Company's 2025 annual general meeting. Dividends for H Shares shall be paid in Hong Kong dollars. As of the date of this announcement, the number of treasury A Shares held by the Company was 80,412,541 Shares. The treasury shares of the Company will not be entitled to the distribution of the dividends of the Company.

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

SUBSEQUENT EVENTS

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

AUDIT COMMITTEE

The Audit Committee of the Board (the "**Audit Committee**") comprises four independent non-executive Directors of the Company. The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and discussed financial reporting matters, including the review of the Group's consolidated annual financial statements for the year ended 31 December 2025, and matters in relation to risk management and internal control. There was no objection to such matters.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the annual results announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the annual results announcement.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving high corporate governance standards.

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

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

The Board is of the view that throughout the year ended 31 December 2025, the Company has complied with all the applicable code provisions as set out in the CG Code, save as disclosed below.

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

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

Specific enquiry has been made of all the Directors, and the Directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2025.

The Company has also established Administrative Measures for Information Disclosure (《信息披露管理辦法》) and Administrative Measures for the Compliance of Inside Information and Stock Trading (《內幕信息及股票交易合規管理辦法》) (the "Regulations on Information Disclosure") no less exacting than the Model Code for securities transactions by employees who, because of such office or employment, are likely to possess inside information in relation to the Company or its securities. The Regulations on Information Disclosure regulates the principles of information disclosure, content, responsibilities for information disclosure and confidentiality, and the process of assessment and disclosure and ensures that inside information could be identified timely and remain confidential until the disclosure of such information is appropriately approved, and the dissemination of such information shall be accurately, effectively and consistently made. To the best knowledge of the Company, no incident of non-compliance of the Regulations on Information Disclosure by the employees was noted by the Company for the year ended 31 December 2025.

PUBLICATION OF ANNUAL RESULTS AND 2025 ANNUAL REPORT

This results announcement is published on the websites of the Company (www.midea.com.cn) and the Hong Kong Stock Exchange (http://www.hkexnews.hk). The 2025 annual report of the Company will be available on the websites of the Company and the Hong Kong Stock Exchange stated above in due course.

DEFINITIONS

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

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

"H Shares"	foreign shares of the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
"Hiconics Eco-energy"	Hiconics Eco-energy Technology Co., Ltd. (北京合康新能科技股份有限公司), a PRC company established on 11 June 2003 and acquired by us in 2020, the shares of which have been listed on the Shenzhen Stock Exchange (stock code: 300048)
"HK" or Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HK$" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"KUKA China"	the subsidiaries of KUKA Group in China
"KUKA Group" or "KUKA"	KUKA Aktiengesellschaft, a stock corporation incorporated under the laws of the Federal Republic of Germany and one of our subsidiaries
"M IoT"	the industrial internet platform developed by us
"M-Smart"	our app and mini-program for consumers to manage our smart home appliances and enjoy additional benefits and services
"Midea", "Midea Group", "the Group" or "our Group"	the Company and its consolidated subsidiaries
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules
"Reporting Period"	1 January 2025 to 31 December 2025
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising A Shares and H Shares

"Shareholder(s)"	holder(s) of the Share(s)
"TLSC"	Toshiba Lifestyle Products & Services Corp. (東芝生活電器株式會社), a company established in Japan and acquired by us in 2016
"Winone"	WINONE Elevator Company Limited (菱王電梯有限公司), a PRC subsidiary of ours established on 8 February 2002 that we acquired in 2020, and its subsidiaries
"year-on-year"	compared with the same period last year
"%"	percent

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

Hong Kong, 30 March 2026

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