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XIAOMI CORPORATION

小米集团

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

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

RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED MARCH 31, 2026

The board (the “**Board**”) of directors (the “**Directors**”) of Xiaomi Corporation 小米集团 (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the three months ended March 31, 2026. These interim results have been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting”, and reviewed by PricewaterhouseCoopers, the independent auditor of the Company, in accordance with International Standard on Review Engagements 2410, “Review of interim financial information performed by the independent auditor of the entity”, issued by the International Auditing and Assurance Standards Board. The interim results have also been reviewed by the audit committee of the Company (the “**Audit Committee**”).

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

KEY HIGHLIGHTS

	Unaudited Three months ended				Quarter- over-quarter change
	March 31, 2026	March 31, 2025	Year-over- year change	December 31, 2025	
	(Renminbi (“ RMB ”) in millions, unless specified)				
Revenue	99,141.6	111,293.3	-10.9%	116,916.5	-15.2%
Gross profit	21,810.1	25,405.9	-14.2%	24,362.8	-10.5%
Operating profit	5,312.6	13,125.4	-59.5%	6,228.7	-14.7%
Profit before income tax	5,728.7	13,168.0	-56.5%	7,120.5	-19.5%
Profit for the period	4,734.6	10,892.7	-56.5%	6,543.8	-27.6%
Non-IFRS Measure:					
Adjusted Net Profit ¹	6,072.1	10,675.6	-43.1%	6,349.1	-4.4%

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

BUSINESS REVIEW AND OUTLOOK

1. Overall Performance

In the first quarter of 2026, geopolitical uncertainties weighed on the global economy, while significant increases in key component prices, including memory and commodities, along with intensifying industry competition, continued to create headwinds. In response to these challenges, we continued to optimize our operating efficiency and strengthened our foundational core technologies, including artificial intelligence (AI) capabilities, to empower our “Human × Car × Home” ecosystem. Total revenue for the first quarter of 2026 reached RMB99.1 billion. Segment-wise, in the first quarter of 2026, revenue of our smartphone × AIoT segment reached RMB79.3 billion; revenue of our smart electric vehicle (“EV”), AI and other new initiatives segment reached RMB19.9 billion. In this quarter, our adjusted net profit reached RMB6.1 billion.

In the first quarter of 2026, our smartphone shipments reached 33.8 million units. According to Omdia, we maintained top 3 global smartphone shipment ranking for the 23rd consecutive quarter, with a market share of 11.3%. As of March 31, 2026, the number of connected IoT devices on our AIoT platform (excluding smartphones, tablets and laptops) reached 1,118.7 million, up 18.5% year-over-year. In the first quarter of 2026, we achieved total deliveries of 80,856 vehicles, up 6.6% year-over-year. In March 2026, our global monthly active users (“MAU”)² reached 746.2 million, up 3.8% year-over-year.

We continued to execute on our 2020–2030 goal of investing in foundational core technologies and becoming a global leader in the evolving realm of cutting-edge technologies. In the first quarter of 2026, our research and development (“R&D”) expenses increased by 33.4% year-over-year to RMB9.0 billion. As of March 31, 2026, our research and development personnel reached a record high of 26,048.

We continued to advance our AI capabilities. In the R&D of foundation models, on April 23, 2026, we officially launched the public beta of the *Xiaomi MiMo-V2.5* large model series, which comprises *MiMo-V2.5*, *V2.5-Pro*, *V2.5-TTS Series* and *V2.5-ASR*. Notably, *Xiaomi MiMo-V2.5-Pro* has delivered state-of-the-art, global leading performance among agent models in areas such as general agent capabilities, complex software engineering, and long-range tasks, representing a comprehensive leap forward compared to the previous generation, *Xiaomi MiMo-V2-Pro*. According to the Artificial Analysis Intelligence Index, *Xiaomi MiMo-V2.5-Pro* tied for first place among global open-source models, and ranked among the top five models globally in overall performance. *Xiaomi MiMo-V2.5-Pro* also tied for first place among global open-source models on the Artificial Analysis Agentic Index.³ On April 28, 2026, we officially open-sourced the *Xiaomi MiMo-V2.5* series under the MIT License, supporting commercial inference deployment and secondary training without additional authorization requirements.

² Including smartphones and tablets.

³ As of April 23, 2026.

We leverage our AI capabilities to comprehensively empower our “Human × Car × Home” ecosystem. In April 2026, we launched a limited closed beta of *Xiaomi miclaw* on PC and Xiaomi Smart Home Screen. With this expansion of applicable device categories, *Xiaomi miclaw* now operates across smartphones, tablets, PCs, and Xiaomi Smart Home Screen, marking a significant upgrade in its cross-device capabilities. Furthermore, the China Academy of Information and Communications Technology (“CAICT”) recently initiated an evaluation of mobile intelligent assistants (Claw), and *Xiaomi miclaw* was among the first in the Chinese Mainland to pass this authoritative assessment. This recognition underscored our technological strength and product experience in intelligent assistants, highlighting our forward-looking strategy in advancing AI applications across the “Human × Car × Home” ecosystem.

We keep exploring the frontier of physical intelligence. In April 2026, we officially released and open-sourced the complete real-world post-training workflow for the embodied intelligence model *Xiaomi-Robotics-0*. The release provides comprehensive access to the full suite of data processing, training methodology, and inference codebase. Through this open-source initiative, we aim to lower the technical barriers to advancing robotic intelligence across the industry.

We steadily improved the operational efficiency of our new retail stores. As of March 2026, the total number of our Xiaomi stores in the Chinese Mainland surpassed 16,000, with the number of our large-format stores (over 500 square meters) exceeding 260. At the same time, we steadily expanded our new retail model in the overseas markets, with the total number of overseas new retail stores surpassing 520, covering Southeast Asia, Europe, East Asia, Latin America, the Middle East and Africa, etc.

In the first quarter of 2026, we continued to improve operating efficiency, with the operating expense ratio of our Smartphone × AIoT segment reaching 14.9%, down 2.5 percentage points quarter-over-quarter. Meanwhile, we continued to invest proactively in the future, and our capital expenditures for the quarter amounted to approximately RMB3.3 billion, up 20.0% year-over-year. We are committed to continuously enhancing shareholder value, and have been actively repurchasing our shares in the open market. Since the beginning of this year⁴, we have repurchased approximately 250.5 million shares in the amount of approximately HK\$8.4 billion, exceeding last year’s total repurchase amount.

2. Smartphone × AIoT

In the first quarter of 2026, revenue from our smartphone × AIoT segment reached RMB79.3 billion. The gross profit margin of our smartphone × AIoT segment reached 22.5%.

⁴ From January 1, 2026 to May 22, 2026.

Smartphones

In the first quarter of 2026, the smartphone industry faced broad headwinds from continued sharp increases in memory costs. By focusing on optimizing our sales mix and channel management, our global smartphone shipments reached 33.8 million units in this quarter, and our smartphone revenue reached RMB44.3 billion, with a gross profit margin of 10.1%.

According to Omdia, in the first quarter of 2026, our global smartphone shipments ranked No. 3 with a market share of 11.3%, marking the 23rd consecutive quarter among the top three globally. In the first quarter of 2026, our smartphone shipments ranked No. 2 in Latin America, with a market share of 17.4%, up 2.0 percentage points quarter-over-quarter. We ranked No. 3 in Europe, Southeast Asia, the Middle East and Africa, with market shares of 17.2%, 16.9%, 13.0% and 9.2%, respectively. In the first quarter of 2026, our smartphone shipments ranked among the top three in 47 countries and regions globally and among the top five in 65 countries and regions globally.

We continued to advance our premiumization strategy and proactively improve our sales mix. In the first quarter of 2026, the average selling price (“**ASP**”) of our smartphones reached a record high, up 8.2% year-over-year to RMB1,310. According to third-party data, in the first quarter of 2026, our premium smartphone⁵ units sold accounted for 23.5% of our total smartphone units sold in the Chinese Mainland.

In May 2026, we officially unveiled the *Xiaomi 17 Max*, a brand-new large-screen flagship smartphone, debuting Leica’s 200MP main camera. Equipped with a 6.9-inch HyperRGB display, an 8,000mAh Xiaomi Surge battery and the Snapdragon 8 Elite Gen 5 Mobile Platform, the smartphone significantly enhances the flagship user experience in imaging, display quality, battery endurance, and performance.

IoT and lifestyle products

In the first quarter of 2026, revenue from our IoT and lifestyle products reached RMB24.7 billion, and our overseas IoT and lifestyle products revenue reached a record high, driven by the expansion of overseas channels and broader product categories. Despite the impact of rising component prices in certain categories, we adhered to a profitability-focused strategy, actively refined our sales mix, and continued to expand our overseas channels and product categories. As a result, the gross margin of our IoT and lifestyle products maintained at a healthy level of 25.2% in this quarter, up 5.1 percentage points quarter-over-quarter.

⁵ Premium smartphones in the Chinese Mainland are models with retail prices at or above RMB3,000.

As of March 31, 2026, the number of connected IoT devices (excluding smartphones, tablets and laptops) on our AIoT platform reached 1,118.7 million, up 18.5% year-over-year; the number of users with five or more devices connected to our AIoT platform (excluding smartphones, tablets and laptops) reached a record high of 23.6 million, up 22.3% year-over-year. In March 2026, the MAU of our Xiaomi Home App reached a record high of 117.0 million, up 10.0% year-over-year. The MAU of our AI Assistant (“小愛同學”) reached a record high of 169.3 million, up 15.5% year-over-year.

According to Omdia, in the first quarter of 2026, our TWS earbud shipments ranked No. 2 globally and No. 2 in the Chinese Mainland. Our shipments of wearable bands⁶ ranked No. 3 globally and No. 2 in the Chinese Mainland. In May 2026, we launched the *Xiaomi Smart Band 10 Pro* and introduced our first clip-on earbuds, further expanding our wearable product portfolio.

Our tablet business maintained stable performance. According to Omdia, in the first quarter of 2026, our tablet shipments ranked among the top five globally for the 8th consecutive quarter, and ranked among the top three in the Chinese Mainland.

Internet services

In the first quarter of 2026, our internet services maintained healthy growth, with revenue reaching RMB9.5 billion, up 4.3% year-over-year. The gross profit margin of our internet services reached 76.1%. Our internet services revenue in the Chinese Mainland reached a record high, driven by strong growth in our performance advertising revenue. Meanwhile, our overseas internet services revenue reached RMB3.0 billion, up 9.0% year-over-year. Overseas internet services revenue accounted for 31.4% of our total internet services revenue, up 1.4 percentage points year-over-year.

We have a solid user base globally. In March 2026, our global MAU reached 746.2 million, up 3.8% year-over-year, and our MAU in the Chinese Mainland reached a record high of 195.8 million, up 8.1% year-over-year. In March 2026, the global MAU of our smart TVs⁷ reached 76.7 million, up 5.1% year-over-year.

In the first quarter of 2026, our advertising business sustained growth momentum, with advertising revenue reaching RMB7.1 billion, up 7.8% year-over-year.

⁶ Including basic bands, basic watches and smart watches.

⁷ Including *Xiaomi Box* and *Xiaomi TV Stick*.

3. Smart EV, AI and Other New Initiatives

In the first quarter of 2026, revenue from our smart EV, AI and other new initiatives segment reached RMB19.9 billion, up 6.9% year-over-year, consisting of RMB19.0 billion from smart EV and RMB0.9 billion from other related businesses. In the first quarter of 2026, affected by our subsidies for vehicle purchase tax and rising prices of key components, the gross profit margin of our smart EV, AI and other new initiatives segment was 20.1%. In the first quarter of 2026, the loss from operations⁸ related to our smart EV, AI and other new initiatives segment was RMB3.1 billion.

In the first quarter of 2026, despite discontinued sales and lower deliveries of the first-generation *Xiaomi SU7 Series*, we achieved total deliveries of 80,856 vehicles, up 6.6% year-over-year. In March 2026, we officially launched the *New-Generation Xiaomi SU7 Series* (“**New-Generation SU7**”). As of May 6, 2026, locked-in orders for the *New-Generation SU7* surpassed 80,000 vehicles during its initial sales period. As of April 23, 2026, cumulative deliveries of the *New-Generation SU7* surpassed 26,000 vehicles. In addition, cumulative deliveries of the *Xiaomi YU7 Series* reached 232,000 vehicles in the first 10 months after launch⁹.

We continued to enrich our EV product portfolio. The *Xiaomi YU7 GT* was officially launched on May 21, 2026, positioned as a “sports car-level SUV designed for long-distance travel”, and priced starting at RMB389,900. Combining high performance with long range, it is powered by the brand-new *Xiaomi HyperEngine V8s EVO* with peak horsepower of 1,003PS, accelerating from 0–100 km/h in just 2.92 seconds and reaching a top speed of 300 km/h. The *Xiaomi YU7 GT* features a 101.7 kWh ternary lithium battery built on an 897V high-voltage platform with 5.2C fast-charging capability, delivering a CLTC range of 705km, complemented by advanced chassis tuning, robust vehicle performance, and enhanced safety redundancies. Notably, the *Xiaomi YU7 GT* is the first model developed with deep engagement from the team at the Xiaomi EV Europe R&D and Design Center. In early 2025, Xiaomi established this center in Munich, Germany, bringing together top global automotive experts and renowned designers. The team focuses on high performance, luxury experience, and innovative research, with core members recruited from leading global automakers such as Porsche, Lamborghini, Mercedes-Benz, and BMW.

We are continuously honing our technologies through track testing. In April 2026, our *Xiaomi YU7 GT with Track Package* set a new SUV lap record at the Nürburgring Nordschleife, becoming the fastest SUV with a lap time of 7:22.755.

On May 21, 2026, we also officially launched the *Xiaomi YU7 Standard*, featuring a comprehensive suite of advanced technologies, including the *Xiaomi HyperVision* panoramic display, LiDAR, the 700TOPS NVIDIA DRIVE AGX Thor platform, a 752V silicon carbide high-voltage platform, and the *Xiaomi HyperEngine V6s Plus*. It delivers a CLTC range of 643km and is priced starting at RMB233,500.

⁸ Defined as gross profit minus operating expenses.

⁹ As of April 30, 2026, according to China Passenger Car Association (CPCA).

Recently, Xiaomi EV achieved a clean sweep across J.D. Power’s two major 2026 China New Energy Vehicle (NEV) studies, with two models winning championships across two segments. The first-generation *Xiaomi SU7 Series* retained its No. 1 position for two consecutive years in both the J.D. Power 2026 China NEV Automotive Performance, Execution and Layout (NEV-APEAL) Study and the J.D. Power 2026 China NEV Initial Quality Study (NEV-IQS) within the large BEV car segment. Meanwhile, the *Xiaomi YU7 Series*, in its first year on the market, ranked No. 1 in both the NEV-APEAL Study and the NEV-IQS in the large BEV SUV segment.

We continued to expand our sales and service network. As of March 31, 2026, in the Chinese Mainland, we opened 490 smart EV sales centers¹⁰ across 143 cities.

4. Corporate Social Responsibility (CSR)

We are committed to advancing sustainable development. In April 2026, we published our Xiaomi Corporation 2025 Environmental, Social and Governance (ESG) Report, which we have released for the eighth consecutive year. The report provides a comprehensive overview of our strategies and achievements in 2025 across key areas such as data security and privacy protection, responsible marketing and sincere services, circular economy, sustainable supply chain, talent nurturing, and corporate governance. As part of our low-carbon development efforts, in the first quarter of 2026, our total renewable electricity consumption amounted to 26,021MWh. This included 22,393MWh from renewable electricity procurement and 3,628MWh from on-site distributed photovoltaic systems across our campuses.

In terms of ESG ratings, in March 2026, we maintained an A rating in the MSCI ESG ratings. In addition, at the S&P Global Corporate Sustainability Assessment (S&P CSA), we were recognized as a “Top 1% S&P Global CSA Score (China)” company, and were included in the S&P Global Sustainability Yearbook (China Edition) 2026, gaining continued recognition for our ESG practices.

¹⁰ The sales centers of Xiaomi EV include Xiaomi EV delivery centers, Xiaomi EV sales and service centers and Xiaomi stores.

MANAGEMENT DISCUSSION AND ANALYSIS

First Quarter of 2026 Compared to First Quarter of 2025

The following table sets forth the comparative figures for the first quarter of 2026 and the first quarter of 2025:

	Unaudited	
	Three months ended	
	March 31,	March 31,
	2026	2025
	(RMB in millions)	
Revenue	99,141.6	111,293.3
Cost of sales	(77,331.5)	(85,887.4)
Gross profit	21,810.1	25,405.9
Research and development expenses	(8,954.4)	(6,711.7)
Selling and marketing expenses	(8,276.5)	(7,199.8)
Administrative expenses	(1,630.4)	(1,530.1)
Fair value changes on financial instruments measured at fair value through profit or loss	848.5	2,827.0
Share of net profits of investments accounted for using the equity method	43.8	63.5
Other income	1,085.4	161.8
Other gains, net	386.1	108.8
Operating profit	5,312.6	13,125.4
Finance income, net	416.1	42.6
Profit before income tax	5,728.7	13,168.0
Income tax expenses	(994.1)	(2,275.3)
Profit for the period	4,734.6	10,892.7
Non-IFRS Measure: Adjusted Net Profit	6,072.1	10,675.6

Revenue

Revenue decreased by 10.9% from RMB111.3 billion in the first quarter of 2025 to RMB99.1 billion in the first quarter of 2026. The following table sets forth our revenue by segment in the first quarter of 2026 and the first quarter of 2025:

	Unaudited			
	Three months ended			
	March 31, 2026		March 31, 2025	
	% of total		% of total	
	Amount	revenue	Amount	revenue
	(RMB in millions, unless specified)			
Smartphone × AIoT	79,277.2	80.0%	92,713.2	83.3%
Smart EV, AI and other new initiatives	19,864.4	20.0%	18,580.1	16.7%
Total revenue	<u>99,141.6</u>	<u>100.0%</u>	<u>111,293.3</u>	<u>100.0%</u>

Smartphone × AIoT

Revenue from our smartphone × AIoT segment decreased by 14.5% from RMB92.7 billion in the first quarter of 2025 to RMB79.3 billion in the first quarter of 2026. The following table sets forth our revenue by line of our smartphone × AIoT segment in the first quarter of 2026 and the first quarter of 2025:

	Unaudited			
	Three months ended			
	March 31, 2026		March 31, 2025	
	% of total		% of total	
	Amount	revenue	Amount	revenue
	(RMB in millions, unless specified)			
Smartphone × AIoT				
Smartphones	44,273.3	44.7%	50,612.0	45.5%
IoT and lifestyle products	24,681.2	24.9%	32,339.2	29.1%
Internet services	9,468.3	9.6%	9,076.1	8.2%
Other related businesses	854.4	0.8%	685.9	0.5%
Total revenue of smartphone × AIoT segment	<u>79,277.2</u>	<u>80.0%</u>	<u>92,713.2</u>	<u>83.3%</u>

(i) Smartphones

Revenue from our smartphones decreased by 12.5% from RMB50.6 billion in the first quarter of 2025 to RMB44.3 billion in the first quarter of 2026, primarily due to the decrease in our smartphone shipments, partially offset by the increase in our smartphone ASP. Our smartphone shipments decreased by 19.2% from 41.8 million units in the first quarter of 2025 to 33.8 million units in the first quarter of 2026, primarily due to the optimization of our product portfolio and the reduction in shipments of our mid-range and low-end smartphones. The ASP of our smartphones increased by 8.2% from RMB1,210.6 per unit in the first quarter of 2025 to RMB1,310.1 per unit in the first quarter of 2026, a record high, primarily due to the higher contribution from our premium smartphone shipments.

(ii) IoT and lifestyle products

Revenue from our IoT and lifestyle products decreased by 23.7% from RMB32.3 billion in the first quarter of 2025 to RMB24.7 billion in the first quarter of 2026, primarily due to the decreased revenue in the Chinese Mainland resulting from the reduction in national subsidies, partially offset by the increased revenue in the overseas markets, driven by smart TVs and tablets.

(iii) Internet services

Revenue from our internet services increased by 4.3% from RMB9.1 billion in the first quarter of 2025 to RMB9.5 billion in the first quarter of 2026, primarily due to the increased revenue from our advertising business.

(iv) Other related businesses

Revenue from our other related businesses increased by 24.5% from RMB0.7 billion in the first quarter of 2025 to RMB0.9 billion in the first quarter of 2026, primarily due to the increased revenue from sales of materials.

Smart EV, AI and Other New Initiatives

Revenue from our smart EV, AI and other new initiatives segment increased by 6.9% from RMB18.6 billion in the first quarter of 2025 to RMB19.9 billion in the first quarter of 2026.

Revenue from our smart EV increased by 5.1% from RMB18.1 billion in the first quarter of 2025 to RMB19.0 billion in the first quarter of 2026, primarily due to the increase in our vehicle deliveries, partially offset by the decrease in our vehicle ASP. Our vehicle deliveries increased by 6.6% from 75,869 units in the first quarter of 2025 to 80,856 units in the first quarter of 2026, primarily due to the introduction of *Xiaomi YU7 Series*, partially offset by the decreased deliveries of *Xiaomi SU7 Series* resulting from discontinued sales of the first-generation *Xiaomi SU7 Series* in this quarter. The ASP of our smart EV decreased by 1.3% from RMB238,301 per unit in the first quarter of 2025 to RMB235,116 per unit in the first quarter of 2026, primarily due to our subsidies for vehicle purchase tax and the sales of in-stock vehicles with lower ASP.

Revenue from our other related businesses increased by 70.6% from RMB0.5 billion in the first quarter of 2025 to RMB0.9 billion in the first quarter of 2026, primarily due to the increased revenue from after-sales services.

Cost of Sales

Our cost of sales decreased by 10.0% from RMB85.9 billion in the first quarter of 2025 to RMB77.3 billion in the first quarter of 2026. The following table sets forth our cost of sales by segment in the first quarter of 2026 and the first quarter of 2025:

	Unaudited			
	Three months ended			
	March 31, 2026		March 31, 2025	
	% of total		% of total	
	Amount	revenue	Amount	revenue
	(RMB in millions, unless specified)			
Smartphone × AIoT	61,461.0	62.0%	71,612.7	64.4%
Smart EV, AI and other new initiatives	15,870.5	16.0%	14,274.7	12.8%
Total cost of sales	<u>77,331.5</u>	<u>78.0%</u>	<u>85,887.4</u>	<u>77.2%</u>

Smartphone × AIoT

Cost of sales related to our smartphone × AIoT segment decreased by 14.2% from RMB71.6 billion in the first quarter of 2025 to RMB61.5 billion in the first quarter of 2026. The following table sets forth our cost of sales by line of our smartphone × AIoT segment in the first quarter of 2026 and the first quarter of 2025:

	Unaudited			
	Three months ended			
	March 31, 2026		March 31, 2025	
	% of total		% of total	
	Amount	revenue	Amount	revenue
	(RMB in millions, unless specified)			
Smartphone × AIoT				
Smartphones	39,796.7	40.1%	44,329.3	39.8%
IoT and lifestyle products	18,465.5	18.6%	24,184.4	21.7%
Internet services	2,262.2	2.3%	2,094.3	1.9%
Other related businesses	936.6	1.0%	1,004.7	1.0%
Total cost of sales of smartphone × AIoT segment	<u>61,461.0</u>	<u>62.0%</u>	<u>71,612.7</u>	<u>64.4%</u>

(i) Smartphones

Cost of sales related to our smartphones decreased by 10.2% from RMB44.3 billion in the first quarter of 2025 to RMB39.8 billion in the first quarter of 2026, primarily due to the decreased sales of our smartphones, partially offset by the increased price of key components.

(ii) IoT and lifestyle products

Cost of sales related to our IoT and lifestyle products decreased by 23.6% from RMB24.2 billion in the first quarter of 2025 to RMB18.5 billion in the first quarter of 2026, primarily due to the decreased sales of our IoT and lifestyle products.

(iii) Internet services

Cost of sales related to our internet services increased by 8.0% from RMB2.1 billion in the first quarter of 2025 to RMB2.3 billion in the first quarter of 2026, primarily due to the increased cost of our advertising business.

(iv) Other related businesses

Cost of sales related to our other related businesses decreased by 6.8% from RMB1.0 billion in the first quarter of 2025 to RMB0.9 billion in the first quarter of 2026, primarily due to the decreased sales from installation services provided for air conditioners.

Smart EV, AI and Other New Initiatives

Cost of sales related to our smart EV, AI and other new initiatives segment increased by 11.2% from RMB14.3 billion in the first quarter of 2025 to RMB15.9 billion in the first quarter of 2026, primarily due to the increased sales of our smart EV.

Gross Profit and Margin

As a result of the foregoing, our gross profit decreased by 14.2% from RMB25.4 billion in the first quarter of 2025 to RMB21.8 billion in the first quarter of 2026. Our gross profit margin decreased from 22.8% in the first quarter of 2025 to 22.0% in the first quarter of 2026.

The following table sets forth our gross profit and margin by segment in the first quarter of 2026 and the first quarter of 2025:

	Unaudited			
	Three months ended			
	March 31, 2026		March 31, 2025	
	Gross		Gross	
	Gross profit	margin %	Gross profit	margin %
	(RMB in millions, unless specified)			
Smartphone × AIoT	17,816.2	22.5%	21,100.5	22.8%
Smart EV, AI and other new initiatives	3,993.9	20.1%	4,305.4	23.2%
Total gross profit and margin	<u>21,810.1</u>	<u>22.0%</u>	<u>25,405.9</u>	<u>22.8%</u>

Smartphone × AIoT

The gross profit margin from our smartphone × AIoT segment decreased from 22.8% in the first quarter of 2025 to 22.5% in the first quarter of 2026. The following table sets forth our gross profit and margin by line of our smartphone × AIoT segment in the first quarter of 2026 and the first quarter of 2025:

	Unaudited			
	Three months ended			
	March 31, 2026		March 31, 2025	
	Gross		Gross	
	Gross profit	margin %	Gross profit	margin %
	(RMB in millions, unless specified)			
Smartphone × AIoT				
Smartphones	4,476.6	10.1%	6,282.7	12.4%
IoT and lifestyle products	6,215.7	25.2%	8,154.8	25.2%
Internet services	7,206.1	76.1%	6,981.8	76.9%
Other related businesses	(82.2)	(9.6%)	(318.8)	(46.5%)
Total gross profit and margin of smartphone × AIoT segment	<u>17,816.2</u>	<u>22.5%</u>	<u>21,100.5</u>	<u>22.8%</u>

The gross profit margin from our smartphones decreased from 12.4% in the first quarter of 2025 to 10.1% in the first quarter of 2026, mainly due to the increased price of key components and the increased competition in the Chinese Mainland.

The gross profit margin from our IoT and lifestyle products remained stable at 25.2% in the first quarter of 2026 compared to the first quarter of 2025.

The gross profit margin from our internet services decreased from 76.9% in the first quarter of 2025 to 76.1% in the first quarter of 2026, mainly due to the decreased gross profit margin of other value-added services, partially offset by the increased gross profit margin of our gaming business.

Smart EV, AI and Other New Initiatives

The gross profit margin from our smart EV, AI and other new initiatives segment decreased from 23.2% in the first quarter of 2025 to 20.1% in the first quarter of 2026, primarily due to the lower contribution from deliveries of *Xiaomi SU7 Ultra*, our subsidies for vehicle purchase tax, as well as the increased price of key components.

Operating Expenses

Our operating expenses increased by 22.1% from RMB15.4 billion in the first quarter of 2025 to RMB18.9 billion in the first quarter of 2026. Our operating expenses related to our smart EV, AI and other new initiatives segment increased by 45.8% from RMB4.8 billion in the first quarter of 2025 to RMB7.1 billion in the first quarter of 2026.

Research and Development Expenses

Our research and development expenses increased by 33.4% from RMB6.7 billion in the first quarter of 2025 to RMB9.0 billion in the first quarter of 2026, primarily due to the higher research and development expenses related to our smart EV, AI and other new initiatives, as well as the increase in compensation for research and development personnel related to smartphone × AIoT.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 15.0% from RMB7.2 billion in the first quarter of 2025 to RMB8.3 billion in the first quarter of 2026, primarily due to the increase in selling and marketing expenses related to our smart EV business, as well as expenses related to expansion of our new retail stores.

Administrative Expenses

Our administrative expenses increased by 6.6% from RMB1.5 billion in the first quarter of 2025 to RMB1.6 billion in the first quarter of 2026, primarily due to the increase in compensation for administrative personnel.

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

Our fair value changes on financial instruments measured at fair value through profit or loss decreased from a gain of RMB2.8 billion in the first quarter of 2025 to a gain of RMB0.8 billion in the first quarter of 2026, primarily due to the fair value losses of listed equity investments in the first quarter of 2026, compared to the fair value gains of listed equity investments in the first quarter of 2025, partially offset by the higher fair value gains of other investments in private equity investment funds in the first quarter of 2026.

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

Our share of net profits of investments accounted for using the equity method decreased from RMB63.5 million in the first quarter of 2025 to RMB43.8 million in the first quarter of 2026.

Other Income

Our other income increased from RMB0.2 billion in the first quarter of 2025 to RMB1.1 billion in the first quarter of 2026, primarily due to the increase in value-added tax preferences and subsidy income.

Other Gains, Net

Our net other gains increased from RMB0.1 billion in the first quarter of 2025 to RMB0.4 billion in the first quarter of 2026.

Finance Income, Net

Our net finance income increased from RMB42.6 million in the first quarter of 2025 to RMB416.1 million in the first quarter of 2026, primarily due to the increase of net interest income and the change of value of financial liabilities payable to fund investors.

Income Tax Expenses

Our income tax expenses decreased by 56.3% from RMB2.3 billion in the first quarter of 2025 to RMB1.0 billion in the first quarter of 2026, primarily due to the decrease of taxable profit in the first quarter of 2026.

Profit for the Period

As a result of the foregoing, our profit for the period decreased by 56.5% from RMB10.9 billion in the first quarter of 2025 to RMB4.7 billion in the first quarter of 2026.

Adjusted Net Profit

Our adjusted net profit decreased by 43.1% from RMB10.7 billion in the first quarter of 2025 to RMB6.1 billion in the first quarter of 2026.

First Quarter of 2026 Compared to Fourth Quarter of 2025

The following table sets forth the comparative figures for the first quarter of 2026 and the fourth quarter of 2025:

	Unaudited	
	Three months ended	
	March 31,	December 31,
	2026	2025
	(RMB in millions)	
Revenue	99,141.6	116,916.5
Cost of sales	(77,331.5)	(92,553.7)
Gross profit	21,810.1	24,362.8
Research and development expenses	(8,954.4)	(9,597.7)
Selling and marketing expenses	(8,276.5)	(9,926.9)
Administrative expenses	(1,630.4)	(1,647.6)
Fair value changes on financial instruments measured at fair value through profit or loss	848.5	1,638.1
Share of net profits of investments accounted for using the equity method	43.8	150.6
Other income	1,085.4	589.1
Other gains, net	386.1	660.3
Operating profit	5,312.6	6,228.7
Finance income, net	416.1	891.8
Profit before income tax	5,728.7	7,120.5
Income tax expenses	(994.1)	(576.7)
Profit for the period	4,734.6	6,543.8
Non-IFRS Measure: Adjusted Net Profit	6,072.1	6,349.1

Revenue

Revenue decreased by 15.2% from RMB116.9 billion in the fourth quarter of 2025 to RMB99.1 billion in the first quarter of 2026. The following table sets forth our revenue by segment in the first quarter of 2026 and the fourth quarter of 2025:

	Unaudited			
	Three months ended			
	March 31, 2026		December 31, 2025	
	Amount	% of total revenue	Amount	% of total revenue
(RMB in millions, unless specified)				
Smartphone × AIoT	79,277.2	80.0%	79,700.4	68.2%
Smart EV, AI and other new initiatives	19,864.4	20.0%	37,216.1	31.8%
Total revenue	<u>99,141.6</u>	<u>100.0%</u>	<u>116,916.5</u>	<u>100.0%</u>

Smartphone × AIoT

Revenue from our smartphone × AIoT segment decreased by 0.5% from RMB79.7 billion in the fourth quarter of 2025 to RMB79.3 billion in the first quarter of 2026. The following table sets forth our revenue by line of our smartphone × AIoT segment in the first quarter of 2026 and the fourth quarter of 2025:

	Unaudited			
	Three months ended			
	March 31, 2026		December 31, 2025	
	Amount	% of total revenue	Amount	% of total revenue
(RMB in millions, unless specified)				
Smartphone × AIoT				
Smartphones	44,273.3	44.7%	44,338.8	37.9%
IoT and lifestyle products	24,681.2	24.9%	24,596.6	21.0%
Internet services	9,468.3	9.6%	9,886.0	8.5%
Other related businesses	854.4	0.8%	879.0	0.8%
Total revenue of smartphone × AIoT segment	<u>79,277.2</u>	<u>80.0%</u>	<u>79,700.4</u>	<u>68.2%</u>

(i) Smartphones

Revenue from our smartphones remained stable at RMB44.3 billion in the first quarter of 2026 compared to the fourth quarter of 2025, primarily due to the decrease in our smartphone shipments, partially offset by the increase in our smartphone ASP. Our smartphone shipments decreased by 10.4% from 37.7 million units in the fourth quarter of 2025 to 33.8 million units in the first quarter of 2026, primarily due to the weakened global demand, as well as the optimization of our product portfolio and the reduction in shipments of our mid-range and low-end smartphones. The ASP of our smartphones increased by 11.4% from RMB1,176.0 per unit in the fourth quarter of 2025 to RMB1,310.1 per unit in the first quarter of 2026, primarily due to the higher contribution from our premium smartphone shipments in the overseas markets.

(ii) IoT and lifestyle products

Revenue from our IoT and lifestyle products increased by 0.3% from RMB24.6 billion in the fourth quarter of 2025 to RMB24.7 billion in the first quarter of 2026, primarily due to the increased revenue from certain lifestyle products and tablets in the overseas markets, partially offset by the seasonal decrease in the Chinese Mainland.

(iii) Internet services

Revenue from our internet services decreased by 4.2% from RMB9.9 billion in the fourth quarter of 2025 to RMB9.5 billion in the first quarter of 2026, primarily due to the decreased revenue from our advertising business due to seasonality, partially offset by the increased revenue from our gaming business.

(iv) Other related businesses

Revenue from our other related businesses remained stable at RMB0.9 billion in the first quarter of 2026 compared to the fourth quarter of 2025.

Smart EV, AI and Other New Initiatives

Revenue from our smart EV, AI and other new initiatives segment decreased by 46.6% from RMB37.2 billion in the fourth quarter of 2025 to RMB19.9 billion in the first quarter of 2026.

Revenue from our smart EV decreased by 47.6% from RMB36.3 billion in the fourth quarter of 2025 to RMB19.0 billion in the first quarter of 2026, primarily due to the decrease in both our vehicle deliveries and ASP. Our vehicle deliveries decreased by 44.3% from 145,115 units in the fourth quarter of 2025 to 80,856 units in the first quarter of 2026, primarily due to the decreased deliveries of *Xiaomi YU7 Series*, as well as the decreased deliveries of *Xiaomi SU7 Series* resulting from discontinued sales of the first-generation *Xiaomi SU7 Series* in this quarter. The ASP of our smart EV decreased by 5.9% from RMB249,846 per unit in the fourth quarter of 2025 to RMB235,116 per unit in the first quarter of 2026, primarily due to our subsidies for vehicle purchase tax and increased sales of in-stock vehicles with lower ASP.

Revenue from our other related businesses decreased by 11.0% from RMB1.0 billion in the fourth quarter of 2025 to RMB0.9 billion in the first quarter of 2026, primarily due to the decreased revenue from sales of accessories affected by the decrease in vehicle deliveries.

Cost of Sales

Our cost of sales decreased by 16.4% from RMB92.6 billion in the fourth quarter of 2025 to RMB77.3 billion in the first quarter of 2026. The following table sets forth our cost of sales by segment in the first quarter of 2026 and the fourth quarter of 2025:

	Unaudited			
	Three months ended			
	March 31, 2026		December 31, 2025	
	% of total		% of total	
	Amount	revenue	Amount	revenue
	(RMB in millions, unless specified)			
Smartphone × AIoT	61,461.0	62.0%	63,790.9	54.6%
Smart EV, AI and other new initiatives	15,870.5	16.0%	28,762.8	24.6%
Total cost of sales	<u>77,331.5</u>	<u>78.0%</u>	<u>92,553.7</u>	<u>79.2%</u>

Smartphone × AIoT

Cost of sales related to our smartphone × AIoT segment decreased by 3.7% from RMB63.8 billion in the fourth quarter of 2025 to RMB61.5 billion in the first quarter of 2026. The following table sets forth our cost of sales by line of our smartphone × AIoT segment in the first quarter of 2026 and the fourth quarter of 2025:

	Unaudited			
	Three months ended			
	March 31, 2026		December 31, 2025	
	% of total		% of total	
	Amount	revenue	Amount	revenue
	(RMB in millions, unless specified)			
Smartphone × AIoT				
Smartphones	39,796.7	40.1%	40,671.0	34.8%
IoT and lifestyle products	18,465.5	18.6%	19,644.8	16.8%
Internet services	2,262.2	2.3%	2,294.0	2.0%
Other related businesses	936.6	1.0%	1,181.1	1.0%
Total cost of sales of smartphone × AIoT segment	<u>61,461.0</u>	<u>62.0%</u>	<u>63,790.9</u>	<u>54.6%</u>

(i) Smartphones

Cost of sales related to our smartphones decreased by 2.1% from RMB40.7 billion in the fourth quarter of 2025 to RMB39.8 billion in the first quarter of 2026, primarily due to the decreased shipments of our smartphones, partially offset by the increased price of key components.

(ii) IoT and lifestyle products

Cost of sales related to our IoT and lifestyle products decreased by 6.0% from RMB19.6 billion in the fourth quarter of 2025 to RMB18.5 billion in the first quarter of 2026. Although revenue from our IoT and lifestyle products increased slightly, the cost of sales decreased due to changes in product mix.

(iii) Internet services

Cost of sales related to our internet services remained stable at RMB2.3 billion in the first quarter of 2026 compared to the fourth quarter of 2025.

(iv) Other related businesses

Cost of sales related to our other related businesses decreased by 20.7% from RMB1.2 billion in the fourth quarter of 2025 to RMB0.9 billion in the first quarter of 2026, primarily due to the decreased sales from installation services provided for air conditioners.

Smart EV, AI and Other New Initiatives

Cost of sales related to our smart EV, AI and other new initiatives segment decreased by 44.8% from RMB28.8 billion in the fourth quarter of 2025 to RMB15.9 billion in the first quarter of 2026, primarily due to the decreased sales of our smart EV.

Gross Profit and Margin

As a result of the foregoing, our gross profit decreased by 10.5% from RMB24.4 billion in the fourth quarter of 2025 to RMB21.8 billion in the first quarter of 2026. Our gross profit margin increased from 20.8% in the fourth quarter of 2025 to 22.0% in the first quarter of 2026.

The following table sets forth our gross profit and margin by segment in the first quarter of 2026 and the fourth quarter of 2025:

	Unaudited			
	Three months ended			
	March 31, 2026		December 31, 2025	
	Gross		Gross	
	Gross profit	margin %	Gross profit	margin %
	(RMB in millions, unless specified)			
Smartphone × AIoT	17,816.2	22.5%	15,909.5	20.0%
Smart EV, AI and other new initiatives	3,993.9	20.1%	8,453.3	22.7%
Total gross profit and margin	<u>21,810.1</u>	<u>22.0%</u>	<u>24,362.8</u>	<u>20.8%</u>

Smartphone × AIoT

The gross profit margin from our smartphone × AIoT segment increased from 20.0% in the fourth quarter of 2025 to 22.5% in the first quarter of 2026. The following table sets forth our gross profit and margin by line of our smartphone × AIoT segment in the first quarter of 2026 and the fourth quarter of 2025:

	Unaudited			
	Three months ended			
	March 31, 2026		December 31, 2025	
	Gross		Gross	
	Gross profit	margin %	Gross profit	margin %
	(RMB in millions, unless specified)			
Smartphone × AIoT				
Smartphones	4,476.6	10.1%	3,667.8	8.3%
IoT and lifestyle products	6,215.7	25.2%	4,951.8	20.1%
Internet services	7,206.1	76.1%	7,592.0	76.8%
Other related businesses	(82.2)	(9.6%)	(302.1)	(34.4%)
Total gross profit and margin of smartphone × AIoT segment	<u>17,816.2</u>	<u>22.5%</u>	<u>15,909.5</u>	<u>20.0%</u>

The gross profit margin from our smartphones increased from 8.3% in the fourth quarter of 2025 to 10.1% in the first quarter of 2026, mainly due to the improved product mix, partially offset by the increased price of key components.

The gross profit margin from our IoT and lifestyle products increased from 20.1% in the fourth quarter of 2025 to 25.2% in the first quarter of 2026, mainly due to the increased gross profit margin and higher revenue contribution of certain lifestyle products in the overseas markets, as well as the increased gross profit margin of smart large home appliances and tablets in the Chinese Mainland.

The gross profit margin from our internet services decreased from 76.8% in the fourth quarter of 2025 to 76.1% in the first quarter of 2026, mainly due to the lower revenue contribution of our advertising business, partially offset by the increased gross profit margin of our gaming business.

Smart EV, AI and Other New Initiatives

The gross profit margin from our smart EV, AI and other new initiatives segment decreased from 22.7% in the fourth quarter of 2025 to 20.1% in the first quarter of 2026, primarily due to our subsidies for vehicle purchase tax, the increased sales of in-stock vehicles in this quarter, as well as the increased price of key components.

Operating Expenses

Our operating expenses decreased by 10.9% from RMB21.2 billion in the fourth quarter of 2025 to RMB18.9 billion in the first quarter of 2026. Our operating expenses related to our smart EV, AI and other new initiatives segment decreased by 3.8% from RMB7.4 billion in the fourth quarter of 2025 to RMB7.1 billion in the first quarter of 2026.

Research and Development Expenses

Our research and development expenses decreased by 6.7% from RMB9.6 billion in the fourth quarter of 2025 to RMB9.0 billion in the first quarter of 2026, primarily due to the pace of our research projects related to smartphone × AIoT.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 16.6% from RMB9.9 billion in the fourth quarter of 2025 to RMB8.3 billion in the first quarter of 2026, primarily due to the decrease in promotion and advertising expenses and logistics expenses related to smartphone × AIoT, as well as the selling and marketing expenses related to our smart EV business.

Administrative Expenses

Our administrative expenses remained stable at RMB1.6 billion in the first quarter of 2026 compared to the fourth quarter of 2025.

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

Our fair value changes on financial instruments measured at fair value through profit or loss decreased from a gain of RMB1.6 billion in the fourth quarter of 2025 to a gain of RMB0.8 billion in the first quarter of 2026, primarily due to the lower fair value gains of unlisted preferred shares investments in the first quarter of 2026, partially offset by the higher fair value gains of other investments in private equity investment funds in the first quarter of 2026.

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

Our share of net profits of investments accounted for using the equity method decreased from RMB150.6 million in the fourth quarter of 2025 to RMB43.8 million in the first quarter of 2026.

Other Income

Our other income increased by 84.2% from RMB0.6 billion in the fourth quarter of 2025 to RMB1.1 billion in the first quarter of 2026, primarily due to the increase in value-added tax preferences.

Other Gains, Net

Our net other gains decreased from RMB0.7 billion in the fourth quarter of 2025 to RMB0.4 billion in the first quarter of 2026, primarily due to the decrease of deemed disposal gains of investments accounted for using the equity method.

Finance Income, Net

Our net finance income decreased by 53.3% from RMB0.9 billion in the fourth quarter of 2025 to RMB0.4 billion in the first quarter of 2026, primarily due to the change of value of financial liabilities payable to fund investors and the decrease of net interest income.

Income Tax Expenses

Our income tax expenses increased by 72.4% from RMB0.6 billion in the fourth quarter of 2025 to RMB1.0 billion in the first quarter of 2026, primarily due to the increase of taxable profit in the first quarter of 2026.

Profit for the Period

As a result of the foregoing, our profit for the period decreased by 27.6% from RMB6.5 billion in the fourth quarter of 2025 to RMB4.7 billion in the first quarter of 2026.

Adjusted Net Profit

Our adjusted net profit decreased by 4.4% from RMB6.3 billion in the fourth quarter of 2025 to RMB6.1 billion in the first quarter of 2026.

Non-IFRS Measure: Adjusted Net Profit

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

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

The following tables set forth reconciliations of the Group's non-IFRS measures for the first quarters of 2026 and 2025, respectively, and the fourth quarter of 2025 to the nearest measures prepared in accordance with IFRS Accounting Standards.

	Unaudited Three Months Ended March 31, 2026						Non-IFRS
	As reported	Share-based compensation ⁽¹⁾	Net fair value changes on investments ⁽²⁾	Amortization of intangible assets resulting from acquisitions ⁽³⁾	Changes of value of financial liabilities to investors ⁽⁴⁾	Income tax effects ⁽⁵⁾	
	(RMB in thousand, unless specified)						
Profit for the period	4,734,577	1,410,743	(425,406)	36,002	610,649	(294,430)	6,072,135
Net margin	4.8%						6.1%

	Unaudited Three Months Ended March 31, 2025						Non-IFRS
	As reported	Share-based compensation ⁽¹⁾	Net fair value changes on investments ⁽²⁾	Amortization of intangible assets resulting from acquisitions ⁽³⁾	Changes of value of financial liabilities to investors ⁽⁴⁾	Income tax effects ⁽⁵⁾	
	(RMB in thousand, unless specified)						
Profit for the period	10,892,746	1,094,120	(2,002,137)	36,002	567,333	87,561	10,675,625
Net margin	9.8%						9.6%

Unaudited
Three Months Ended December 31, 2025

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

Notes:

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

Liquidity and Financial Resources

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

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

Other than the funds raised through our Global Offering in July 2018, the 2020 Placing and Subscription, the 2025 Placing and Subscription and the issuance of debt securities as described in “Issuance of Debt Securities” below, we have historically funded our cash requirements principally from cash generated from our operations and bank borrowings. We had cash and cash equivalents of RMB26.3 billion and cash resources¹¹ of RMB220.6 billion as of March 31, 2026.

Issuance of Debt Securities

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

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

As of March 31, 2026, 12,112,587 class B ordinary shares of the Company (the “**Class B Shares**”) were issued pursuant to conversion of the 2027 Bonds.

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

¹¹ Including (i) cash and cash equivalents, (ii) restricted cash, (iii) term bank deposits, (iv) short-term investments measured at fair value through profit or loss, (v) short-term investments measured at amortized cost, (vi) long-term investments measured at amortized cost, and (vii) treasury investments included in long-term investments measured at fair value through profit or loss.

Consolidated Statement of Cash Flows

	Unaudited	
	Three months ended	
	March 31, 2026	December 31, 2025
	(RMB in millions)	
Net cash (used in)/generated from operating activities ⁽¹⁾	(1,792.0)	614.0
Net cash generated from/(used in) investing activities	8,326.9	(9,457.6)
Net cash (used in)/generated from financing activities ⁽¹⁾	(7,059.3)	247.7
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(524.4)	(8,595.9)
	<hr/>	<hr/>
Cash and cash equivalents at the beginning of the period	26,914.4	35,548.0
Effects of exchange rate changes on cash and cash equivalents	(55.5)	(37.7)
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	26,334.5	26,914.4
	<hr/> <hr/>	<hr/> <hr/>

Note:

- (1) Excluding (1) the change of trade payables related to the finance factoring business; (2) the change of loan and interest receivables and impairment provision for loan receivables mainly resulting from the fintech business; and (3) the change of restricted cash resulting from the fintech business, the net cash used in operating activities was RMB5.2 billion in the first quarter of 2026 and the net cash generated from operating activities was RMB7.3 billion in the fourth quarter of 2025. Excluding the change of borrowings for the finance factoring business, the net cash used in financing activities was RMB6.3 billion and RMB3.8 billion in the first quarter of 2026 and in the fourth quarter of 2025, respectively. The information in this footnote is based on the management accounts of the Group, which have not been audited or reviewed by the Group's auditor. The accounting policies applied in the preparation of the management accounts are consistent with those used for other figures in this announcement.

Net Cash Used in Operating Activities

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

In the first quarter of 2026, our net cash used in operating activities was RMB1.8 billion, representing cash generated from operations of RMB2.1 billion minus income tax paid of RMB3.9 billion. Cash generated from operations was primarily due to our profit before income tax of RMB5.7 billion, mainly adjusted by a decrease in trade payables of RMB5.8 billion, partially offset by a decrease in prepayments and other receivables of RMB1.6 billion.

Net Cash Generated from Investing Activities

In the first quarter of 2026, our net cash generated from investing activities was RMB8.3 billion, which was primarily due to the net decrease in short-term investments measured at fair value through profit or loss of RMB11.2 billion, partially offset by the purchase of property, plant and equipment of RMB2.1 billion and the purchase of long-term investments measured at amortized cost of RMB2.1 billion.

Net Cash Used in Financing Activities

In the first quarter of 2026, our net cash used in financing activities was RMB7.1 billion, which was primarily due to the payments for shares repurchase of RMB4.7 billion, the distribution to fund investors of RMB1.1 billion and the payments of deferred consideration for acquisition of intangible assets of RMB1.0 billion.

Borrowings

As of March 31, 2026, we had total borrowings of RMB35.4 billion.

Capital Expenditures

	Unaudited	
	Three months ended	
	March 31,	December 31,
	2026	2025
	(RMB in millions)	
Capital expenditures		
Smartphone × AIoT	1,780.0	1,295.3
Smart EV, AI and other new initiatives	1,494.1	3,883.0
	<hr/>	<hr/>
Total	<u>3,274.1</u>	<u>5,178.3</u>

Off-Balance Sheet Commitments and Arrangements

As of March 31, 2026, we had not entered into any significant off-balance sheet commitments or arrangements.

Investments Held

As of March 31, 2026, we had invested in about 410 companies with an aggregate book value of RMB87.4 billion. In the first quarter of 2026, we recorded a net gain on disposal of investments (after tax) of RMB0.2 billion. The total amount of our investments (including (i) fair value of our stakes in listed investee companies accounted for using the equity method based on the stock price on March 31, 2026, (ii) book value of our stakes in unlisted investee companies accounted for using the equity method and (iii) book value of long-term investments measured at fair value through profit or loss) reached RMB89.6 billion as of March 31, 2026.

The Group did not make or hold any significant investments (including any investment in an investee company with a value of 5% or more of the Group's total assets as of March 31, 2026) during the three months ended March 31, 2026.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

In the first quarter of 2026, we did not conduct any material acquisitions or disposals of subsidiaries, associates or joint ventures.

Employee and Remuneration Policy

As of March 31, 2026, we had 55,994 full-time employees, 53,190 of whom were based in the Chinese Mainland, primarily at our headquarters in Beijing. As of March 31, 2026, our research and development personnel, totaling 26,048 employees, were staffed across our various departments.

Our success depends on our ability to attract, retain and motivate qualified personnel. As part of our human resources strategy, we offer employees competitive compensation packages. As of March 31, 2026, 16,294 employees held share-based awards. The total remuneration expenses, including share-based compensation expenses, in the first quarter of 2026 were RMB8.2 billion.

Foreign Exchange Risk

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

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

Pledge of Assets

As of March 31, 2026, our total restricted bank deposits amounted to RMB4.2 billion. We also had pledged certain buildings and land use right for borrowings.

Contingent Liabilities

We did not have any material contingent liabilities as of March 31, 2026. Further details of the contingencies are set out in Note 12 to the financial information.

FINANCIAL INFORMATION

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months ended March 31, 2026

(Expressed in Renminbi (“RMB”))

	Note	Unaudited Three months ended March 31,	
		2026	2025
		RMB'000	RMB'000
Revenue	2	99,141,618	111,293,337
Cost of sales	2, 3	<u>(77,331,498)</u>	<u>(85,887,427)</u>
Gross profit		21,810,120	25,405,910
Research and development expenses	3	(8,954,381)	(6,711,708)
Selling and marketing expenses	3	(8,276,483)	(7,199,817)
Administrative expenses	3	(1,630,385)	(1,530,094)
Fair value changes on financial instruments measured at fair value through profit or loss		848,517	2,827,022
Share of net profits of investments accounted for using the equity method		43,767	63,531
Other income		1,085,385	161,766
Other gains, net		<u>386,105</u>	<u>108,797</u>
Operating profit		5,312,645	13,125,407
Finance income		1,278,054	1,003,965
Finance costs		<u>(861,992)</u>	<u>(961,404)</u>
Profit before income tax		5,728,707	13,167,968
Income tax expenses	4	<u>(994,130)</u>	<u>(2,275,222)</u>
Profit for the period		<u>4,734,577</u>	<u>10,892,746</u>
Attributable to:			
— Owners of the Company		4,723,120	10,924,321
— Non-controlling interests		<u>11,457</u>	<u>(31,575)</u>
		<u>4,734,577</u>	<u>10,892,746</u>
Earnings per share (expressed in RMB per share):	5		
Basic		<u>0.18</u>	<u>0.44</u>
Diluted		<u>0.18</u>	<u>0.42</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*For the three months ended March 31, 2026**(Expressed in RMB)*

	Unaudited	
	Three months ended	
	March 31,	
	2026	2025
	RMB'000	RMB'000
Profit for the period	4,734,577	10,892,746
Other comprehensive (loss)/income:		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Share of other comprehensive income of investments accounted for using the equity method	15,191	8,729
Net gains from changes in fair value of financial assets at fair value through other comprehensive income	—	32,502
Currency translation differences	(769,217)	41,854
<i>Item that will not be reclassified subsequently to profit or loss</i>		
Currency translation differences	(1,056,814)	(63,588)
Other comprehensive (loss)/income for the period, net of tax	(1,810,840)	19,497
Total comprehensive income for the period	2,923,737	10,912,243
Attributable to:		
— Owners of the Company	2,912,280	10,946,363
— Non-controlling interests	11,457	(34,120)
	2,923,737	10,912,243

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

As of March 31, 2026

(Expressed in RMB)

	Note	Unaudited As of March 31, 2026 RMB'000	Audited As of December 31, 2025 RMB'000
Assets			
Non-current assets			
Property, plant and equipment		28,746,276	27,950,293
Intangible assets		11,675,867	8,319,373
Investments accounted for using the equity method		6,354,209	6,268,209
Long-term investments measured at fair value through profit or loss	6	81,052,059	80,881,337
Deferred income tax assets		3,583,828	3,636,008
Term bank deposits		88,910,343	92,045,627
Long-term investments measured at amortized cost	6	15,456,222	13,405,600
Other non-current assets		20,876,807	20,778,731
		<u>256,655,611</u>	<u>253,285,178</u>
Current assets			
Inventories	8	78,186,312	80,989,452
Trade and notes receivables	7	17,782,583	15,239,877
Loan receivables		9,133,578	12,580,269
Prepayments and other receivables		32,599,838	33,725,967
Short-term investments measured at amortized cost	6	200,000	200,000
Short-term investments measured at fair value through profit or loss	6	18,247,657	29,273,546
Term bank deposits		53,443,271	51,308,666
Restricted cash		4,164,351	4,578,635
Cash and cash equivalents		26,334,483	26,914,377
		<u>240,092,073</u>	<u>254,810,789</u>
Total assets		<u><u>496,747,684</u></u>	<u><u>508,095,967</u></u>

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

As of March 31, 2026

(Expressed in RMB)

	Note	Unaudited As of March 31, 2026 RMB'000	Audited As of December 31, 2025 RMB'000
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital		424	426
Reserves		265,915,111	266,218,235
		<u>265,915,535</u>	<u>266,218,661</u>
Non-controlling interests		<u>118,389</u>	<u>104,608</u>
Total equity		<u><u>266,033,924</u></u>	<u><u>266,323,269</u></u>
Liabilities			
Non-current liabilities			
Borrowings	9	25,006,733	22,921,433
Deferred income tax liabilities		2,117,825	2,400,758
Provisions		3,878,340	3,652,246
Other non-current liabilities		24,021,184	20,392,784
		<u>55,024,082</u>	<u>49,367,221</u>
Current liabilities			
Trade payables	10	104,936,289	110,699,472
Other payables and accruals		31,174,133	35,351,923
Advance from customers		17,466,933	19,272,778
Borrowings	9	10,360,504	13,202,226
Income tax liabilities		4,211,268	6,649,117
Provisions		7,540,551	7,229,961
		<u>175,689,678</u>	<u>192,405,477</u>
Total liabilities		<u><u>230,713,760</u></u>	<u><u>241,772,698</u></u>
Total equity and liabilities		<u><u>496,747,684</u></u>	<u><u>508,095,967</u></u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS*For the three months ended March 31, 2026**(Expressed in RMB)*

	Unaudited	
	Three months ended	
	March 31,	
	2026	2025
	RMB'000	RMB'000
Net cash (used in)/generated from operating activities	(1,792,006)	4,509,497
Net cash generated from investing activities	8,326,889	9,920,811
Net cash (used in)/generated from financing activities	(7,059,256)	38,077,395
Net (decrease)/increase in cash and cash equivalents	(524,373)	52,507,703
Cash and cash equivalents at the beginning of the period	26,914,377	33,661,442
Effects of exchange rate changes on cash and cash equivalents	(55,521)	2,782
Cash and cash equivalents at the end of the period	<u>26,334,483</u>	<u>86,171,927</u>

1 Basis of preparation

The condensed consolidated interim financial information comprises the interim condensed consolidated balance sheet as of March 31, 2026, the interim condensed consolidated income statement, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the three-month period then ended, and selected explanatory notes (the “**Interim Financial Information**”). The Interim Financial Information is presented in RMB, unless otherwise stated.

The Interim Financial Information has been prepared in accordance with International Accounting Standard (“**IAS**”) 34, “Interim Financial Reporting”, issued by the International Accounting Standards Board (“**IASB**”).

The Interim Financial Information does not include all the notes of the type normally included in annual financial statements. The Interim Financial Information should be read in conjunction with the annual audited consolidated financial statements of the Group for the year ended December 31, 2025 which have been prepared in accordance with all applicable IFRS Accounting Standards issued by the IASB (“**IFRS Accounting Standards**”) as set out in the 2025 annual report of the Company dated March 24, 2026 (the “**2025 Financial Statements**”), and any public announcement made by the Company during the three months ended March 31, 2026 (the “**Interim Report Period**”) and up to date of approval of this unaudited Interim Financial Information.

The accounting policies and methods of computations used in the preparation of the Interim Financial Information are consistent with those used in the preparation of the 2025 Financial Statements, except for the adoption of certain new and amended standards which has had no significant impact on the Group’s results for the Interim Report Period and the Group’s financial position as of March 31, 2026.

2 Segment information and revenue

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

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

The CODM assesses the performance of the operating segments mainly based on segment revenue and gross profit of each operating segment. There were no material inter-segment sales during the three months ended March 31, 2026 and 2025. The revenues from external customers reported to the CODM are measured in a manner consistent with that applied in the interim condensed consolidated income statement.

The segment results and revenue information for the three months ended March 31, 2026 and 2025 are as follows:

	Three months ended March 31, 2026						
	Smartphones RMB'000	Smartphone × AIoT			Subtotal RMB'000	Smart EV, AI and other new initiatives RMB'000	Total RMB'000
		IoT and lifestyle products RMB'000	Internet services RMB'000	Other related businesses RMB'000			
(Unaudited)							
Segment revenues	44,273,331	24,681,157	9,468,346	854,367	79,277,201	19,864,417	99,141,618
Cost of sales	<u>(39,796,684)</u>	<u>(18,465,421)</u>	<u>(2,262,242)</u>	<u>(936,609)</u>	<u>(61,460,956)</u>	<u>(15,870,542)</u>	<u>(77,331,498)</u>
Gross profit/(loss)	<u>4,476,647</u>	<u>6,215,736</u>	<u>7,206,104</u>	<u>(82,242)</u>	<u>17,816,245</u>	<u>3,993,875</u>	<u>21,810,120</u>
	Three months ended March 31, 2025						
	Smartphones RMB'000	Smartphone × AIoT			Subtotal RMB'000	Smart EV, AI and other new initiatives RMB'000	Total RMB'000
		IoT and lifestyle products RMB'000	Internet services RMB'000	Other related businesses RMB'000			
(Unaudited)							
Segment revenues	50,611,952	32,339,234	9,076,097	685,989	92,713,272	18,580,065	111,293,337
Cost of sales	<u>(44,329,301)</u>	<u>(24,184,366)</u>	<u>(2,094,257)</u>	<u>(1,004,771)</u>	<u>(71,612,695)</u>	<u>(14,274,732)</u>	<u>(85,887,427)</u>
Gross profit/(loss)	<u>6,282,651</u>	<u>8,154,868</u>	<u>6,981,840</u>	<u>(318,782)</u>	<u>21,100,577</u>	<u>4,305,333</u>	<u>25,405,910</u>

For the three months ended March 31, 2026 and 2025, the geographical information on the total revenues is as follows:

	Three months ended March 31, 2026		2025	
	RMB'000 (Unaudited)	%	RMB'000 (Unaudited)	%
Chinese Mainland	59,570,951	60.1	73,068,671	65.7
Rest of the world (Note(a))	<u>39,570,667</u>	<u>39.9</u>	<u>38,224,666</u>	<u>34.3</u>
	<u>99,141,618</u>		<u>111,293,337</u>	

Note:

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

The following table shows inventory information by reportable segment as of March 31, 2026 and December 31, 2025.

	As of March 31, 2026 RMB'000 (Unaudited)	As of December 31, 2025 RMB'000 (Audited)
Smartphone × AIoT	66,651,700	74,758,465
Smart EV, AI and other new initiatives	<u>11,534,612</u>	<u>6,230,987</u>
	<u>78,186,312</u>	<u>80,989,452</u>

3 Expenses by nature

	Three months ended March 31,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Changes in inventories of finished goods and work in progress	8,318,386	505,228
Raw materials and consumables used and royalty fees	60,545,016	79,213,840
Provision for impairment of inventories	2,057,409	1,329,972
Employee benefit expenses	8,192,723	6,529,713
Depreciation of property, plant and equipment, right-of-use assets and investment properties	1,457,375	1,059,920
Amortization of intangible assets	953,724	722,942
Promotion and advertising expenses	2,265,765	1,999,872
Warranty expenses	1,287,124	1,436,440

4 Income tax expenses

The income tax expenses of the Group during the three months ended March 31, 2026 and 2025 are analyzed as follows:

	Three months ended March 31,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax	1,240,889	2,168,514
Deferred income tax	(246,759)	106,708
Income tax expenses	994,130	2,275,222

5 Earnings per share

(a) Basic

Basic earnings per share for the three months ended March 31, 2026 and 2025 are calculated by dividing the profit attributable to the Company's owners by the weighted average number of ordinary shares that are outstanding during the periods.

	Three months ended March 31,	
	2026	2025
	(Unaudited)	(Unaudited)
Net profit attributable to the owners of the Company (RMB'000)	4,723,120	10,924,321
Weighted average number of outstanding ordinary shares (thousand shares)	25,774,240	24,962,488
Basic earnings per share (expressed in RMB per share)	0.18	0.44

(b) *Diluted*

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

	Three months ended	
	March 31,	
	2026	2025
	(Unaudited)	(Unaudited)
Net profit attributable to the owners of the Company (RMB'000)	4,723,120	10,924,321
Add: Interest expenses on convertible bonds (RMB'000)	—	62,211
Less: Dilution effect arising from share-based awards granted by a subsidiary (RMB'000)	(44,200)	—
	<hr/>	<hr/>
Net profit attributable to the owners of the Company for calculation of diluted earnings per share (RMB'000)	4,678,920	10,986,532
	<hr/>	<hr/>
Weighted average number of outstanding ordinary shares (thousand shares)	25,774,240	24,962,488
Adjustments for dilutive restricted shares units and share options (thousand shares)	676,923	866,211
Adjustments for dilutive convertible bonds (thousand shares)	—	180,447
	<hr/>	<hr/>
Weighted average number of ordinary shares for calculation of diluted earnings per share (thousand shares)	26,451,163	26,009,146
	<hr/>	<hr/>
Diluted earnings per share (expressed in RMB per share)	0.18	0.42
	<hr/> <hr/>	<hr/> <hr/>

6 Investments

	As of	As of
	March 31,	December 31,
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Current assets		
Short-term investments measured at		
— Amortized cost	200,000	200,000
— Fair value through profit or loss	18,247,657	29,273,546
	<hr/>	<hr/>
	18,447,657	29,473,546
	<hr/> <hr/>	<hr/> <hr/>
Non-current assets		
Long-term investments measured at amortized cost	15,456,222	13,405,600
Long-term investments measured at fair value through profit or loss		
— Ordinary shares investments	17,541,519	19,944,672
— Preferred shares investments	35,024,415	35,198,710
— Treasury investments	21,817,543	21,562,313
— Other investments	6,668,582	4,175,642
	<hr/>	<hr/>
	96,508,281	94,286,937
	<hr/> <hr/>	<hr/> <hr/>

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

	Three months ended	
	March 31,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Long-term investments measured at fair value through profit or loss		
— Ordinary shares investments	(1,943,831)	2,481,305
— Preferred shares investments	405,017	(17,743)
— Treasury and other investments	2,272,668	175,751
Short-term investments measured at fair value through profit or loss	165,051	140,160
	898,905	2,779,473

7 Trade and notes receivables

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

	As of	As of
	March 31,	December 31,
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Up to 3 months	14,954,666	11,963,353
3 to 6 months	1,272,731	1,806,243
6 months to 1 year	1,105,255	1,117,839
1 to 2 years	515,400	427,200
Over 2 years	254,421	234,403
	18,102,473	15,549,038
Less: credit loss allowance	(319,890)	(309,161)
	17,782,583	15,239,877

8 Inventories

	As of March 31, 2026 RMB'000 (Unaudited)	As of December 31, 2025 RMB'000 (Audited)
Raw materials	29,859,804	23,974,417
Finished goods	40,990,107	50,094,764
Work in progress	5,444,736	4,658,465
Spare parts	3,806,390	3,999,973
Others	1,302,439	1,264,219
	<u>81,403,476</u>	<u>83,991,838</u>
Less: provision for impairment (Note (a))	<u>(3,217,164)</u>	<u>(3,002,386)</u>
	<u><u>78,186,312</u></u>	<u><u>80,989,452</u></u>

Note:

- (a) During the three months ended March 31, 2026, the Group incurred inventory impairment provision approximately RMB2,057,409,000 (2025: RMB1,329,972,000) and transferred out of such provision upon the sales of inventories approximately RMB1,842,631,000 (2025: RMB899,767,000)

9 Borrowings

	As of March 31, 2026 RMB'000 (Unaudited)	As of December 31, 2025 RMB'000 (Audited)
Included in non-current liabilities		
Secured borrowings	1,718,799	1,754,255
Unsecured borrowings	18,188,172	16,046,323
Convertible bonds	5,099,762	5,120,855
	<u>25,006,733</u>	<u>22,921,433</u>
Included in current liabilities		
Secured borrowings	73,134	73,094
Unsecured borrowings	10,287,370	13,129,132
	<u>10,360,504</u>	<u>13,202,226</u>

10 Trade payables

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

	As of March 31, 2026 RMB'000 (Unaudited)	As of December 31, 2025 RMB'000 (Audited)
Up to 3 months	95,097,279	93,538,383
3 to 6 months	6,314,859	11,379,071
6 months to 1 year	1,135,079	3,169,615
1 to 2 years	704,294	978,245
Over 2 years	1,684,778	1,634,158
	<u>104,936,289</u>	<u>110,699,472</u>

11 Dividends

No dividends have been paid or declared by the Company during the three months ended March 31, 2026 and 2025.

12 Contingencies

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

In this connection, Xiaomi India received orders alleging that it has inappropriately deducted certain costs and expenses, including purchase costs of mobile phones and royalty fees paid to overseas third parties as well as companies within the Group. As a result, certain of its bank accounts have been attached and thereby India Rupees (“**INR**”) 48,883,184,000 (equivalent to RMB3,581,671,000) has been considered as restrictive as of March 31, 2026 (December 31, 2025: INR48,550,132,000 (equivalent to RMB3,784,968,000)). The cases are currently in the hearing stages and not yet concluded.

Management assessed the aforesaid matters related to Xiaomi India, after taking into considerations of opinions from professional advisors, it is concluded that Xiaomi India has valid grounds to respond to the relevant Indian authorities. The Group, hence, has not made any material provision as of March 31, 2026 pertaining to these matters.

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

OTHER INFORMATION

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

During the three months ended March 31, 2026 and up to the Latest Practicable Date¹², the Company repurchased a total of 250,491,600 Class B Shares on the Stock Exchange at an aggregate consideration of approximately HK\$8,412,337,168 (the “**Shares Repurchased**”) to enhance the shareholder value in the long run. Particulars of the Shares Repurchased are as follows:

Month of Repurchase	No. of Shares Repurchased	Price Paid per Share		Aggregate
		Highest (HK\$)	Lowest (HK\$)	Consideration (approximately) (HK\$)
January	68,751,000	39.32	34.92	2,540,279,326
February	39,376,400	36.78	33.94	1,392,181,061
March	40,503,800	35.18	31.54	1,326,056,687
April	78,918,600	32.44	29.08	2,453,839,435
May (<i>up to the Latest Practicable Date</i>)	<u>22,941,800</u>	31.58	29.42	<u>699,980,660</u>
Total	<u><u>250,491,600</u></u>			<u><u>8,412,337,168</u></u>

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

During the three months ended March 31, 2026 and up to the Latest Practicable Date, the number of Class B Shares in issue (excluding treasury shares) was reduced by 336,083,800 shares as a result of (i) the repurchase of 215,333,400 Class B Shares from November 20, 2025 to February 20, 2026, which were subsequently cancelled on March 19, 2026; (ii) the repurchase of 36,747,800 Class B Shares from February 24, 2026 to March 23, 2026, which were subsequently cancelled on April 14, 2026; and (iii) the repurchase of 84,002,600 Class B Shares from March 27, 2026 to April 24, 2026, which were subsequently cancelled on May 19, 2026.

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

¹² The Latest Practicable Date refers to May 22, 2026, being the latest practicable date prior to the publication of this results announcement for the purpose of ascertaining certain information contained herein.

A total of 6,339,850 Class A Shares were converted into Class B Shares on a one-to-one ratio on April 14, 2026, of which Mr. Lei Jun, through Smart Mobile Holdings Limited, converted 5,709,730 Class A Shares and Mr. Lin Bin, through Apex Star LLC, converted 630,120 Class A Shares.

A total of 14,478,942 Class A Shares were converted into Class B Shares on a one-to-one ratio on May 19, 2026, of which Mr. Lei Jun, through Smart Mobile Holdings Limited, converted 13,039,875 Class A Shares and Mr. Lin Bin, through Apex Star LLC, converted 1,439,067 Class A Shares.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange (including sale of treasury shares) during the three months ended March 31, 2026 and up to the Latest Practicable Date.

Compliance with the Corporate Governance Code

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

Save for code provision C.2.1 of the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Listing Rules, the Company has complied with all the code provisions set out in the CG Code throughout the three months ended March 31, 2026.

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

Audit Committee

The Audit Committee (comprising one non-executive Director and two independent non-executive Directors, namely, Mr. Liu Qin, Dr. Chen Dongsheng and Mr. Wong Shun Tak) has reviewed the unaudited interim results of the Group for the three months ended March 31, 2026. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members and the external auditor of the Company, PricewaterhouseCoopers.

Material Litigation

The Company was not involved in any material litigation or arbitration during the three months ended March 31, 2026, nor were the Directors aware of any material litigation or claims that were pending or threatened against the Company.

Events after March 31, 2026

Save as disclosed in this announcement, there have been no other significant events that might affect the Group after March 31, 2026 and up to the date of this announcement.

By order of the Board
Xiaomi Corporation
Lei Jun
Chairman

Hong Kong, May 26, 2026

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