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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 AND SIX MONTHS ENDED JUNE 30, 2025**

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 and six months ended June 30, 2025. 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
	June 30, 2025	June 30, 2024	over-year change	March 31, 2025	
(Renminbi (“ RMB ”) in millions, unless specified)					
Revenue	115,956.1	88,887.8	30.5%	111,293.3	4.2%
Gross profit	26,101.0	18,394.2	41.9%	25,405.9	2.7%
Operating profit	13,436.7	5,888.7	128.2%	13,125.4	2.4%
Profit before income tax	14,402.8	6,679.4	115.6%	13,168.0	9.4%
Profit for the period	11,873.2	5,069.7	134.2%	10,892.7	9.0%
Non-IFRS Measure:					
Adjusted Net Profit ¹	10,830.7	6,175.4	75.4%	10,675.6	1.5%

Revenue	115,956.1	88,887.8	30.5%	111,293.3	4.2%
Gross profit	26,101.0	18,394.2	41.9%	25,405.9	2.7%
Operating profit	13,436.7	5,888.7	128.2%	13,125.4	2.4%
Profit before income tax	14,402.8	6,679.4	115.6%	13,168.0	9.4%
Profit for the period	11,873.2	5,069.7	134.2%	10,892.7	9.0%
Non-IFRS Measure:					
Adjusted Net Profit ¹	10,830.7	6,175.4	75.4%	10,675.6	1.5%

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

**Unaudited
Six months ended**

	June 30, 2025	June 30, 2024	over-year change
(RMB in millions, unless specified)			
Revenue	227,249.4	164,394.7	38.2%
Gross profit	51,506.9	35,223.9	46.2%
Operating profit	26,562.1	9,571.8	177.5%
Profit before income tax	27,570.8	11,901.8	131.7%
Profit for the period	22,765.9	9,242.9	146.3%
Non-IFRS Measure: Adjusted Net Profit	21,506.3	12,666.4	69.8%

BUSINESS REVIEW AND OUTLOOK

1. Overall Performance

In the second quarter of 2025, we continued to efficiently execute our operating strategy of “steadfastly forging ahead”, and achieved another record highs in both revenue and profitability. Total revenue for the second quarter of 2025 reached a record high of RMB116.0 billion, representing an increase of 30.5% year-over-year. Segment-wise, in the second quarter of 2025, revenue of our smartphone × AIoT segment reached RMB94.7 billion, up 14.8% year-over-year; revenue of our smart Electric Vehicle (“EV”), AI and other new initiatives segment reached RMB21.3 billion. Both segments achieved record highs. In this quarter, our adjusted net profit hit a record high of RMB10.8 billion, up 75.4% year-over-year.

We continued to advance our “Human × Car × Home” corporate strategy. In the second quarter of 2025, our global smartphone shipments reached 42.4 million units, up 0.6% year-over-year, and achieved year-over-year growth for 8 consecutive quarters. According to Canalys², in the second quarter of 2025, we maintained top 3 global smartphone shipment ranking for the 20th consecutive quarter, with a market share of 14.7%. Meanwhile, we continued to expand our user ecosystem. In June 2025, our global monthly active users (“MAU”)³ reached another record high of 731.2 million, up 8.2% year-over-year. As of June 30, 2025, the number of connected IoT devices on our AIoT platform (excluding smartphones, tablets and laptops) increased to 989.1 million, up 20.3% year-over-year. In the second quarter of 2025, we achieved total deliveries of 81,302 vehicles, reaching another record high.

We continued to execute our 2020–2030 goal to invest in foundational core technologies and to become a global leader in the evolving realm of cutting-edge technologies. In the second quarter of 2025, our research and development expenses increased by 41.2% year-over-year to RMB7.8 billion. As of June 30, 2025, our research and development personnel hit a record high of 22,641.

² Canalys (now part of Omdia).

³ Including smartphones and tablets.

In May 2025, we officially released Xiaomi MiMo-VL-7B, our open-sourced multimodal large language model (LLM). With 7 billion parameters, the model achieved top-tier performance in multimodal reasoning benchmarks, including OlympiadBench and diverse math competitions. Meanwhile, our open-sourced language model, Xiaomi MiMo-7B, continues to evolve, while ongoing reinforcement learning has significantly enhanced its reasoning and general capabilities. In July 2025, two papers from Xiaomi AI team were accepted at the International Conference on Computer Vision (ICCV) 2025, detailing our latest advancements in foundation model research. In July 2025, Xiaomi participated in the 63rd Annual Meeting of the Association for Computational Linguistics (ACL 2025), with 10 papers on our LLM research accepted for publication. These papers covered multiple key areas, including efficient on-device inference for LLMs, GUI agents powered by LLMs, and innovations in foundational model architecture, among others.

We continued to leverage AI to empower the smart cabin of the *Xiaomi YU7 Series*. Its out-of-vehicle voice interaction, multimodal interaction and voice-based vehicle control functions have been well received by users. Powered by Xiaomi Hyper XiaoAi, our first-generation *Xiaomi AI Glasses*, released in June 2025, offer advanced multimodal intelligent interaction capabilities, including real-time translation in Chinese and 10 other languages, photo-to-text translation, voice commands, daily Q&A, and more.

We achieved significant breakthroughs in our premiumization strategy. According to third-party data, in the second quarter of 2025, we ranked No. 1 in terms of smartphone units sold in mainland China, and our premium smartphone⁴ units sold accounted for 27.6% of our total smartphone units sold in mainland China, representing an increase of 5.5 percentage points year-over-year. According to third-party data, in the second quarter of 2025, we ranked No. 1 in terms of smartphone units sold in the RMB4,000–5,000 segment in mainland China, with a market share of 24.7%, an increase of 4.5 percentage points year-over-year. Our market share in the RMB5,000–6,000 segment in mainland China reached 15.4%, up 6.5 percentage points year-over-year.

We continued to advance our new retail strategy. During the second quarter of 2025, we added a net of over 1,700 Xiaomi stores in mainland China, and the total number of offline retail stores exceeded 17,000. In overseas markets, the total number of our new retail stores reached approximately 200. According to third-party data, in the second quarter of 2025, our market share of smartphone units sold through offline channels in mainland China was 12.2%, up 1.8 percentage points year-over-year.

Our brand is gaining broader recognition globally. In June 2025, we ranked No. 2 in the Top 50 Kantar BrandZ Chinese Global Brand Builders. In July 2025, we ranked No. 297 on the Fortune Global 500 list, up 100 spots from 2024, marking our 7th consecutive year on the list.

⁴ Premium smartphones in mainland China are models with retail prices at or above RMB3,000.

2. Smartphone × AIoT

In the second quarter of 2025, revenue from our smartphone × AIoT segment reached RMB94.7 billion, up 14.8% year-over-year. The gross profit margin of our smartphone × AIoT segment was 21.6%, up 0.5 percentage points year-over-year.

Smartphones

In the second quarter of 2025, our smartphone revenue reached RMB45.5 billion, with a gross profit margin of 11.5%. Our global smartphone shipments reached 42.4 million units, up 0.6% year-over-year. According to Canalys, in the second quarter of 2025, we maintained top 3 global smartphone shipment ranking, with a market share of 14.7%. In this quarter, our smartphone shipments rose to No. 1 in Southeast Asia, with market share rising by 1.6 percentage points year-over-year to 18.9%. In Europe, we moved up to No. 2, with market share rising by 3.4 percentage points year-over-year to 23.4%. We maintained our No. 2 position in both the Middle East and Latin America, with market shares of 18.7% and 19.6% respectively. And we ranked No. 3 in Africa, with market share rising by 2.7 percentage points year-over-year to 14.4%. In this quarter, our smartphone shipments ranked among the top three across 60 countries and regions globally, and ranked among the top five across 69 countries and regions globally.

We continued to execute our dual-brand strategy. Under the Xiaomi brand, in June 2025, we launched the *Xiaomi MIX Flip 2*, our second-generation compact foldable flagship smartphone. Maintaining its sleek and stylish design, *Xiaomi MIX Flip 2* features a 4.01-inch versatile outer display, enabling a seamless and consistent user experience in both folded and unfolded modes. Equipped with our proprietary hinge technology, it presents a remarkably minimal folding crease for enhanced visual appeal. In terms of imaging, it comes with a 50MP Leica high-dynamic main camera and a 50MP ultra-wide-angle Leica lens, offering users an outstanding photography experience.

Under the REDMI brand, in June 2025, we unveiled the *REDMI K80 Ultra*. Powered by the MediaTek Dimensity 9400+ flagship chipset and the next-generation independent graphics chip D2, *REDMI K80 Ultra* delivers excellent performance. It also comes with a 6.83-inch, 144Hz Xiaomi Qingshan eye-protection gaming display and the 7,410 mAh Xiaomi Surge battery, delivering extended battery life and an immersive gaming experience for users.

IoT and lifestyle products

In the second quarter of 2025, our IoT and lifestyle products achieved a record-high revenue of RMB38.7 billion, up 44.7% year-over-year, and gross profit margin reached 22.5%, up 2.8 percentage points year-over-year.

As of June 30, 2025, the number of connected IoT devices (excluding smartphones, tablets and laptops) on our AIoT platform increased to 989.1 million, up 20.3% year-over-year; the number of users with five or more devices connected to our AIoT platform (excluding smartphones, tablets and laptops) reached 20.5 million, up 26.8% year-over-year. In June 2025, the MAU of our Xiaomi Home App grew to 113.1 million, up 16.8% year-over-year. The MAU of our AI Assistant (“小愛同學”) grew to 153.2 million, up 16.4% year-over-year.

In the second quarter of 2025, our smart large home appliances revenue reached a record high, up 66.2% year-over-year. Our air conditioner shipments hit a record high and exceeded 5.4 million units, up over 60% year-over-year; our refrigerator shipments exceeded 790,000 units, up over 25% year-over-year; and our washing machine shipments exceeded 600,000 units, up over 45% year-over-year. In June 2025, we launched a range of smart home appliance products, including the *Mijia Air Conditioner Pro Healthy Flow 1.5HP Level1+ Energy Efficiency*. It features our ion purification technology, providing users with a healthy and gentle airflow experience.

We continued to diversify our tablet portfolio. According to Canalys, in the second quarter of 2025, our global tablet shipments grew by 42.3% year-over-year, maintaining the fastest growth rate among the top five vendors. In June 2025, we officially unveiled the *Xiaomi Pad 7S Pro 12.5*, the second tablet powered by our self-developed processor *Xiaomi XRING O1*, delivering exceptional performance and energy efficiency. Meanwhile, we launched the *REDMI K Pad*, a compact high-performance tablet featuring an 8.8-inch 3K LCD display, designed for small-screen users.

In June 2025, we officially launched our first-generation *Xiaomi AI Glasses*. Featuring an ultra-light frame weighing just 40 grams, the glasses are equipped with a 12MP ultra-transparent optical lens that supports first-person perspective capture, enabling third-party video calls and real-time livestreaming. The glasses also serve as a pair of high-quality open-ear headphones. We also introduced optional electrochromic lenses that enable users to adjust the tint with a simple two-finger slide over the temple, along with colored options to cater to diverse user preferences.

According to Canalys, in the second quarter of 2025, our wearable bands⁵ shipments ranked No. 1 globally and No. 2 in mainland China. Our TWS earbud shipments ranked No. 2 globally and No. 1 in mainland China. In June 2025, we launched a range of new wearable products, including the sleek and stylish compact-size smartwatch *Xiaomi Watch S4 41mm*, our new smart band *Xiaomi Smart Band 10*, and *Xiaomi OpenWear Stereo Pro*, offering both exceptional wearing comfort and superior sound quality.

Internet services

In the second quarter of 2025, our internet services revenue reached RMB9.1 billion, up 10.1% year-over-year. The gross profit margin of our internet services reached 75.4%.

Our internet user base continued to expand. The MAU globally and in mainland China both hit record highs. In June 2025, our global MAU reached 731.2 million, up 8.2% year-over-year, and our MAU in mainland China reached 184.8 million, up 12.4% year-over-year. In June 2025, the global MAU of our smart TV⁶ reached 73.8 million, up 7.3% year-over-year.

5 Including basic bands, basic watches and smart watches.

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

In the second quarter of 2025, our advertising revenue reached RMB6.8 billion, up 14.6% year-over-year. In the second quarter of 2025, our gaming revenue reached RMB1.1 billion, up 5.1% year-over-year.

In the second quarter of 2025, our overseas internet services revenue reached RMB3.0 billion, up 12.6% year-over-year. Overseas internet services revenue accounted for 32.9% of our total internet services revenue, reaching a record high.

3. Smart EV, AI and Other New Initiatives

In the second quarter of 2025, revenue from our smart EV, AI and other new initiatives segment reached RMB21.3 billion, which consisted of RMB20.6 billion from smart EV and RMB0.6 billion from other related businesses. In the second quarter of 2025, the gross profit margin of our smart EV, AI and other new initiatives segment reached 26.4%. In the second quarter of 2025, the loss from operations⁷ related to our smart EV, AI and other new initiatives segment was RMB0.3 billion.

In the second quarter of 2025, we achieved total deliveries of 81,302 vehicles.

In June 2025, we officially launched our first SUV, the *Xiaomi YU7 Series*. Positioned as a high-performance luxury SUV, the *Xiaomi YU7 Series* includes three models: *Xiaomi YU7*, *Xiaomi YU7 Pro* and *Xiaomi YU7 Max*, with prices starting at RMB253,500, RMB279,900 and RMB329,900, respectively. The *Xiaomi YU7 Series* received strong demand, with over 240,000 locked-in orders in the first 18 hours after launch.

The *Xiaomi YU7 Series* shares the design language of *Xiaomi SU7 Series* and stands out with generous interior space and a rich suite of smart ecosystem accessories. It comes standard with an 800V silicon carbide high-voltage platform and long-range capability, offering a maximum CLTC⁸ range of 835 km⁹. In terms of electrical/electronic architecture, *Xiaomi YU7 Series* adopts a “Four-in-One Domain Control Module”, integrating the assisted driving domain (ADD) controller, digital cockpit domain (DCD) controller, vehicle central control domain (VCCD) and Telematics Box (T-Box), substantially cutting the number of controllers and reducing weight, while optimizing energy efficiency. In terms of smart assisted driving, the *Xiaomi YU7 Series* comes standard with LiDAR, the 10-million-clip version of Xiaomi end-to-end assisted driving system, and the NVIDIA DRIVE AGX Thor™ in-vehicle computing platform, which delivers up to 700 TOPS of computing power. Moreover, we began rolling out the updated 10-million-clip version of Xiaomi end-to-end assisted driving system to *Xiaomi SU7 Series*¹⁰ at the end of July.

We continued to expand our sales and service network. As of June 30, 2025, we had opened 335 smart EV sales centers¹¹ across 92 cities in mainland China.

7 Defined as gross profit minus operating expenses.

8 China Light-duty Vehicle Test Cycle.

9 Data obtained from Xiaomi internal EV Lab, the configuration parameters may vary depending on the vehicle model.

10 *Xiaomi SU7 Pro*, *Xiaomi SU7 Max* and *Xiaomi SU7 Ultra*.

11 The sales centers of Xiaomi EV includes Xiaomi EV delivery centers, Xiaomi EV sales and service centers and Xiaomi stores.

We are continuously honing our technologies through track testing. In April 2025, our *Xiaomi SU7 Ultra Prototype* returned to Nürburgring Nordschleife with an even faster lap time of 6:22.091, securing third place overall on the Nürburgring Nordschleife leaderboard and setting a new prototype lap record. Meanwhile, our *Xiaomi SU7 Ultra* set a new Nürburgring Nordschleife lap record for mass-produced electric vehicles, with a lap time of 7:04.957.

4. Corporate Social Responsibility (CSR)

We actively fulfill our corporate social responsibility. As part of our low-carbon development efforts, in the first half of 2025, the office buildings of the Group used a total of approximately 7.2 million kWh of green electricity, representing a year-over-year growth of over 270%; and the Xiaomi EV factory generated 6.9 million kWh through photovoltaic power generation, reducing carbon emissions by over 4,160 tonnes. In addition, the *Xiaomi SU7 Series* achieved dual No. 1 among large battery electric vehicles on the 2025 China New Energy Vehicle — Automotive Performance, Execution and Layout (NEV-APEAL) Study and the 2025 China New Energy Vehicle Initial Quality Study (NEV-IQS) released by J.D. Power.

In terms of poverty and disaster relief, in July 2025, following severe rainfall that triggered floods and geological disasters in northern Mainland China, the Beijing Xiaomi Foundation donated RMB5 million in cash and RMB350,000 in emergency supplies to aid emergency response, temporary resettlement and post-disaster reconstruction in the affected areas. In March 2025, following the earthquake in Myanmar, the Xiaomi Foundation Limited donated MMK500 million to the Myanmar Red Cross Society to support emergency relief and post-earthquake reconstruction efforts. To support technology innovation, as of June 30, 2025, Xiaomi Innovation Joint Fund¹² has cumulatively donated over RMB210 million, supporting 141 research teams in mainland China.

12 By Beijing Xiaomi Foundation.

MANAGEMENT DISCUSSION AND ANALYSIS

Second Quarter of 2025 Compared to Second Quarter of 2024

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

	Unaudited Three months ended	
	June 30, 2025	June 30, 2024
	(RMB in millions)	
Revenue	115,956.1	88,887.8
Cost of sales	(89,855.1)	(70,493.6)
Gross profit	26,101.0	18,394.2
Research and development expenses	(7,763.4)	(5,497.7)
Selling and marketing expenses	(7,778.0)	(5,899.1)
Administrative expenses	(1,627.1)	(1,182.5)
Fair value changes on financial instruments measured at fair value through profit or loss	3,363.5	(849.4)
Share of net profits of investments accounted for using the equity method	86.9	86.4
Other income	299.4	287.2
Other gains, net	754.4	549.6
Operating profit	13,436.7	5,888.7
Finance income, net	966.1	790.7
Profit before income tax	14,402.8	6,679.4
Income tax expenses	(2,529.6)	(1,609.7)
Profit for the period	11,873.2	5,069.7
Non-IFRS Measure: Adjusted Net Profit	10,830.7	6,175.4

Revenue

Revenue increased by 30.5% from RMB88.9 billion in the second quarter of 2024 to RMB116.0 billion in the second quarter of 2025. The following table sets forth our revenue by segment in the second quarter of 2025 and the second quarter of 2024:

	Unaudited Three months ended			
	June 30, 2025	June 30, 2024		
	% of total		% of total	
	Amount	revenue	Amount	revenue
	(RMB in millions, unless specified)			
Smartphone × AIoT	94,692.8	81.7%	82,519.0	92.8%
Smart EV, AI and other new initiatives	21,263.3	18.3%	6,368.8	7.2%
Total revenue	<u>115,956.1</u>	<u>100.0%</u>	<u>88,887.8</u>	<u>100.0%</u>

Smartphone × AIoT

Revenue from our smartphone × AIoT segment increased by 14.8% from RMB82.5 billion in the second quarter of 2024 to RMB94.7 billion in the second quarter of 2025. The following table sets forth our revenue by line of our smartphone × AIoT segment in the second quarter of 2025 and the second quarter of 2024:

	Unaudited Three months ended			
	June 30, 2025	June 30, 2024		
	% of total		% of total	
	Amount	revenue	Amount	revenue
	(RMB in millions, unless specified)			
Smartphone × AIoT				
Smartphones	45,520.0	39.3%	46,516.4	52.3%
IoT and lifestyle products	38,712.2	33.4%	26,760.3	30.1%
Internet services	9,097.7	7.8%	8,265.6	9.3%
Other related businesses	1,362.9	1.2%	976.7	1.1%
Total revenue of smartphone × AIoT segment	<u>94,692.8</u>	<u>81.7%</u>	<u>82,519.0</u>	<u>92.8%</u>

(i) Smartphones

Revenue from our smartphones decreased by 2.1% from RMB46.5 billion in the second quarter of 2024 to RMB45.5 billion in the second quarter of 2025, primarily due to the decrease in our smartphone average selling price (“ASP”), partially offset by the increase in our smartphone shipments. The ASP of our smartphones decreased by 2.7% from RMB1,103.5 per unit in the second quarter of 2024 to RMB1,073.2 per unit in the second quarter of 2025, primarily due to the decreased ASP in the overseas markets driven by the successful launch of *REDMI A5 Series* in April 2025, partially offset by the increased ASP in mainland China attributable to the higher contribution from our premium smartphone shipments. Our smartphone shipments increased by 0.6% from 42.2 million units in the second quarter of 2024 to 42.4 million units in the second quarter of 2025, primarily due to the increased shipments in mainland China. Our smartphone shipments in mainland China increased by 3.6% in the second quarter of 2025, despite the mainland China smartphone shipments decreased by 3.8% year-over-year, according to Canalys.

(ii) IoT and lifestyle products

Revenue from our IoT and lifestyle products increased by 44.7% from RMB26.8 billion in the second quarter of 2024 to RMB38.7 billion and reached a record high in the second quarter of 2025, primarily due to the increased revenue from smart large home appliances, wearables and certain lifestyle products in mainland China and tablets in the global market.

Revenue from our smart large home appliances increased by 66.2% year-over-year, primarily due to the increased shipments, especially the shipments of our air conditioners, as well as the increased ASP driven by our premiumization strategy in mainland China.

Revenue from our wearables increased by 70.9% year-over-year, primarily due to the increased shipments and ASP of our smart bands and smart watches in mainland China.

Revenue from our tablets increased by 41.4% year-over-year, primarily due to the increased shipments of *Xiaomi Pad 7 Series* and *Xiaomi Pad 7 Pro Series* in the global market.

(iii) Internet services

Revenue from our internet services increased by 10.1% from RMB8.3 billion in the second quarter of 2024 to RMB9.1 billion in the second quarter of 2025, primarily due to the increased revenue from our advertising business.

(iv) Other related businesses

Revenue from our other related businesses increased by 39.5% from RMB1.0 billion in the second quarter of 2024 to RMB1.4 billion in the second quarter of 2025, primarily due to the increased revenue from installation services provided for air conditioners and sales of materials.

Smart EV, AI and Other New Initiatives

Revenue from our smart EV, AI and other new initiatives segment increased by 233.9% from RMB6.4 billion in the second quarter of 2024 to RMB21.3 billion in the second quarter of 2025.

Revenue from our smart EV increased by 230.3% from RMB6.2 billion in the second quarter of 2024 to RMB20.6 billion in the second quarter of 2025, primarily due to the increase in both our vehicle deliveries and ASP. Our vehicle deliveries increased by 197.7% from 27,307 units in the second quarter of 2024 to 81,302 units in the second quarter of 2025 due to the successful ramp-up in our production capacity. The ASP of our smart EV increased by 10.9% from RMB228,644 per unit in the second quarter of 2024 to RMB253,662 per unit in the second quarter of 2025, primarily due to the deliveries of *Xiaomi SU7 Ultra* with higher ASP.

Revenue from our other related businesses increased by 411.1% from RMB0.2 billion in the second quarter of 2024 to RMB0.6 billion in the second quarter of 2025, primarily due to the increased revenue from after-sales services, auto financing services and sales of accessories.

Cost of Sales

Our cost of sales increased by 27.5% from RMB70.5 billion in the second quarter of 2024 to RMB89.9 billion in the second quarter of 2025. The following table sets forth our cost of sales by segment in the second quarter of 2025 and the second quarter of 2024:

	Unaudited Three months ended			
	June 30, 2025		June 30, 2024	
	Amount	% of total	Amount	% of total
(RMB in millions, unless specified)				
Smartphone × AIoT	74,212.7	64.0%	65,104.6	73.2%
Smart EV, AI and other new initiatives	15,642.4	13.5%	5,389.0	6.1%
Total cost of sales	89,855.1	77.5%	70,493.6	79.3%

Smartphone × AIoT

Cost of sales related to our smartphone × AIoT segment increased by 14.0% from RMB65.1 billion in the second quarter of 2024 to RMB74.2 billion in the second quarter of 2025. The following table sets forth our cost of sales by line of our smartphone × AIoT segment in the second quarter of 2025 and the second quarter of 2024:

	Unaudited Three months ended			
	June 30, 2025		June 30, 2024	
	Amount	% of revenue	Amount	% of total revenue
Smartphone × AIoT				
Smartphones	40,299.7	34.8%	40,867.0	46.0%
IoT and lifestyle products	29,990.6	25.9%	21,476.7	24.2%
Internet services	2,242.0	1.9%	1,792.9	2.0%
Other related businesses	1,680.4	1.4%	968.0	1.0%
Total cost of sales of smartphone × AIoT segment	<u>74,212.7</u>	<u>64.0%</u>	<u>65,104.6</u>	<u>73.2%</u>

(i) Smartphones

Cost of sales related to our smartphones decreased by 1.4% from RMB40.9 billion in the second quarter of 2024 to RMB40.3 billion in the second quarter of 2025, primarily due to the decreased sales of our smartphones.

(ii) IoT and lifestyle products

Cost of sales related to our IoT and lifestyle products increased by 39.6% from RMB21.5 billion in the second quarter of 2024 to RMB30.0 billion in the second quarter of 2025, primarily due to the increased sales of our IoT and lifestyle products.

(iii) Internet services

Cost of sales related to our internet services increased by 25.0% from RMB1.8 billion in the second quarter of 2024 to RMB2.2 billion in the second quarter of 2025, primarily due to the increased cost of our advertising business.

(iv) Other related businesses

Cost of sales related to our other related businesses increased by 73.6% from RMB1.0 billion in the second quarter of 2024 to RMB1.7 billion in the second quarter of 2025, primarily due to the increased sales of materials and 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 190.3% from RMB5.4 billion in the second quarter of 2024 to RMB15.6 billion in the second quarter of 2025, primarily due to the increased sales of our smart EV.

Gross Profit and Margin

As a result of the foregoing, our gross profit increased by 41.9% from RMB18.4 billion in the second quarter of 2024 to RMB26.1 billion in the second quarter of 2025. Our gross profit margin increased from 20.7% in the second quarter of 2024 to 22.5% in the second quarter of 2025.

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

	Unaudited Three months ended			
	June 30, 2025		June 30, 2024	
	Gross	Gross	Gross	Gross
profit margin % profit margin % (RMB in millions, unless specified)				
Smartphone × AIoT	20,480.1	21.6%	17,414.4	21.1%
Smart EV, AI and other new initiatives	5,620.9	26.4%	979.8	15.4%
Total gross profit and gross margin	26,101.0	22.5%	18,394.2	20.7%

Smartphone × AIoT

The gross profit margin from our smartphone × AIoT segment increased from 21.1% in the second quarter of 2024 to 21.6% in the second quarter of 2025. The following table sets forth our gross profit and margin by line of our smartphone × AIoT segment in the second quarter of 2025 and the second quarter of 2024:

	Unaudited Three months ended			
	June 30, 2025		June 30, 2024	
	Gross profit	Gross margin %	Gross profit	Gross margin %
(RMB in millions, unless specified)				
Smartphone × AIoT				
Smartphones	5,220.3	11.5%	5,649.4	12.1%
IoT and lifestyle products	8,721.6	22.5%	5,283.6	19.7%
Internet services	6,855.7	75.4%	6,472.7	78.3%
Other related businesses	(317.5)	(23.3)%	8.7	0.9%
Total gross profit and margin of smartphone × AIoT segment	<u>20,480.1</u>	<u>21.6%</u>	<u>17,414.4</u>	<u>21.1%</u>

The gross profit margin from our smartphones decreased from 12.1% in the second quarter of 2024 to 11.5% in the second quarter of 2025, mainly due to the increased competition and higher revenue contribution of products with lower gross profit margin in the overseas markets.

The gross profit margin from our IoT and lifestyle products increased from 19.7% in the second quarter of 2024 to 22.5% in the second quarter of 2025, mainly due to the increased gross profit margin and higher revenue contribution of products with higher gross profit margin, such as wearables and certain lifestyle products in mainland China.

The gross profit margin from our internet services decreased from 78.3% in the second quarter of 2024 to 75.4% in the second quarter of 2025, mainly due to the decreased gross profit margin of our advertising business.

Smart EV, AI and Other New Initiatives

The gross profit margin from our smart EV, AI and other new initiatives segment increased from 15.4% in the second quarter of 2024 to 26.4% in the second quarter of 2025, primarily due to the decrease in cost of key components, lower manufacturing cost per unit, the deliveries of *Xiaomi SU7 Ultra*, as well as the increased gross profit margin of other related businesses.

Operating Expenses

Our operating expenses comprised our research and development expenses, selling and marketing expenses and administrative expenses. Our operating expenses related to our smart EV, AI and other new initiatives segment was RMB5.9 billion in the second quarter of 2025¹³.

Research and Development Expenses

Our research and development expenses increased by 41.2% from RMB5.5 billion in the second quarter of 2024 to RMB7.8 billion in the second quarter of 2025, primarily due to the increase in research and development expenses related to our smart EV, AI and other new initiatives.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 31.9% from RMB5.9 billion in the second quarter of 2024 to RMB7.8 billion in the second quarter of 2025, primarily due to the increase in logistic expenses driven by the increased sales of our smart large home appliances, compensation for selling and marketing personnel, and promotion and advertising expenses related to our smart EV, AI and other new initiatives.

Administrative Expenses

Our administrative expenses increased by 37.6% from RMB1.2 billion in the second quarter of 2024 to RMB1.6 billion in the second quarter of 2025, primarily due to the increase in compensation for administrative personnel and professional service fees.

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 changed from a loss of RMB0.8 billion in the second quarter of 2024 to a gain of RMB3.4 billion in the second quarter of 2025, primarily due to the fair value gains of unlisted preferred shares investments in the second quarter of 2025, compared to the fair value losses of unlisted preferred shares investments in the second quarter of 2024.

¹³ Including share-based compensation expenses of RMB0.4 billion related to our smart EV, AI and other new initiatives segment for the quarter.

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

Our share of net profits of investments accounted for using the equity method increased from RMB86.4 million in the second quarter of 2024 to RMB86.9 million in the second quarter of 2025.

Other Income

Our other income remained stable at RMB0.3 billion in the second quarter of 2025, compared to the second quarter of 2024.

Other Gains, Net

Our other net gains increased by 37.3% from RMB0.5 billion in the second quarter of 2024 to RMB0.8 billion in the second quarter of 2025, primarily due to the change from foreign exchange losses to gains.

Finance Income, Net

Our net finance income increased by 22.2% from RMB0.8 billion in the second quarter of 2024 to RMB1.0 billion in the second quarter of 2025, primarily due to the increase of interest income, partially offset by the change of value of financial liabilities payable to fund investors.

Income Tax Expenses

Our income tax expenses increased by 57.1% from RMB1.6 billion in the second quarter of 2024 to RMB2.5 billion in the second quarter of 2025, primarily due to the increase of taxable profit in the second quarter of 2025.

Profit for the Period

As a result of the foregoing, our profit for the period increased by 134.2% from RMB5.1 billion in the second quarter of 2024 to RMB11.9 billion in the second quarter of 2025.

Adjusted Net Profit

Our adjusted net profit increased by 75.4% from RMB6.2 billion in the second quarter of 2024 to RMB10.8 billion in the second quarter of 2025.

Second Quarter of 2025 Compared to First Quarter of 2025

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

	Unaudited Three months ended	
	June 30, 2025	March 31, 2025
		(RMB in millions)
Revenue	115,956.1	111,293.3
Cost of sales	(89,855.1)	(85,887.4)
Gross profit	26,101.0	25,405.9
Research and development expenses	(7,763.4)	(6,711.7)
Selling and marketing expenses	(7,778.0)	(7,199.8)
Administrative expenses	(1,627.1)	(1,530.1)
Fair value changes on financial instruments measured at fair value through profit or loss	3,363.5	2,827.0
Share of net profits of investments accounted for using the equity method	86.9	63.5
Other income	299.4	161.8
Other gains, net	754.4	108.8
Operating profit	13,436.7	13,125.4
Finance income, net	966.1	42.6
Profit before income tax	14,402.8	13,168.0
Income tax expenses	(2,529.6)	(2,275.3)
Profit for the period	11,873.2	10,892.7
Non-IFRS Measure: Adjusted Net Profit	10,830.7	10,675.6

Revenue

Revenue increased by 4.2% from RMB111.3 billion in the first quarter of 2025 to RMB116.0 billion in the second quarter of 2025. The following table sets forth our revenue by segment in the second quarter of 2025 and the first quarter of 2025:

	Unaudited Three months ended			
	June 30, 2025	March 31, 2025		
	% of total		% of total	
	Amount	revenue	Amount	revenue
	(RMB in millions, unless specified)			
Smartphone × AIoT	94,692.8	81.7%	92,713.2	83.3%
Smart EV, AI and other new initiatives	21,263.3	18.3%	18,580.1	16.7%
Total revenue	<u>115,956.1</u>	<u>100.0%</u>	<u>111,293.3</u>	<u>100.0%</u>

Smartphone × AIoT

Revenue from our smartphone × AIoT segment increased by 2.1% from RMB92.7 billion in the first quarter of 2025 to RMB94.7 billion in the second quarter of 2025. The following table sets forth our revenue by line of our smartphone × AIoT segment in the second quarter of 2025 and the first quarter of 2025:

	Unaudited Three months ended			
	June 30, 2025	March 31, 2025		
	% of total		% of total	
	Amount	revenue	Amount	revenue
	(RMB in millions, unless specified)			
Smartphone × AIoT				
Smartphones	45,520.0	39.3%	50,612.0	45.5%
IoT and lifestyle products	38,712.2	33.4%	32,339.2	29.1%
Internet services	9,097.7	7.8%	9,076.1	8.2%
Other related businesses	1,362.9	1.2%	685.9	0.5%
Total revenue of smartphone × AIoT segment	<u>94,692.8</u>	<u>81.7%</u>	<u>92,713.2</u>	<u>83.3%</u>

(i) Smartphones

Revenue from our smartphones decreased by 10.1% from RMB50.6 billion in the first quarter of 2025 to RMB45.5 billion in the second quarter of 2025, primarily due to the decrease in our smartphone ASP, partially offset by the increase in our smartphone shipments. The ASP of our smartphones decreased by 11.3% from RMB1,210.6 per unit in the first quarter of 2025 to RMB1,073.2 per unit in the second quarter of 2025, primarily due to the higher contribution of smartphone shipments in the overseas markets which carry lower ASP, partially offset by the increased ASP in mainland China. Our smartphone shipments increased by 1.5% from 41.8 million units in the first quarter of 2025 to 42.4 million units in the second quarter of 2025, despite the global smartphone shipments decreased by 2.7% quarter-over-quarter, according to Canalys.

(ii) IoT and lifestyle products

Revenue from our IoT and lifestyle products increased by 19.7% from RMB32.3 billion in the first quarter of 2025 to RMB38.7 billion, a record high, in the second quarter of 2025, primarily due to the increased revenue from smart large home appliances in mainland China.

Revenue from our smart large home appliances increased by 133.7% quarter-over-quarter, primarily due to the increased shipments of our air conditioners in mainland China.

(iii) Internet services

Revenue from our internet services remained stable at RMB9.1 billion in the second quarter of 2025 compared to the first quarter of 2025, primarily due to the increased revenue from our advertising business, partially offset by the decreased revenue from our gaming business.

(iv) Other related businesses

Revenue from our other related businesses increased by 98.7% from RMB0.7 billion in the first quarter of 2025 to RMB1.4 billion in the second quarter of 2025, primarily due to the increased revenue from installation services provided for air conditioners and sales of materials.

Smart EV, AI and Other New Initiatives

Revenue from our smart EV, AI and other new initiatives segment increased by 14.4% from RMB18.6 billion in the first quarter of 2025 to RMB21.3 billion in the second quarter of 2025.

Revenue from our smart EV increased by 14.1% from RMB18.1 billion in the first quarter of 2025 to RMB20.6 billion in the second quarter of 2025, primarily due to the increase in both our vehicle deliveries and ASP. Our vehicle deliveries increased by 7.2% from 75,869 units in the first quarter of 2025 to 81,302 units in the second quarter of 2025 due to the continued ramp-up in our production capacity. The ASP of our smart EV increased by 6.4% from RMB238,301 per unit in the first quarter of 2025 to RMB253,662 per unit in the second quarter of 2025, primarily due to the increased deliveries of *Xiaomi SU7 Ultra* with higher ASP.

Revenue from our other related businesses increased by 27.9% from RMB0.5 billion in the first quarter of 2025 to RMB0.6 billion in the second quarter of 2025, primarily due to the increased revenue from sales of accessories, after-sales services and auto financing services.

Cost of Sales

Our cost of sales increased by 4.6% from RMB85.9 billion in the first quarter of 2025 to RMB89.9 billion in the second quarter of 2025. The following table sets forth our cost of sales by segment in the second quarter of 2025 and the first quarter of 2025:

	Unaudited Three months ended			
	June 30, 2025		March 31, 2025	
	% of total	% of total	Amount	revenue
			(RMB in millions, unless specified)	
Smartphone × AIoT	74,212.7	64.0%	71,612.7	64.4%
Smart EV, AI and other new initiatives	15,642.4	13.5%	14,274.7	12.8%
Total cost of sales	89,855.1	77.5%	85,887.4	77.2%

Smartphone × AIoT

Cost of sales related to our smartphone × AIoT segment increased by 3.6% from RMB71.6 billion in the first quarter of 2025 to RMB74.2 billion in the second quarter of 2025. The following table sets forth our cost of sales by line of our smartphone × AIoT segment in the second quarter of 2025 and the first quarter of 2025:

	Unaudited Three months ended			
	June 30, 2025	March 31, 2025		
	% of total	% of total		
	Amount	revenue	Amount	revenue
				(RMB in millions, unless specified)
Smartphone × AIoT				
Smartphones	40,299.7	34.8%	44,329.3	39.8%
IoT and lifestyle products	29,990.6	25.9%	24,184.4	21.7%
Internet services	2,242.0	1.9%	2,094.3	1.9%
Other related businesses	1,680.4	1.4%	1,004.7	1.0%
Total cost of sales of smartphone × AIoT segment	<u>74,212.7</u>	<u>64.0%</u>	<u>71,612.7</u>	<u>64.4%</u>

(i) Smartphones

Cost of sales related to our smartphones decreased by 9.1% from RMB44.3 billion in the first quarter of 2025 to RMB40.3 billion in the second quarter of 2025, primarily due to the decreased sales of our smartphones.

(ii) IoT and lifestyle products

Cost of sales related to our IoT and lifestyle products increased by 24.0% from RMB24.2 billion in the first quarter of 2025 to RMB30.0 billion in the second quarter of 2025, primarily due to the increased sales of our IoT and lifestyle products.

(iii) Internet services

Cost of sales related to our internet services increased by 7.1% from RMB2.1 billion in the first quarter of 2025 to RMB2.2 billion in the second quarter of 2025, primarily due to the increased cost of our advertising business.

(iv) Other related businesses

Cost of sales related to our other related businesses increased by 67.2% from RMB1.0 billion in the first quarter of 2025 to RMB1.7 billion in the second quarter of 2025, primarily due to the increased sales from installation services provided for air conditioners and sales of materials.

Smart EV, AI and Other New Initiatives

Cost of sales related to our smart EV, AI and other new initiatives segment increased by 9.6% from RMB14.3 billion in the first quarter of 2025 to RMB15.6 billion in the second quarter of 2025, primarily due to the increased sales of our smart EV.

Gross Profit and Margin

As a result of the foregoing, our gross profit increased by 2.7% from RMB25.4 billion in the first quarter of 2025 to RMB26.1 billion in the second quarter of 2025. Our gross profit margin decreased from 22.8% in the first quarter of 2025 to 22.5% in the second quarter of 2025.

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

	Unaudited Three months ended			
	June 30, 2025	March 31, 2025		
	Gross profit	Gross margin %	Gross profit	Gross margin %
(RMB in millions, unless specified)				
Smartphone × AIoT	20,480.1	21.6%	21,100.5	22.8%
Smart EV, AI and other new initiatives	5,620.9	26.4%	4,305.4	23.2%
Total gross profit and gross margin	26,101.0	22.5%	25,405.9	22.8%

Smartphone × AIoT

The gross profit margin from our smartphone × AIoT segment decreased from 22.8% in the first quarter of 2025 to 21.6% in the second quarter of 2025. The following table sets forth our gross profit and margin by line of our smartphone × AIoT segment in the second quarter of 2025 and the first quarter of 2025:

		Unaudited	
		Three months ended	
	June 30, 2025	March 31, 2025	
	Gross profit	Gross margin %	Gross profit
			Gross margin %
Smartphone × AIoT			(RMB in millions, unless specified)
Smartphones	5,220.3	11.5%	6,282.7
IoT and lifestyle products	8,721.6	22.5%	8,154.8
Internet services	6,855.7	75.4%	6,981.8
Other related businesses	(317.5)	(23.3)%	(318.8)
Total gross profit and margin of smartphone × AIoT segment	20,480.1	21.6%	21,100.5
			22.8%

The gross profit margin from our smartphones decreased from 12.4% in the first quarter of 2025 to 11.5% in the second quarter of 2025, mainly due to the enhanced promotional efforts during the 618 e-Commerce Shopping Festival in mainland China, as well as the increased competition and higher revenue contribution of products with lower gross profit margin in the overseas markets.

The gross profit margin from our IoT and lifestyle products decreased from 25.2% in the first quarter of 2025 to 22.5% in the second quarter of 2025, mainly due to the decrease in gross profit margin of smart large home appliances, wearables and tablets resulting from the enhanced promotional efforts during the 618 e-Commerce Shopping Festival in mainland China.

The gross profit margin from our internet services decreased from 76.9% in the first quarter of 2025 to 75.4% in the second quarter of 2025, mainly due to the decreased gross profit margin of our advertising and gaming business.

Smart EV, AI and Other New Initiatives

The gross profit margin from our smart EV, AI and other new initiatives increased from 23.2% in the first quarter of 2025 to 26.4% in the second quarter of 2025, primarily due to the decrease in cost of key components, lower manufacturing cost per unit, as well as the increased deliveries of *Xiaomi SU7 Ultra*.

Operating Expenses

Our operating expenses comprised our research and development expenses, selling and marketing expenses and administrative expenses. Our operating expenses related to our smart EV, AI and other new initiatives segment was RMB5.9 billion in the second quarter of 2025¹⁴.

Research and Development Expenses

Our research and development expenses increased by 15.7% from RMB6.7 billion in the first quarter of 2025 to RMB7.8 billion in the second quarter of 2025, primarily due to the increase in compensation for research and development personnel and higher research and development expenses related to our smart EV, AI and other new initiatives.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 8.0% from RMB7.2 billion in the first quarter of 2025 to RMB7.8 billion in the second quarter of 2025, primarily due to the increase in logistic expenses driven by the increased sales of our smart large home appliances and compensation for selling and marketing personnel.

Administrative Expenses

Our administrative expenses increased by 6.3% from RMB1.5 billion in the first quarter of 2025 to RMB1.6 billion in the second quarter of 2025, primarily due to the increase in compensation for administrative personnel and professional service fees.

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

Our fair value changes on financial instruments measured at fair value through profit or loss increased by 19.0% from a gain of RMB2.8 billion in the first quarter of 2025 to a gain of RMB3.4 billion in the second quarter of 2025, primarily due to the fair value gains of unlisted preferred shares investments in the second quarter of 2025, compared to the fair value losses of unlisted preferred shares investments in the first quarter of 2025, partially offset by the lower fair value gains of listed equity investments in the second quarter of 2025 compared to the first quarter of 2025.

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

Our share of net profits of investments accounted for using the equity method increased from RMB63.5 million in the first quarter of 2025 to RMB86.9 million in the second quarter of 2025.

Other Income

Our other income increased by 85.1% from RMB0.2 billion in the first quarter of 2025 to RMB0.3 billion in the second quarter of 2025, primarily due to the increase of government grants.

¹⁴ Including share-based compensation expenses of RMB0.4 billion related to our smart EV, AI and other new initiatives segment for the quarter.

Other Gains, Net

Our other net gains increased from RMB0.1 billion in the first quarter of 2025 to RMB0.8 billion in the second quarter of 2025, mainly due to the increase of disposal gains of investments accounted for using the equity method.

Finance Income, Net

Our net finance income increased from RMB42.6 million in the first quarter of 2025 to RMB1.0 billion in the second quarter of 2025, primarily due to the increase of interest income and the change of value of financial liabilities payable to fund investors.

Income Tax Expenses

Our income tax expenses increased by 11.2% from RMB2.3 billion in the first quarter of 2025 to RMB2.5 billion in the second quarter of 2025, primarily due to the increase of taxable profit in the second quarter of 2025.

Profit for the Period

As a result of the foregoing, our profit for the period increased by 9.0% from RMB10.9 billion in the first quarter of 2025 to RMB11.9 billion in the second quarter of 2025.

Adjusted Net Profit

Our adjusted net profit increased by 1.5% from RMB10.7 billion in the first quarter of 2025 to RMB10.8 billion in the second quarter of 2025.

Non-IFRS Measure: Adjusted Net Profit

To supplement our consolidated results which are prepared and presented in accordance with all applicable IFRS Accounting Standards issued by the International Accounting Standards Board (“**IFRS Accounting Standards**”), we utilize non-IFRS adjusted net profit (“**Adjusted Net Profit**”) as an additional financial measure. We define Adjusted Net Profit as profit for the period, 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 second quarter of 2025, the first quarter of 2025, the second quarter of 2024 and the first half of 2025 and 2024 to the nearest measures prepared in accordance with IFRS Accounting Standards.

Unaudited								
Three Months Ended June 30, 2025								
	Adjustments							
	Amortization of intangible assets	Changes of value of financial assets	Share-based compensation ⁽¹⁾	changes on investments ⁽²⁾	resulting from acquisitions ⁽³⁾	liabilities to investors ⁽⁴⁾		
As reported						Income tax effects ⁽⁵⁾		
Profit for the period	11,873,163	1,269,615		(2,870,108)	36,002	253,578	268,417	10,830,667
Net margin		10.2%						9.3%
Unaudited								
Three Months Ended March 31, 2025								
	Adjustments							
	Amortization of intangible assets	Changes of value of financial assets	Share-based compensation ⁽¹⁾	changes on investments ⁽²⁾	resulting from acquisitions ⁽³⁾	liabilities to investors ⁽⁴⁾		
As reported						Income tax effects ⁽⁵⁾		
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 June 30, 2024								
	Adjustments							
	Amortization of intangible assets	Changes of value of financial assets	Share-based compensation ⁽¹⁾	changes on investments ⁽²⁾	resulting from acquisitions ⁽³⁾	liabilities to investors ⁽⁴⁾		
As reported						Income tax effects ⁽⁵⁾		
Profit for the period	5,069,669	909,024		629,488	36,002	(280,488)	(188,271)	6,175,424
Net margin		5.7%						6.9%

Unaudited
Six Months Ended June 30, 2025

	Share-based compensation ⁽¹⁾	changes on investments ⁽²⁾	Net fair value resulting from acquisitions ⁽³⁾	Amortization of intangible assets	Changes of value of financial liabilities to investors ⁽⁴⁾	Income tax effects ⁽⁵⁾	Non-IFRS
As reported							
				(RMB in thousand, unless specified)			
Profit for the period	22,765,909	2,363,735	(4,872,245)	72,004	820,911	355,978	21,506,292
Net margin	10.0%						9.5%

Unaudited
Six Months Ended June 30, 2024

	Share-based compensation ⁽¹⁾	changes on investments ⁽²⁾	Net fair value resulting from acquisitions ⁽³⁾	Amortization of intangible assets	Changes of value of financial liabilities to investors ⁽⁴⁾	Income tax effects ⁽⁵⁾	Non-IFRS
As reported							
				(RMB in thousand, unless specified)			
Profit for the period	9,242,881	1,859,270	2,853,149	72,004	(1,045,001)	(315,948)	12,666,355
Net margin	5.6%						7.7%

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 investee companies, the impairment provision for investments, re-measurement impact on loss of significant influence in associates and re-measurement of 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 RMB36.0 billion and cash resources¹⁵ of RMB235.9 billion as of June 30, 2025.

Issuance of Debt Securities

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

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

As of June 30, 2025, no new shares were issued pursuant to conversion of the 2027 Bonds.¹⁶

¹⁵ 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.

¹⁶ In July 2025, 12,112,587 Class B ordinary shares of the Company (the “**Class B Shares**”) were issued pursuant to conversion of the 2027 Bonds.

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

Consolidated Statement of Cash Flows

	Unaudited Three months ended	
	June 30, 2025	March 31, 2025
	(RMB in millions)	
Net cash generated from operating activities ⁽¹⁾	23,545.2	4,509.5
Net cash (used in)/generated from investing activities	(70,049.4)	9,920.8
Net cash (used in)/generated from financing activities ⁽¹⁾	(3,643.1)	38,077.4
Net (decrease)/increase in cash and cash equivalents	(50,147.3)	52,507.7
Cash and cash equivalents at the beginning of the period	86,171.9	33,661.4
Effects of exchange rate changes on cash and cash equivalents	(16.6)	2.8
Cash and cash equivalents at the end of the period	36,008.0	86,171.9

Notes:

(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; (3) the change of restricted cash resulting from the fintech business; and (4) the change of deposits from customers resulting from the Airstar bank, the net cash generated from operating activities was RMB23.7 billion and RMB2.2 billion in the second quarter of 2025 and in the first quarter of 2025, respectively. Excluding the change of borrowings for the finance factoring business, the net cash used in financing activities was RMB3.3 billion in the second quarter of 2025 and the net cash generated from financing activities was RMB38.1 billion in the first quarter of 2025, respectively. The information in this footnote is based on the management accounts of the Group, which have not been audited or reviewed by the Group’s auditor. The accounting policies applied in the preparation of the management accounts are consistent with those used for other figures in this announcement.

Net Cash Generated from Operating Activities

Net cash generated from 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 second quarter of 2025, net cash generated from our operating activities amounted to RMB23.5 billion, representing cash generated from operations of RMB25.2 billion minus income tax paid of RMB1.7 billion. Cash generated from operations was primarily attributable to our profit before income tax of RMB14.4 billion, mainly adjusted by an increase in trade payables of RMB14.4 billion, partially offset by an increase in inventories of RMB6.4 billion.

Net Cash Used in Investing Activities

For the second quarter of 2025, our net cash used in investing activities was RMB70.0 billion, which was primarily attributed to the net increase of term bank deposits of RMB60.6 billion and the net increase of long-term investments measured at fair value through profit or loss of RMB9.1 billion.

Net Cash Used in Financing Activities

For the second quarter of 2025, our net cash used in financing activities was RMB3.6 billion, which was primarily attributed to the net decrease of borrowings of RMB2.0 billion, the distribution to fund investors of RMB1.1 billion and payments of lease liabilities of RMB0.8 billion.

Borrowings

As of June 30, 2025, we had total borrowings of RMB28.9 billion.

Capital Expenditure

	Unaudited	
	Three months ended	
	June 30, 2025	March 31, 2025
	(in millions of RMB)	
Capital expenditures		
Smartphone × AIoT	1,670.1	1,617.3
Smart EV, AI and other new initiatives	<u>3,198.4</u>	<u>1,111.7</u>
Total	<u><u>4,868.5</u></u>	<u><u>2,729.0</u></u>

Off-Balance Sheet Commitments and Arrangements

As of June 30, 2025, we had not entered into any significant off-balance sheet commitments or arrangements.

Investments Held

As of June 30, 2025, we had invested in about 420 companies with an aggregate book value of RMB80.2 billion. In the second quarter of 2025, we recorded a net gain on disposal of investments (after tax) of RMB0.7 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 June 30, 2025 (ii) book value of our stakes in unlisted investee companies accounted for using the equity method and (iii) book value of long-term investments measured at fair value through profit or loss) reached RMB83.0 billion as of June 30, 2025.

The Group did not make or hold any significant investments (including any investment in an investee company with a value of 5% or more of the Group's total assets as of June 30, 2025) during the six months ended June 30, 2025.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

In the second quarter of 2025, we did not conduct any material acquisitions or disposals of subsidiaries, associates or joint ventures.

Employee and Remuneration Policy

As of June 30, 2025, we had 49,021 full-time employees, 46,592 of whom were based in mainland China, primarily at our headquarters in Beijing. As of June 30, 2025, our research and development personnel, totaling 22,641 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 June 30, 2025, 14,471 employees held share-based awards. The total remuneration expenses, including share-based compensation expenses, in the second quarter of 2025 were RMB7.2 billion, representing an increase of 11.0% from the first quarter of 2025.

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 June 30, 2025, our total restricted bank deposits amounted to RMB5.4 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 June 30, 2025. Further details of the contingencies are set out in Note 12 to the financial information.

FINANCIAL INFORMATION

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENTS

For the three months and six months ended June 30, 2025

(Expressed in Renminbi ("RMB"))

	Note	Unaudited Three months ended June 30,		Unaudited Six months ended June 30,	
		2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Revenue	2	115,956,091	88,887,828	227,249,428	164,394,650
Cost of sales	2, 3	(89,855,133)	(70,493,651)	(175,742,560)	(129,170,756)
Gross profit		26,100,958	18,394,177	51,506,868	35,223,894
Research and development expenses	3	(7,763,377)	(5,497,729)	(14,475,085)	(10,657,116)
Selling and marketing expenses	3	(7,777,971)	(5,899,052)	(14,977,788)	(11,380,099)
Administrative expenses	3	(1,627,144)	(1,182,524)	(3,157,238)	(2,705,531)
Fair value changes on financial instruments measured at fair value through profit or loss	6	3,363,497	(849,410)	6,190,519	(2,075,902)
Share of net profits of investments accounted for using the equity method		86,864	86,385	150,395	241,776
Other income		299,446	287,246	461,212	444,653
Other gains, net		754,446	549,628	863,243	480,084
Operating profit		13,436,719	5,888,721	26,562,126	9,571,759
Finance income		1,478,526	876,875	2,482,491	1,896,310
Finance costs		(512,462)	(86,211)	(1,473,866)	433,694
Profit before income tax		14,402,783	6,679,385	27,570,751	11,901,763
Income tax expenses	4	(2,529,620)	(1,609,716)	(4,804,842)	(2,658,882)
Profit for the period		11,873,163	5,069,669	22,765,909	9,242,881
Attributable to:					
— Owners of the Company		11,904,405	5,098,002	22,828,726	9,280,063
— Non-controlling interests		(31,242)	(28,333)	(62,817)	(37,182)
		11,873,163	5,069,669	22,765,909	9,242,881
Earnings per share (expressed in RMB per share):	5				
Basic		0.46	0.21	0.90	0.37
Diluted		0.45	0.20	0.87	0.36

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three months and six months ended June 30, 2025
(Expressed in RMB)

	Unaudited Three months ended June 30, 2025 RMB'000		Unaudited Six months ended June 30, 2025 RMB'000	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Profit for the period	11,873,163	5,069,669	22,765,909	9,242,881
Other comprehensive (loss)/income:				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Share of other comprehensive income/(loss) of investments accounted for using the equity method	4,666	757	13,395	(12,508)
Transfer from other comprehensive (income)/loss to profit or loss upon disposal and deemed disposal of investments accounted for using the equity method	(2,256)	2,876	(2,256)	2,876
Net gains/(losses) from changes in fair value of financial assets at fair value through other comprehensive income	23,776	(11,434)	56,278	(16,362)
Currency translation differences	(112,140)	108,937	(70,286)	142,177
<i>Item that will not be reclassified subsequently to profit or loss</i>				
Currency translation differences	(199,805)	179,477	(263,393)	253,666
Other comprehensive (loss)/income for the period, net of tax	(285,759)	280,613	(266,262)	369,849
Total comprehensive income for the period	11,587,404	5,350,282	22,499,647	9,612,730
Attributable to:				
— Owners of the Company	11,633,637	5,383,867	22,580,000	9,655,013
— Non-controlling interests	(46,233)	(33,585)	(80,353)	(42,283)
	11,587,404	5,350,282	22,499,647	9,612,730

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

As of June 30, 2025

(Expressed in RMB)

	Note	Unaudited As of June 30, 2025 RMB'000	Audited As of December 31, 2024 RMB'000
Assets			
Non-current assets			
Property, plant and equipment		22,212,155	18,087,583
Intangible assets		7,937,987	8,152,721
Investments accounted for using the equity method		6,034,029	6,151,055
Long-term investments measured at fair value through profit or loss	6	74,162,523	62,112,188
Deferred income tax assets		2,710,583	2,781,982
Term bank deposits		94,313,995	58,520,305
Long-term investments measured at amortized cost	6	10,658,560	3,219,462
Other non-current assets		19,867,964	18,421,227
		237,897,796	177,446,523
Current assets			
Inventories	8	65,825,475	62,509,682
Trade and notes receivables	7	18,845,260	14,588,579
Loan receivables		11,111,847	12,261,490
Prepayments and other receivables		30,306,542	29,100,116
Bills receivables measured at fair value through other comprehensive income		184,110	1,255,767
Short-term investments measured at fair value through other comprehensive income	6	1,473,109	1,681,062
Short-term investments measured at amortized cost	6	—	700,163
Short-term investments measured at fair value through profit or loss	6	17,420,176	28,123,777
Term bank deposits		57,033,640	36,350,271
Restricted cash		5,411,773	5,476,417
Cash and cash equivalents		36,008,030	33,661,442
		243,619,962	225,708,766
Total assets		481,517,758	403,155,289

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

As of June 30, 2025

(Expressed in RMB)

	Note	Unaudited As of June 30, 2025 RMB'000	Audited As of December 31, 2024 RMB'000
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital		425	407
Reserves		252,473,281	188,737,370
		<hr/>	<hr/>
		252,473,706	188,737,777
Non-controlling interests		<hr/>	<hr/>
		386,989	467,342
Total equity		<hr/>	<hr/>
		252,860,695	189,205,119
Liabilities			
Non-current liabilities			
Borrowings	9	18,271,941	17,275,721
Deferred income tax liabilities		1,933,737	1,282,196
Provisions		2,187,132	1,695,063
Other non-current liabilities		17,935,260	18,312,200
		<hr/>	<hr/>
		40,328,070	38,565,180
Current liabilities			
Trade payables	10	108,393,324	98,280,585
Other payables and accruals		38,457,592	36,372,035
Advance from customers		19,363,377	16,581,252
Borrowings	9	10,640,895	13,327,297
Income tax liabilities		3,703,966	3,822,134
Provisions		7,769,839	7,001,687
		<hr/>	<hr/>
		188,328,993	175,384,990
Total liabilities		<hr/>	<hr/>
		228,657,063	213,950,170
Total equity and liabilities		<hr/>	<hr/>
		481,517,758	403,155,289

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended June 30, 2025

(Expressed in RMB)

	Unaudited	
	Six months ended June 30, 2025	2024
	RMB'000	RMB'000
Net cash generated from operating activities	28,054,740	2,530,575
Net cash (used in)/generated from investing activities	(60,128,639)	2,709,078
Net cash generated from financing activities	<u>34,434,304</u>	455,300
Net increase in cash and cash equivalents	2,360,405	5,694,953
Cash and cash equivalents at the beginning of the period	33,661,442	33,631,313
Effects of exchange rate changes on cash and cash equivalents	(13,817)	9,554
Cash and cash equivalents at the end of the period	<u>36,008,030</u>	<u>39,335,820</u>

1 Basis of preparation

The condensed consolidated interim financial information comprises the interim condensed consolidated balance sheet as of June 30, 2025, the interim condensed consolidated income statements and the interim condensed consolidated statements of comprehensive income for the three-month and six-month periods then ended, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-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, 2024 which have been prepared in accordance with all applicable IFRS Accounting Standards issued by the IASB (“**IFRS Accounting Standards**”) as set out in the 2024 annual report of the Company dated March 18, 2025 (the “**2024 Financial Statements**”), and any public announcement made by the Company during the six months ended June 30, 2025 (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 2024 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 June 30, 2025.

2 Segment information

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 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 and six months ended June 30, 2025 and 2024. 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 for the three months and six months ended June 30, 2025 and 2024 are as follows:

	Three months ended June 30, 2025						
	Smartphone × AIoT			Other	Subtotal	Smart	
	Smartphones	IoT and	Internet	related		EV, AI and	
	RMB'000	products	services	businesses	RMB'000	other new	
(Unaudited)							
Segment revenues	45,520,009	38,712,153	9,097,747	1,362,918	94,692,827	21,263,264	115,956,091
Cost of sales	(40,299,755)	(29,990,611)	(2,241,978)	(1,680,364)	(74,212,708)	(15,642,425)	(89,855,133)
Gross profit/(loss)	<u>5,220,254</u>	<u>8,721,542</u>	<u>6,855,769</u>	<u>(317,446)</u>	<u>20,480,119</u>	<u>5,620,839</u>	<u>26,100,958</u>

	Three months ended June 30, 2024						
	Smartphone × AIoT			Other	Subtotal	Smart	
	Smartphones	IoT and	Internet	related		EV, AI and	
	RMB'000	products	services	businesses	RMB'000	other new	
(Unaudited)							
Segment revenues	46,516,412	26,760,314	8,265,611	976,674	82,519,011	6,368,817	88,887,828
Cost of sales	(40,866,952)	(21,476,717)	(1,792,924)	(968,026)	(65,104,619)	(5,389,032)	(70,493,651)
Gross profit	<u>5,649,460</u>	<u>5,283,597</u>	<u>6,472,687</u>	<u>8,648</u>	<u>17,414,392</u>	<u>979,785</u>	<u>18,394,177</u>

	Six months ended June 30, 2025						
	Smartphone × AIoT			Other	Subtotal	Smart	
	Smartphones	IoT and	Internet	related		EV, AI and	
	RMB'000	products	services	businesses	RMB'000	other new	
(Unaudited)							
Segment revenues	96,131,961	71,051,387	18,173,844	2,048,907	187,406,099	39,843,329	227,249,428
Cost of sales	(84,629,056)	(54,174,977)	(4,336,235)	(2,685,135)	(145,825,403)	(29,917,157)	(175,742,560)
Gross profit/(loss)	<u>11,502,905</u>	<u>16,876,410</u>	<u>13,837,609</u>	<u>(636,228)</u>	<u>41,580,696</u>	<u>9,926,172</u>	<u>51,506,868</u>

	Six months ended June 30, 2024						
	Smartphone × AIoT			Other	Subtotal	Smart	
	Smartphones	IoT and	Internet	related		EV, AI and	
	RMB'000	products	services	businesses	RMB'000	other new	
(Unaudited)							
Segment revenues	92,996,160	47,133,803	16,313,994	1,555,844	157,999,801	6,394,849	164,394,650
Cost of sales	(80,467,477)	(37,802,769)	(3,865,942)	(1,622,779)	(123,758,967)	(5,411,789)	(129,170,756)
Gross profit/(loss)	<u>12,528,683</u>	<u>9,331,034</u>	<u>12,448,052</u>	<u>(66,935)</u>	<u>34,240,834</u>	<u>983,060</u>	<u>35,223,894</u>

For the three months and six months ended June 30, 2025 and 2024, the geographical information on the total revenues is as follows:

	Three months ended June 30,			Six months ended June 30,			%
	2025		2024	2025		2024	
	RMB'000 (Unaudited)	%	RMB'000 (Unaudited)	%	RMB'000 (Unaudited)	RMB'000 (Unaudited)	
Mainland China	79,265,167	68.4	50,812,668	57.2	152,333,838	67.0	88,446,741
Rest of the world (Note (a))	36,690,924	31.6	<u>38,075,160</u>	42.8	74,915,590	33.0	<u>75,947,909</u>
	<u>115,956,091</u>		<u>88,887,828</u>		<u>227,249,428</u>		<u>164,394,650</u>

Note:

- (a) Revenues outside mainland China are mainly from Europe and India.

The following table shows inventory information by reportable segment as of June 30, 2025 and December 31, 2024.

	As of June 30, 2025		As of December 31, 2024	
	RMB'000 (Unaudited)	RMB'000 (Audited)	RMB'000 (Unaudited)	RMB'000 (Audited)
Smartphone × AIoT			61,709,955	60,905,907
Smart EV, AI and other new initiatives			4,115,520	1,603,775
			<u>65,825,475</u>	<u>62,509,682</u>

3 Expenses by nature

	Three months ended June 30,		Six months ended June 30,	
	2025		2024	
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Cost of inventories sold and royalty fees	82,758,193	64,865,246	162,477,261	118,629,191
Provision for impairment of inventories	1,838,328	1,705,256	3,168,300	2,946,746
Employee benefit expenses	7,235,802	5,358,712	13,765,515	10,549,089
Depreciation of property, plant and equipment, right-of-use assets and investment properties	1,222,019	816,293	2,281,939	1,620,006
Amortization of intangible assets	787,574	596,037	1,510,516	1,186,647
Promotion and advertising expenses	1,898,896	1,686,913	3,898,768	3,796,722
Warranty expenses	1,220,430	1,140,326	2,656,870	2,177,493

4 Income tax expenses

The income tax expenses of the Group during the three months and six months ended June 30, 2025 and 2024 are analyzed as follows:

	Three months ended June 30, 2025 RMB'000 (Unaudited)		Six months ended June 30, 2025 RMB'000 (Unaudited)	
	2024 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current income tax	1,883,675	1,626,168	4,052,189	3,023,132
Deferred income tax	645,945	(16,452)	752,653	(364,250)
Income tax expenses	2,529,620	1,609,716	4,804,842	2,658,882

5 Earnings per share

(a) Basic

Basic earnings per share for the three months and six months ended June 30, 2025 and 2024 are calculated by dividing the profit attributable to the Company's owners by the weighted average number of ordinary shares in issue during the periods and excluding treasury shares.

	Three months ended June 30, 2025 (Unaudited)		Six months ended June 30, 2025 (Unaudited)	
	2024 (Unaudited)	2024 (Unaudited)	2024 (Unaudited)	2024 (Unaudited)
Net profit attributable to the owners of the Company (RMB'000)	11,904,405	5,098,002	22,828,726	9,280,063
Weighted average number of ordinary shares in issue (thousand shares)	25,843,221	24,833,808	25,405,288	24,816,068
Basic earnings per share (expressed in RMB per share)	0.46	0.21	0.90	0.37

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	Three months ended June 30, 2025 (Unaudited)	2024 (Unaudited)	Six months ended June 30, 2025 (Unaudited)	2024 (Unaudited)
Net profit attributable to the owners of the Company (RMB'000)	11,904,405	5,098,002	22,828,726	9,280,063
Add: Interest expense on convertible bonds (RMB'000)	63,015	—	125,226	—
Net profit attributable to the owners of the Company for calculation of diluted earnings per share (RMB'000)	11,967,420	5,098,002	22,953,952	9,280,063
Weighted average number of ordinary shares in issue (thousand shares)	25,843,221	24,833,808	25,405,288	24,816,068
Adjustments for RSUs and share options (thousand shares)	767,760	614,884	821,773	608,632
Adjustments for convertible bonds (thousand shares)	180,389	—	180,418	—
Weighted average number of ordinary shares for calculation of diluted earnings per share (thousand shares)	26,791,370	25,448,692	26,407,479	25,424,700
Diluted earnings per share (expressed in RMB per share)	0.45	0.20	0.87	0.36

6 Investments

	As of June 30, 2025 RMB'000 (Unaudited)	As of December 31, 2024 RMB'000 (Audited)
Current assets		
Short-term investments measured at		
— Amortized cost	—	700,163
— Fair value through other comprehensive income	1,473,109	1,681,062
— Fair value through profit or loss	17,420,176	28,123,777
	18,893,285	30,505,002
Non-current assets		
Long-term investments measured at amortized cost	10,658,560	3,219,462
Long-term investments measured at fair value through profit or loss		
— Ordinary shares investments	15,689,526	14,401,979
— Preferred shares investments	34,715,726	33,537,891
— Treasury investments	20,018,217	10,339,549
— Other investments	3,739,054	3,832,769
	84,821,083	65,331,650

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

	Three months ended June 30,		Six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Long-term investments measured at fair value through profit or loss				
— Ordinary shares investments	1,336,721	(69,550)	3,818,026	(1,661,104)
— Preferred shares investments	2,027,450	(874,830)	2,009,707	(676,743)
— Treasury and other investments	(51,155)	7,701	124,596	97,891
Short-term investments measured at fair value through profit or loss	131,843	86,934	272,003	209,318
	3,444,859	(849,745)	6,224,332	(2,030,638)

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 June 30, 2025 RMB'000 (Unaudited)	As of December 31, 2024 RMB'000 (Audited)
Trade and notes receivables		
Up to 3 months	14,514,856	12,652,651
3 to 6 months	2,731,104	851,454
6 months to 1 year	841,137	526,725
1 to 2 years	331,394	224,018
Over 2 years	956,546	875,784
	19,375,037	15,130,632
Less: credit loss allowance	(529,777)	(542,053)
	18,845,260	14,588,579

8 Inventories

	As of June 30, 2025 RMB'000 (Unaudited)	As of December 31, 2024 RMB'000 (Audited)
Raw materials	17,269,373	14,321,504
Finished goods	40,934,783	40,837,606
Work in progress	5,776,724	5,446,620
Spare parts	3,851,053	3,800,223
Others	614,374	579,858
	<hr/>	<hr/>
	68,446,307	64,985,811
Less: provision for impairment (Note (a))	<hr/> (2,620,832)	<hr/> (2,476,129)
	<hr/> 65,825,475	<hr/> 62,509,682

Note:

- (a) During the three months and six months ended June 30, 2025, the Group incurred inventory impairment provision approximately RMB1,838,328,000 and RMB3,168,300,000, respectively (2024: RMB1,705,256,000 and RMB2,946,746,000, respectively) and transferred out of such provision upon the sales of inventories approximately RMB2,123,830,000 and RMB3,023,597,000, respectively (2024: RMB1,611,579,000 and RMB2,564,538,000, respectively).

9 Borrowings

	As of June 30, 2025 RMB'000 (Unaudited)	As of December 31, 2024 RMB'000 (Audited)
Included in non-current liabilities		
Secured borrowings	1,790,817	1,827,365
Unsecured borrowings	<hr/> 16,481,124	<hr/> 15,448,356
	<hr/> 18,271,941	<hr/> 17,275,721
Included in current liabilities		
Secured borrowings	73,094	73,094
Unsecured borrowings	5,145,070	7,893,845
Convertible bonds	<hr/> 5,422,731	<hr/> 5,360,358
	<hr/> 10,640,895	<hr/> 13,327,297

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 June 30, 2025	As of December 31, 2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Up to 3 months	95,883,187	68,064,824
3 to 6 months	5,243,564	18,694,125
6 months to 1 year	4,125,086	9,035,928
1 to 2 years	1,997,579	1,626,560
Over 2 years	1,143,908	859,148
	<u>108,393,324</u>	<u>98,280,585</u>

11 Dividends

No dividends have been paid or declared by the Company during the three months and six months ended June 30, 2025 and 2024.

12 Contingencies

The Group, in the ordinary course of its business, is involved in various claims, lawsuits, and legal proceedings that arise from time to time. Since December 2021, Xiaomi Technology India Private Limited (“**Xiaomi India**”) 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 has been attached and thereby India Rupees (“**INR**”) 47,876,962,000 (equivalent to RMB4,020,707,000) has been considered as restrictive as of June 30, 2025 (December 31, 2024: INR47,042,193,000 (equivalent to RMB4,016,462,000)). The cases are currently in the hearing stages and not yet concluded.

Management assessed the aforesaid matters related to Xiaomi India, after taking into considerations of opinions from professional advisors, it is concluded that Xiaomi India has valid grounds to respond to the relevant Indian authorities. The Group, hence, has not made any material provision as of June 30, 2025 pertaining to these matters.

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

OTHER INFORMATION

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

During the six months ended June 30, 2025 and up to the date of this announcement, the Company repurchased a total of 6,829,800 Class B Shares on the Stock Exchange at an aggregate consideration of approximately HK\$224,943,300 (the “**Shares Repurchased**”) to enhance the shareholder value in the long run. Particulars of the Shares Repurchased are as follows:

Month of Repurchase	No. of Shares Repurchased	Price paid per share		Aggregate Consideration (approximately) (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
January	<u>6,829,800</u>	33.65	32.60	<u>224,943,300</u>
Total	<u>6,829,800</u>			<u>224,943,300</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 six months ended June 30, 2025 and up to the date of this announcement, the number of Class B Shares in issue (excluding treasury shares) was reduced by 6,829,800 shares as a result of the repurchase of 6,829,800 Class B Shares in January 2025, which were subsequently cancelled on March 6, 2025. A total of 1,228,325 Class A Shares were converted into Class B Shares on a one-to-one ratio on March 6, 2025, of which Mr. Lei Jun, through Smart Mobile Holdings Limited, converted 1,106,241 Class A Shares and Mr. Lin Bin, through Apex Star LLC, converted 122,084 Class A Shares.

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

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange (including sale of treasury shares) during the six months ended June 30, 2025 and up to the date of this announcement.

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 during the six months ended June 30, 2025.

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

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 and six months ended June 30, 2025. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members and the external auditor of the Company, PricewaterhouseCoopers.

Material Litigation

As of June 30, 2025, the Company was not involved in any material litigation or arbitration, nor were the Directors aware of any material litigation or claims that were pending or threatened against the Company.

Interim Dividend

The Board has resolved not to declare an interim dividend for the six months ended June 30, 2025.

Events after June 30, 2025

Save as disclosed in this announcement, there have been no other significant events that might affect the Group after June 30, 2025 and up to the date of this announcement.

Publication of the Interim Results Announcement and Interim Report

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

By order of the Board
Xiaomi Corporation
Lei Jun
Chairman

Hong Kong, August 19, 2025

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.