

## Supplemental Listing Document

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**Non-collateralised warrants**  
**20,000,000 European Style Cash Settled Call Warrants**  
**relating to the HKD traded ordinary Class B shares of Xiaomi Corporation**  
**issued by**



**Macquarie Bank Limited**  
(ABN 46 008 583 542)  
(Incorporated under the laws of Australia)

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**Issue Price: SGD 0.204 per Warrant**

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This document is published for the purpose of obtaining a listing of all the above warrants (the “**Warrants**”) to be issued by Macquarie Bank Limited (the “**Issuer**”, “**Macquarie Bank**”, “**we**” or “**us**”) and is supplemental to and should be read in conjunction with a base listing document published on 5 June 2025 (the “**Base Listing Document**”) for the purpose of giving information with regard to the Issuer and the Warrants. Information relating to Xiaomi Corporation (the “**Company**”) is contained in this document.

This document does not constitute or form part of any offer, or invitation, to subscribe for or to sell, or solicitation of any offer to subscribe for or to purchase, Warrants or other securities of the Issuer, nor is it calculated to invite, nor does it permit the making of, offers by the public to subscribe for or purchase for cash or other consideration Warrants or other securities of the Issuer. Restrictions have been imposed on offers and sales of the Warrants and on distributions of documents relating thereto in Singapore, the U.S., the United Kingdom, Hong Kong and Australia (see Base Listing Document).

**Investors are warned that the price of the Warrants may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. Prospective purchasers should therefore ensure that they understand the nature of the Warrants and carefully study the risk factors set out in this document before they invest in the Warrants.**

**The Warrants constitute direct, general and unsecured contractual obligations of the Issuer and of no other person, including those in respect of deposits, but excluding any debts for the time being preferred by law and any subordinated obligations and if you purchase the Warrants you are relying upon the creditworthiness of the Issuer and have no rights under the Warrants against the Company.**

**The Issuer is regulated as an authorised deposit taking institution by the Australian Prudential Regulation Authority (“APRA”). The Issuer, acting through its Singapore branch is authorised and licensed by the Monetary Authority of Singapore to carry on wholesale banking business in Singapore pursuant to the Banking Act 1970 of Singapore and therefore is subject to the supervision of the Monetary Authority of Singapore.**

17 October 2025

Application has been made to the SGX-ST for permission to deal in and for quotation of the Warrants and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Warrants. It is expected that dealings in the Warrants will commence on 21 October 2025.

Warrants are complex instruments and are not suitable for inexperienced investors. Investors should also have sufficient financial resources and liquidity to bear all of the risks of an investment in the Warrants. Prospective purchasers should not invest in Warrants which are complex financial instruments unless they have the expertise (either alone or with a financial adviser) to evaluate how the Warrants will perform under changing conditions, the resulting effects on the value of the Warrants and the impact this investment will have on the potential investor's overall investment portfolio.

Subject as set out below, the Issuer accepts full responsibility for the accuracy of the information contained in this document and the Base Listing Document in relation to itself and the Warrants. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this document and the Base Listing Document for which it accepts responsibility (subject as set out below in respect of the information contained herein with regard to the Company) is in accordance with the facts and is not limited by anything likely to affect the import of such information. The information contained herein with regard to the Company consists of extracts from information released publicly. The Issuer accepts responsibility for accurately reproducing such extracts but accept no further or other responsibility in respect of such information.

Neither the delivery of this document nor any sale made hereunder shall create any implication that there has been no change in the affairs of the Issuer, and its subsidiaries and affiliates since the date hereof. No person has been authorised to give any information or to make any representations other than those contained in this document in connection with the offering of the Warrants, and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer.

This document does not constitute an offer or invitation by or on behalf of the Issuer to purchase or subscribe for any of the Warrants. The distribution of this document and the offering of the Warrants may, in certain jurisdictions, be restricted by law. The Issuer requires persons into whose possession this document comes to inform themselves of and observe all such restrictions.

The Warrants have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). Warrants, or interests therein, may not at any time be offered, sold, resold or delivered within the U.S. or to, or for the account or benefit of, U.S. persons and any offer, sale, resale or delivery made within the U.S. or to, or for the account or benefit of, a U.S. person will not be recognised. A further description of certain restrictions on offering and sale of the Warrants and distribution of this document is given in the section headed "Sales Restrictions" in the Base Listing Document.

The SGX-ST has made no assessment of, nor taken any responsibility for, the financial soundness of the Issuer or the merits of investing in the Warrants, nor have they verified the accuracy or the truthfulness of statements made or opinions expressed in this document.

The Issuer or its affiliates may repurchase Warrants at any time and any Warrant which is repurchased may be offered from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer. Investors should not therefore make any assumption as to the number of Warrants in issue at any time.

References in this document to the "**Conditions**" shall mean references to the Terms and Conditions of the European Style Cash Settled Call Warrants contained in the Base Listing Document. Terms not defined herein shall have the meanings ascribed thereto in the Conditions.

## TERMS AND CONDITIONS OF THE WARRANTS

*The following are the terms and conditions of the Warrants and should be read in conjunction with, and are qualified by reference to, the other information set out in this document and the base listing document dated 5 June 2025 as amended by the addendums dated 1 November 2024 and 9 May 2025 (the “**Base Listing Document**”).*

The Conditions are set out in the section headed “Terms and Conditions of the European Style Cash Settled Call Warrants” in the Base Listing Document. For the purposes of the Conditions, the following terms shall have the following meanings:

Warrants:	20,000,000 European Style Cash Settled Call Warrants relating to the HKD traded ordinary Class B shares (“ <b>Shares</b> ”) of the Company
Company:	Xiaomi Corporation (Reuters Instrument Code: 1810.HK)
Conversion Ratio (number of Shares per Warrant):	0.083333 (i.e. every 12 Warrants initially relate to 1 Share)
Underlying Price <sup>1</sup> and Source:	HKD 48.800 (out of the money) (Reuters/Bloomberg)
Exercise Price:	HKD 60.000
Gearing <sup>1</sup> :	3.3x
Premium <sup>1</sup> :	53%
Volatility <sup>1</sup> :	Implied: 140% Historical: 43%
Launch Date:	14 October 2025
Closing Date:	17 October 2025
Dealing Commencement Date:	21 October 2025
Last Trading Date:	The 5th Business Day immediately preceding the Expiry Date, provided that if such day is not a day on which The Stock Exchange of Hong Kong Limited (“ <b>HKEX</b> ”) is open for dealings during its normal trading hours (“HK Business Day”), the Business Day immediately preceding such day which is also a HK Business Day, currently being 26 March 2026
Expiry Date:	02 April 2026
Board Lot:	100 Warrants

<sup>1</sup> These figures are calculated as at, and based on information available to the Issuer on or about, the date of the termsheet in respect of the Warrants. The Issuer is not obliged, and undertakes no responsibility to any person, to update or inform any person of any changes to the figures after the date of the termsheet in respect of the Warrants.

Valuation Date: Each of the five Exchange Business Days immediately preceding the Expiry Date (subject to Market Disruption Events as set out in the Conditions of the Warrants)

Exercise: Warrantheolders shall not be required to deliver an exercise notice. Exercise of Warrants shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Warrants shall be deemed to have been automatically exercised at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day). The Cash Settlement Amount less the Exercise Expenses in respect of the Warrants shall be paid in the manner set out in Condition 4(c) of the Warrants. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero or negative, all Warrants shall be deemed to have expired at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day) and Warrantheolders shall not be entitled to receive any payment from the Issuer in respect of the Warrants.

Cash Settlement Amount: In respect of each Warrant, shall be an amount (if positive) payable in the Settlement Currency equal to the Exchange Rate multiplied by:

(A) (i) the arithmetic mean of the closing prices of one Share (as derived from the daily publications of the Relevant Stock Exchange, subject to any adjustments to such closing prices determined by the Issuer to be necessary to reflect any capitalisation, rights issue, distribution or the like) for each Valuation Date LESS (ii) the Exercise Price MULTIPLIED by (B) the Conversion Ratio

In certain circumstances, the Conversion Ratio and the Exercise Price will be adjusted as set out in Condition 6 of the Warrants.

Exchange Rate: The rate of exchange for the conversion of the Reference Currency to the Settlement Currency as at 5:00 p.m. (Singapore time) on the Expiry Date as shown on Bloomberg provided that if the Bloomberg service ceases to display such information, such page as displays such information on such other services as may be selected by the Issuer.

Reference Currency: Hong Kong dollars

Settlement Currency: Singapore dollars

The Shares are traded in Hong Kong dollars on HKEX. However, the Warrants will be issued and traded in Singapore dollars on the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

Exercise Expenses: Warranholders will be required to pay all charges (including any taxes if applicable) which are incurred in respect of the exercise of the Warrants.

Relevant Stock Exchange: HKEX

Clearing System: The Central Depository (Pte) Limited (“**CDP**”)

Fees and Charges: Normal transaction and brokerage fees shall apply to the trading of the Warrants on the SGX-ST.

In addition, the Conditions have been modified as follows:

Reference to “Business Day” in Condition 2 shall be replaced by “Exchange Business Day”.

“**Exchange Business Day**” shall be a day on which the HKEX is open for dealings in Hong Kong during its normal trading hours.

*The Conditions set out in the section headed “Terms and Conditions of the European Style Cash Settled Call Warrants” in the Base Listing Document are set out below. This section is qualified in its entirety by reference to the detailed information appearing elsewhere in this document which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions set out below, replace or modify the relevant Conditions for the purpose of the Warrants.*

## TERMS AND CONDITIONS OF THE EUROPEAN STYLE CASH SETTLED CALL WARRANTS

### 1. Form, Status, Transfer and Title

- (a) *Form.* The Warrants (which expression shall, unless the context otherwise requires, include any further warrants issued pursuant to Condition 11) are issued subject to and with the benefit of:
- (i) a master instrument by way of deed poll (the “**Master Instrument**”) dated 15 July 2022, made by Macquarie Bank Limited (the “**Issuer**”); and
  - (ii) a master warrant agent agreement (the “**Warrant Agent Agreement**”) dated 26 November 2004 and such other Warrant Agent Agreement as may be in force from time to time, made between the Issuer and the Warrant Agent for the Warrants.

Copies of the Master Instrument and the Warrant Agent Agreement are available for inspection at the specified office of the Warrant Agent.

The Warrantholders (as defined below) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Master Instrument and the Warrant Agent Agreement.

- (b) *Status.* The Warrants constitute direct, general and unsecured contractual obligations of the Issuer and rank, and will rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for statutorily preferred exceptions). The Warrants provide for cash settlement on exercise.
- (c) *Transfer.* The Warrants are represented by a global warrant certificate (“**Global Warrant**”) which will be deposited with The Central Depository (Pte) Limited (“**CDP**”). Warrants in definitive form will not be issued. Transfers of Warrants may be effected only in Board Lots or integral multiples thereof. All transactions in (including transfers of) Warrants, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records maintained by CDP.
- (d) *Title.* Each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Warrants shall be treated by the Issuer and the Warrant Agent as the holder and absolute owner of such number of Warrants, notwithstanding any notice to the contrary. The expression “**Warrantholder**” shall be construed accordingly.

### 2. Warrant Rights and Exercise Expenses

- (a) *Warrant Rights.* Every Warrant entitles each Warrantholder, upon due exercise and on compliance with Condition 4, to payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4.

The "**Cash Settlement Amount**", in respect of each Warrant, shall be an amount (if positive) payable in the Settlement Currency equal to:

(A) (i) the arithmetic mean of the closing prices of one Share (as derived from the daily publications of the relevant stock exchange on which the Shares related to the Warrants are traded ("**Relevant Stock Exchange**") (as specified in the relevant Supplemental Listing Document), subject to any adjustments to such closing prices determined by the Issuer to be necessary to reflect any capitalisation, rights issue, distribution or the like) for each Valuation Date (as defined below) LESS (ii) the Exercise Price for the time being MULTIPLIED by (B) the Conversion Ratio,

and multiplied by the applicable exchange rate if the Reference Currency is different from the Settlement Currency.

If the Issuer determines, in its sole discretion, that on any Valuation Date a Market Disruption Event (as defined below) has occurred, then that Valuation Date shall be postponed until the first succeeding Business Day (as defined below) on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the two Business Days immediately following the original date that, but for the Market Disruption Event, would have been a Valuation Date. In that case:

- (A) that second Business Day shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event; and
- (B) the Issuer shall determine the closing price on the basis of its good faith estimate of the bid price that would have prevailed on that second Business Day but for the Market Disruption Event.

If the postponement of a Valuation Date as aforesaid would result in a Valuation Date falling on or after the Expiry Date, then (1) the Business Day immediately preceding the Expiry Date (the "**Last Valuation Date**") shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event and (2) the Issuer shall determine the closing price on the basis of its good faith estimate of the bid price that would have prevailed on the Last Valuation Date but for the Market Disruption Event.

"**Conversion Ratio**" means the ratio (expressed as the number of Shares to which one Warrant relates) specified by the Issuer, subject to adjustments in accordance with these Conditions.

"**Market Disruption Event**" means the occurrence or existence on any Valuation Date of (i) any suspension of trading on the Relevant Stock Exchange of the Shares requested by the Company if that suspension, is in the determination of the Issuer, material, (ii) any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the Relevant Stock Exchange or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) on the Relevant Stock Exchange in the Shares if that suspension or limitation is, in the determination of the Issuer, material, or (iii) the closing of the Relevant Stock Exchange or a disruption to

trading on the Relevant Stock Exchange if that disruption, is in the determination of the Issuer, material as a result of the occurrence of any act of God, war, riot, public disorder, explosion, terrorism or otherwise.

“**Valuation Date**” means, with respect to the exercise of Warrants, and subject as provided above in relation to a Market Disruption Event, each of the five Business Days immediately preceding the Expiry Date relating to such exercise.

- (b) *Exercise Expenses.* Warrantheolders will be required to pay all charges (including any taxes if applicable) which are incurred in respect of the exercise of the Warrants (the “**Exercise Expenses**”). An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount in accordance with Condition 4. Notwithstanding the foregoing, the Warrantheolders shall account to the Issuer on demand for any Exercise Expenses to the extent that they were not or could not be deducted from the Cash Settlement Amount prior to the date of payment of the Cash Settlement Amount to the Warrantheolders in accordance with Condition 4.

### 3. Expiry Date

Unless automatically exercised in accordance with Condition 4(b), the Warrants shall be deemed to expire at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day).

### 4. Exercise of Warrants

- (a) *Exercise.* Warrants may only be exercised on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day) in accordance with Condition 4(b).
- (b) *Automatic Exercise.* Warrantheolders shall not be required to deliver an exercise notice. Exercise of Warrants shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Warrants shall be deemed to have been automatically exercised at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day). The Cash Settlement Amount less the Exercise Expenses in respect of the Warrants shall be paid in the manner set out in Condition 4(c) below. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero or negative, all Warrants shall be deemed to have expired at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day) and Warrantheolders shall not be entitled to receive any payment from the Issuer in respect of the Warrants.
- (c) *Settlement.* In respect of Warrants which are automatically exercised in accordance with Condition 4(b), the Issuer will pay to the relevant Warrantheolder the Cash Settlement Amount (if any) in the Settlement Currency. The aggregate Cash Settlement Amount (less any Exercise Expenses) shall be despatched as soon as practicable and no later than five Business Days following the Last Valuation Date by way of crossed cheque or other payment in immediately available funds drawn in favour of the Warrantheolder only (or, in the case of joint Warrantheolders, the first-named Warrantheolder) appearing in the records maintained by CDP. Any payment

made pursuant to this Condition 4(c) shall be delivered at the risk and expense of the Warrantholder and posted to the Warrantholder's address appearing in the records maintained by CDP (or, in the case of joint Warrantholders, to the address of the first-named Warrantholder appearing in the records maintained by CDP). If the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no amount is payable.

- (d) *CDP not liable.* CDP shall not be liable to any Warrantholder with respect to any action taken or omitted to be taken by the Issuer or the Warrant Agent in connection with the exercise of the Warrants or otherwise pursuant to or in connection with these Conditions.
- (e) *Business Day.* In these Conditions, a “**Business Day**” shall be a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

## 5. Warrant Agent

- (a) *Warrant Agent.* The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Warrant Agent and to appoint another Warrant Agent provided that it will at all times maintain a Warrant Agent which, so long as the Warrants are listed on the SGX-ST, shall be in Singapore. Notice of any such termination or appointment and of any change in the specified office of the Warrant Agent will be given to the Warrantholders in accordance with Condition 9.
- (b) *Agent of Issuer.* The Warrant Agent will be acting as agent of the Issuer and will not assume any obligation or duty to or any relationship of agency or trust for the Warrantholders. All determinations and calculations by the Warrant Agent under these Conditions shall (save in the case of manifest error) be final and binding on the Issuer and the Warrantholders.

## 6. Adjustments

- (a) *Potential Adjustment Event.* Following the declaration by a Company of the terms of any Potential Adjustment Event (as defined below), the Issuer will determine whether such Potential Adjustment Event has a dilutive or concentrative or other effect on the theoretical value of the Shares and, if so, will (i) make the corresponding adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate to account for that dilutive or concentrative or other effect, and (ii) determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an exchange on which options or futures contracts on the Shares are traded.
- (b) *Definitions.* “**Potential Adjustment Event**” means any of the following:
  - (i) a subdivision, consolidation or reclassification of the Shares (excluding a Merger Event) or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;

- (ii) a distribution or dividend to existing holders of the Shares of (1) such Shares, or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such Shares, or (3) share capital or other securities of another issuer acquired by the Company as a result of a “spin-off” or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Issuer;
  - (iii) an extraordinary dividend;
  - (iv) a call by the Company in respect of the Shares that are not fully paid;
  - (v) a repurchase by the Company of the Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
  - (vi) with respect to a Company an event that results in any shareholder rights pursuant to a shareholder rights agreement or other plan or arrangement of the type commonly referred to as a “poison pill” being distributed, or becoming separated from shares of common stock or other shares of the capital stock of such Company (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or
  - (vii) any other event that may have, in the opinion of the Issuer, a dilutive or concentrative or other effect on the theoretical value of the Shares.
- (c) *Merger Event, Tender Offer, Nationalisation and Insolvency.* If a Merger Event, Tender Offer, Nationalisation or Insolvency occurs in relation to the Shares, the Issuer may take any action described below:
- (i) determine the appropriate adjustment, if any, to be made to any one or more of the Conditions to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, Nationalisation or Insolvency made by an options exchange to options on the Shares traded on that options exchange;
  - (ii) cancel the Warrants by giving notice to the Warrantholders in accordance with Condition 9. If the Warrants are so cancelled, the Issuer will pay an amount to each Warrantholder in respect of each Warrant held by such Warrantholder which amount shall be the fair market value of a Warrant taking into account the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or any of its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 9; or

- (iii) following any adjustment to the settlement terms of options on the Shares on such exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the “**Option Reference Source**”) make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source. If options on the Shares are not traded on the Option Reference Source, the Issuer will make such adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines that its proposed course of action in connection with a Merger Event, Tender Offer, Nationalisation or Insolvency, it shall give notice to the Warrantheolders in accordance with Condition 9 stating the occurrence of the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Warrantheolders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of a Merger Event, Tender Offer, Nationalisation or Insolvency.

- (d) *Definitions.* “**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Company (i) all the Shares of that Company are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Shares of that Company become legally prohibited from transferring them. “**Merger Date**” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer. “**Merger Event**” means, in respect of the Shares, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Company is the continuing entity and which does not result in reclassification or change of all of such Shares outstanding), (iii) takeover offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Company that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the Merger Date is on or before the Valuation Date or, if there is more than one Valuation Date, the Last Valuation Date. “**Nationalisation**” means that all the Shares or all or substantially all of the assets of a Company are

nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof. “**Tender Offer**” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Company, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deems relevant.

- (e) *Other Adjustments.* Except as provided in this Condition 6 and Condition 12, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to make such adjustments as it believes appropriate in circumstances where an event or events occur which it believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) should, in the context of the issue of the Warrants and the obligations of the Issuer, give rise to such adjustment provided that such adjustment is considered by the Issuer not to be materially prejudicial to the Warranholders generally (without considering the circumstances of any individual Warranholder or the tax or other consequences of such adjustment in any particular jurisdiction).
- (f) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Warranholders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 9. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.

## **7. Purchases**

The Issuer or its related corporations may at any time purchase Warrants at any price in the open market or by tender or by private treaty. Any Warrants so purchased may be held or resold or surrendered for cancellation.

## **8. Meetings of Warranholders; Modification**

- (a) *Meetings of Warranholders.* The Warrant Agent Agreement contains provisions for convening meetings of the Warranholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Warrant Agent Agreement) of a modification of the provisions of the Warrants or of the Warrant Agent Agreement.

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to the Warranholders. Such a meeting may be convened by the Issuer or by Warranholders holding not less than ten per cent. of the Warrants for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Warrants for the time being remaining unexercised, or at any adjourned meeting two or more persons being or representing Warranholders whatever the number of Warrants so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Warrantheolders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Warrantheolders shall be binding on all the Warrantheolders, whether or not they are present at the meeting. Resolutions can be passed in writing if passed unanimously.

- (b) *Modification.* The Issuer may, without the consent of the Warrantheolders, effect (i) any modification of the provisions of the Warrants or the Master Instrument which is not materially prejudicial to the interests of the Warrantheolders or (ii) any modification of the provisions of the Warrants or the Master Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of Singapore law. Any such modification shall be binding on the Warrantheolders and shall be notified to them by the Warrant Agent before the date such modification becomes effective or as soon as practicable thereafter in accordance with Condition 9.

## 9. Notices

- (a) *Documents.* All cheques and other documents required or permitted by these Conditions to be sent to a Warrantheolder or to which a Warrantheolder is entitled or which the Issuer shall have agreed to deliver to a Warrantheolder may be delivered by hand or sent by post addressed to the Warrantheolder at his address appearing in the records maintained by CDP or, in the case of joint Warrantheolders, addressed to the joint holder first named at his address appearing in the records maintained by CDP, and airmail post shall be used if that address is not in Singapore. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Warrantheolder.
- (b) *Notices.* All notices to Warrantheolders will be validly given if published in English on the web-site of the SGX-ST. Such notices shall be deemed to have been given on the date of the first such publication. If publication on the web-site of the SGX-ST is not practicable, notice will be given in such other manner as the Issuer may determine. The Issuer shall, at least one month prior to the expiry of any Warrant, give notice of the date of expiry of such Warrant in the manner prescribed above, provided that if the tenure of the Warrant is less than one month, the Issuer shall publish the expiry notice as soon as practicable after the listing of the Warrant.

## 10. Liquidation

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Warrants will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law. In the event of the voluntary liquidation of the Company, the Issuer shall make such adjustments or amendments as it reasonably believes are appropriate in the circumstances.

## 11. Further Issues

The Issuer shall be at liberty from time to time, without the consent of the Warrantheholders, to create and issue further warrants so as to form a single series with the Warrants.

## 12. De-Listing

- (a) *De-Listing.* If at any time, any Shares cease to be listed, traded or publicly quoted on the Relevant Stock Exchange for any reason and are not immediately re-listed, re-traded or re-quoted on an exchange, trading system or quotation system acceptable to the Issuer (“**De-Listing**”), the Issuer shall give effect to these Conditions in such manner and make such adjustments and amendments to the rights attaching to the Warrants (including terminating the Warrants early) as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Warrantheholders generally are not materially prejudiced as a consequence of such De-Listing (without considering the individual circumstances of any Warrantheholder or the tax or other consequences that may result in any particular jurisdiction).
- (b) *Adjustments.* Without prejudice to the generality of Condition 12(a), where the Shares are, or, upon the De-Listing, become, listed on any other stock exchange, these Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Relevant Stock Exchange and the Issuer may, without the consent of the Warrantheholders, make such adjustments to the entitlements of Warrantheholders on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into the Settlement Currency) as may be appropriate in the circumstances.
- (c) *Issuer's Determination.* The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Warrantheholders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Warrantheholders in accordance with Condition 9 as soon as practicable after they are determined.

### **13. Early Termination for Illegality and Force Majeure, etc.**

- (a) *Illegality and Force Majeure, etc.* If the Issuer determines that, for reasons beyond its control, the performance of its obligations under the Warrants has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Warrants for any reason, the Issuer may at its discretion and without obligation terminate the Warrants early by giving notice to the Warrantheholders in accordance with Condition 9.

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

- (b) *Termination.* If the Issuer terminates the Warrants early, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warrantheholder in respect of each Warrant held by such holder equal to the fair market value of a Warrant notwithstanding such illegality or impracticality less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Warrantheholders in accordance with Condition 9.

### **14. Governing Law**

The Warrants, the Master Instrument and the Warrant Agent Agreement will be governed by and construed in accordance with Singapore law. The Issuer and each Warrantheholder (by its purchase of the Warrants) shall be deemed to have submitted for all purposes in connection with the Warrants, the Master Instrument and the Warrant Agent Agreement to the non-exclusive jurisdiction of the courts of Singapore.

### **15. Prescription**

Claims against the Issuer for payment of any amount in respect of the Warrants will become void unless made within six years of the Expiry Date and, thereafter, any sums payable in respect of such Warrants shall be forfeited and shall revert to the Issuer.

### **16. Contracts (Rights of Third Parties) Act 2001 of Singapore**

Unless otherwise provided in the Global Warrant, the Master Instrument and the Warrant Agent Agreement, a person who is not a party to any contracts made pursuant to the Global Warrant, the Master Instrument and the Warrant Agent Agreement has no rights under the Contracts (Rights of Third Parties) Act 2001 of Singapore to enforce any terms of such contracts. Except as expressly provided herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts.

## SUMMARY OF THE ISSUE

*The following is a summary of the issue and should be read in conjunction with, and is qualified by reference to, the other information set out in this document and the Base Listing Document. Terms used in this Summary are defined in the Conditions.*

Issuer:	Macquarie Bank Limited
Company:	Xiaomi Corporation
The Warrants:	European Style Cash Settled Call Warrants relating to the Shares
Number:	20,000,000 Warrants
Form:	The Warrants will be issued subject to, and with the benefit of, an instrument by way of deed poll dated 15 July 2022 (the “ <b>Master Instrument</b> ”) and executed by the Issuer and a master warrant agent agreement dated 26 November 2004 (the “ <b>Warrant Agent Agreement</b> ”) and made between the Issuer and the Warrant Agent.
Conversion Ratio (number of Shares per Warrant):	0.083333 (i.e. every 12 Warrants initially relate to 1 Share)
Cash Settlement Amount:	<p>In respect of each Warrant, shall be an amount (if positive) payable in the Settlement Currency equal to the Exchange Rate multiplied by:</p> <p>(A) (i) the arithmetic mean of the closing prices of one Share (as derived from the daily publications of the Relevant Stock Exchange, subject to any adjustments to such closing prices determined by the Issuer to be necessary to reflect any capitalisation, rights issue, distribution or the like) for each Valuation Date LESS (ii) the Exercise Price MULTIPLIED by (B) the Conversion Ratio</p> <p>In certain circumstances, the Conversion Ratio and the Exercise Price will be adjusted as set out in Condition 6 of the Warrants.</p>
Exchange Rate:	The rate of exchange for the conversion of HKD to SGD as at 5:00 p.m. (Singapore time) on the Expiry Date as shown on Bloomberg provided that if the Bloomberg service ceases to display such information, such page as displays such information on such other services as may be selected by the Issuer.
Denominations:	Warrants are represented by a global warrant in respect of all the Warrants.
Exercise:	Warrantholders shall not be required to deliver an exercise notice. Exercise of Warrants shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Warrants shall be deemed to have been automatically exercised at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day). The Cash

Settlement Amount less the Exercise Expenses in respect of the Warrants shall be paid in the manner set out in Condition 4(c) of the Warrants. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero or negative, all Warrants shall be deemed to have expired at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day) and Warrantholders shall not be entitled to receive any payment from the Issuer in respect of the Warrants.

Trading Currency:	Singapore dollars
Transfers of Warrants:	Warrants may only be transferred in Board Lots (or integral multiples thereof). All transfers in Warrants, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records of CDP.
Listing:	Application has been made to the SGX-ST for permission to deal in and for quotation of the Warrants and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Warrants. Issue of the Warrants is conditional on such listing being granted. It is expected that dealings in the Warrants on the SGX-ST will commence on or about 21 October 2025.
Governing Law:	The laws of Singapore
Warrant Agent:	Macquarie Capital Securities (Singapore) Pte. Limited
Further Issues:	Further issues which will form a single series with the Warrants will be permitted.

*The above summary is qualified in its entirety by reference to the detailed information appearing elsewhere in this document and the Base Listing Document.*

## RISK FACTORS

The following risk factors are relevant to the Warrants:

- (a) investment in Warrants involves substantial risks including market risk, liquidity risk, and the risk that the Issuer will be unable to satisfy its obligations under the Warrants. Investors should ensure that they understand the nature of all these risks before making a decision to invest in the Warrants. You should consider carefully whether Warrants are suitable for you in light of your experience, objectives, financial position and other relevant circumstances. Warrants are not suitable for inexperienced investors;
- (b) the Warrants constitute direct, general and unsecured contractual obligations of the Issuer and no other person and will rank *pari passu* with the Issuer's other unsecured contractual obligations and with the Issuer's unsecured and unsubordinated debt other than indebtedness preferred by mandatory provisions of law. The Warrants are not secured by any collateral. Section 13A(3) of the Banking Act of 1959 of Australia provides that, in the event of the Issuer becoming unable to meet its obligations or suspends payments, the assets of the Issuer in Australia are to be available to satisfy specified liabilities in priority to all other liabilities of the Issuer (including the obligations of the Issuer under the Warrants). The specified liabilities include first, certain obligations of the Issuer to APRA in respect of amounts payable by APRA to holders of protected accounts and any administration costs incurred by APRA. Then, as the next priority, other liabilities of the Issuer in Australia in relation to protected accounts that account-holders keep with the Issuer. Following this any debts that the Issuer owes to the Reserve Bank of Australia and any liabilities under an industry support contract (certified under section 11CB of the Banking Act) and then, any other liabilities, in order of their priority. If you purchase the Warrants you are relying upon the creditworthiness of the Issuer and have no rights under the Warrants against any other person. In particular, it should be noted that the Issuer issues a large number of financial instruments, including Warrants, on a global basis and, at any given time, the financial instruments outstanding may be substantial. If you purchase the Warrants you are relying upon the creditworthiness of the Issuer and have no rights under the Warrants against the company which has issued the underlying shares. The Issuer is not a fiduciary of Warrantheholders (as defined in the Conditions) and has substantially no obligation to a Warrantheholder other than to pay amounts in accordance with the terms thereof as set forth herein and in the Base Listing Document. The Issuer does not in any respect underwrite or guarantee the performance of any Warrant. Any profit or loss realised by a Warrantheholder in respect of a Warrant upon exercise or otherwise due to changes in the value of such Warrant, or the underlying shares, is solely for the account of such Warrantheholder. In addition, the Issuer shall have the absolute discretion to put in place any hedging transaction or arrangement which it deems appropriate in connection with any Warrant or the underlying shares. A reduction in the rating, if any, accorded to outstanding debt securities of the Issuer by any one of its rating agencies could result in a reduction in the trading value of the Warrants;
- (c) the price of the Warrants may fall in value as rapidly as it may rise and Warrantheholders may sustain a total loss of their investment. The risk of losing all or any part of the purchase price of a Warrant upon the expiry of the Warrants means that, in order to recover and realise a return on investment, investors in Warrants must generally anticipate correctly the direction, timing and magnitude of any change in the value of the shares of the underlying company. Changes in the price of the shares of the underlying company can be unpredictable, sudden and large and such changes may result in the price of such shares moving in a direction which will negatively impact upon the return on an investment. In the case of Warrants relating to shares, certain events relating to such shares or the underlying company may cause adverse movements in the value and price of the underlying shares, as a result of which, the Warrantheholders may, in certain circumstances, sustain a total loss of their

investment if, for the Warrants, the average closing price of the underlying shares on the valuation dates falls below or is equal to the exercise price;

- (d) due to their nature, the Warrants can be volatile instruments and may be subject to considerable fluctuations in value. The price of the Warrants may fall in value as rapidly as it may rise due to, including but not limited to, variations in the frequency and magnitude of the changes in the price of the underlying shares, dividends, interest rate, volatility, foreign exchange rates, the time remaining to expiry and the creditworthiness of the Issuer;
- (e) before exercising or selling the Warrants, the holders of Warrants should carefully consider, among other things, (i) the trading price of the Warrants; (ii) the value and volatility of the reference security; (iii) the time remaining to expiration; (iv) the probable range of Cash Settlement Amounts; (v) any change(s) in interim interest rates and dividend yields; (vi) any change(s) in currency exchange rates; (vii) the depth of the market or liquidity of the reference security; (viii) any related transaction costs; and (ix) the creditworthiness of the Issuer;
- (f) fluctuations in the price of the underlying shares will affect the price of the Warrants but not necessarily in the same magnitude and direction, therefore, prospective investors intending to purchase Warrants to hedge their market risk associated with investing in the underlying shares, should recognise the complexities of utilising the Warrants in this manner;
- (g) the settlement amount of Warrants at any time prior to the expiry of the Warrants may be less than the trading price of such Warrants at that time. The difference between the trading price and the settlement amount as the case may be, will reflect, among other things, a “time value” for the Warrants. The “time value” of the Warrants will depend partly upon the length of the period remaining to the expiry date of the Warrants and expectations concerning the value of the shares of the underlying company;
- (h) investors should note that an investment in the Warrants involves valuation risks in relation to the underlying asset. The value of the underlying asset may vary over time and may increase or decrease by reference to various factors, which may include corporate actions, macro economic factors and market trends. Certain events relating to the underlying shares require or permit the Issuer to make certain adjustments or amendments to the Conditions (for example, adjusting the Exercise Price and the Conversion Ratio). However, the Issuer is not required to make an adjustment for every event that affects the underlying asset. If an event occurs that does not require the Issuer to adjust the Conversion Ratio or any other part of the Conditions, the market price of the Warrants and the return upon the exercise of the Warrants may be affected;
- (i) as indicated in the Conditions, a Warrantholder must tender a specified number of Warrants at any one time in order to exercise. Thus, Warrantholders with fewer than the specified minimum number of Warrants in a particular series will either have to sell their Warrants or purchase additional Warrants, incurring transactions costs in each case, in order to realise their investment;
- (j) unless otherwise specified in the Conditions, in the case of any exercise of the Warrants, there may be a time lag between the date on which the Warrants are exercised and the time the applicable settlement amount relating to such an event is determined. Any such delay between the time of exercise and the determination of the settlement amount will be specified in the Conditions. However such delay could be significantly longer, particularly in the case of a delay in the exercise of the Warrants arising from, a determination by the Issuer that a Market Disruption Event has occurred at any relevant time or that adjustments are required in accordance with the Conditions. That applicable settlement amount, may change significantly

during any such period, and such movement or movements could decrease or modify the settlement amount of the Warrants;

- (k) if, whilst the Warrants remain unexercised, trading in the underlying shares on the relevant stock exchange is suspended, trading in the Warrants may be suspended for a similar period;
- (l) in the case of the Warrants, certain events relating to the shares of the underlying company require or, as the case may be, permit the Issuer to make certain adjustments or amendments to the Conditions, and investors have limited anti-dilution protection under the Conditions. The Issuer may at its sole discretion adjust the entitlement upon exercise or valuation of the Warrants for events such as, amongst others, subdivision of the shares of the underlying company and dividend in specie, however the Issuer is not required to make an adjustment for every event that may affect the shares of the underlying company;
- (m) the Warrants are only exercisable on their expiry date and may not be exercised by Warrantheolders prior to such expiry date. Accordingly, if on such expiry date the Cash Settlement Amount (where applicable) is zero or negative, a Warrantheolder will lose the value of his investment;
- (n) investors should note that it is not possible to predict the price at which the Warrants will trade in the secondary market or whether such market will be liquid or illiquid. A decrease in the liquidity of the Warrants or the underlying shares, futures, derivatives or other security related to the Warrants may cause, in turn, an increase in the volatility associated with the price of such issue of Warrants. The Issuer may, but is not obligated to, at any time, purchase Warrants at any price in the open market or by tender or private agreement. Any Warrants so purchased may be held or resold or surrendered for cancellation. As the Warrants are only exercisable on the expiry date, an investor will not be able to exercise his warrants to realise value in the event that the relevant issue becomes illiquid;
- (o) in the event of any delisting of the Warrants from the SGX-ST (other than at expiry), the Issuer will use all reasonable efforts to list the Warrants on another exchange. If the Warrants are not listed or traded on any exchange, pricing information for the Warrants may be difficult to obtain and the liquidity of the Warrants may be adversely affected;
- (p) two or more risk factors may simultaneously have an effect on the value of a Warrant such that the effect of any individual risk factor may not be predicted. No assurance can be given as to the effect any combination of risk factors may have on the value of a Warrant;
- (q) in the ordinary course of their business, including without limitation in connection with the Issuer or its appointed designated market maker's market making activities, the Issuer and any of its respective subsidiaries and affiliates may effect transactions for their own account or for the account of their customers and hold long or short positions in the underlying shares or related derivatives. In addition, in connection with the offering of any Warrants, the Issuer and any of its respective subsidiaries and affiliates may enter into one or more hedging transactions with respect to the underlying shares or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer and any of its respective subsidiaries and its affiliates, the Issuer and any of its respective subsidiaries and affiliates may enter into transactions in the underlying shares or related derivatives which may affect the market price, liquidity or value of the Warrants and which may affect the interests of Warrantheolders;
- (r) if the Issuer determines in good faith that the performance of its obligations under the Conditions has become unlawful or impractical in whole or in part, the Issuer may at its sole and absolute discretion and without obligation, terminate the Warrants prior to the expiry date,

in which event the Issuer to the extent permitted by any relevant applicable law, will pay to each Warrantholder an amount as determined by the Issuer, in its sole and absolute discretion, in accordance with the Conditions. If the Issuer terminates the Warrants prior to the expiry date, the Issuer will, if and to the extent permitted by any relevant applicable law, pay each Warrantholder an amount to be determined by the Issuer, in its sole and absolute discretion, to be the fair market value of the Warrants immediately prior to such termination or otherwise determined as specified in the Conditions, notwithstanding the illegality or impracticality;

- (s) the Issuer may enter into discount, commission or fee arrangements with brokers and/or any of its affiliates with respect to the primary or secondary market in the Warrants and such arrangement may present certain conflicts of interest for the brokers. The arrangements may or may not result in the benefit to investors in Warrants buying and selling Warrants through nominated brokers. Investors in the Warrants should note that any brokers with whom the Issuer has a commission arrangement does not, and cannot be expected to deal, exclusively in the Warrants, therefore any broker and/or its subsidiaries or affiliates may from time to time engage in transactions involving the shares in the underlying company and/or structured products of other issuers over the same shares in the same underlying company as the Warrants for their proprietary accounts and/or accounts of their clients. The fact that the same broker may deal simultaneously for different clients in competing products in the market place may affect the value of the Warrants and present certain conflicts of interests;
- (t) third party individuals may comment on the Warrants on social media or other platforms from time to time. None of these third party individuals, whether sponsored by the Issuer or not, is an agent of the Issuer and such commentary is not the Issuer's advice or recommendation to invest in the Warrants. The Issuer is not responsible for any statements or comments made by such third party individuals. To the extent a fee is paid by the Issuer, such fee arrangement may present potential conflicts of interest for the individual;
- (u) changes in Singapore tax law and/or policy may adversely affect Warrantholders. Warrantholders who are in any doubt as to the effects of any such changes should consult their stockbrokers, bank managers, accountants, solicitors or other professional advisers;
- (v) as the Warrants are represented by a global warrant certificate which will be deposited with the CDP:
  - (i) investors should note that no definitive certificate will be issued in relation to the Warrants;
  - (ii) there will be no register of Warrantholders and each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Warrants by way of interest (to the extent of such number) in the global warrant certificate in respect of those Warrants represented thereby shall be treated as the holder of such number of Warrants;
  - (iii) investors will need to rely on any statements received from their brokers/custodians as evidence of their interest in the Warrants; and
  - (iv) notices to such Warrantholders will be published on the web-site of the SGX-ST. Investors will need to check the web-site of the SGX-ST regularly and/or rely on their brokers/custodians to obtain such notices; and

- (w) the value of the Warrants depends upon, amongst other things, the ability of Issuer to fulfil its obligations under the terms which, in turn is primarily dependent on the financial prospects of the Issuer; and
- (x) Foreign Account Tax Compliance withholding may affect payments on the Warrants

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("FATCA") impose a reporting regime and, potentially, a 30% withholding tax with respect to (i) certain payments from sources within the U.S., (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution.

"Passthru payments" means any withholdable payment and any "foreign passthru payment," which is currently not defined. The current proposed FATCA regulations ("**Proposed Regulations**") state that the Internal Revenue Service and the U.S. Treasury have determined, that withholding on "foreign passthru payments" is not required, pending further guidance and analysis. The Proposed Regulations provide that such withholding will not be effective before the date that is two years after the publication of final regulations defining the term "foreign pass-thru payment".

While the Warrants are in dematerialised form and held within the clearing systems, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the clearing systems. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. An Issuer's obligations under the Warrants are discharged once it has paid the clearing systems and an Issuer has therefore no responsibility for any amount thereafter transmitted through the clearing systems and custodians or intermediaries.

### **Macro-economic risks**

- (y) Macquarie Bank's and the MBL Group's business and results of operation have been and may, in the future, be adversely affected by financial markets, global credit and other economic and geopolitical challenges generally.

Macquarie Bank and/or its controlled entities' (the "MBL Group") businesses operate in or depend on the operation of global markets, including through exposures in securities, loans, derivatives and other activities and it is impacted by various factors it cannot control. In particular, uncertainty and volatility in global credit markets, liquidity constraints, increased funding costs, the level and volatility of interest rates, constrained access to funding, uncertainty concerning government shutdowns and debt ceilings, changing patterns of government spending in response to geopolitical events, fluctuations or other significant changes in both equity and capital market activity, supply chain disruptions and labour shortages have adversely affected and may continue to adversely affect transaction flow in a

range of industry sectors. These factors could also adversely affect the MBL Group's access to and costs of funding and in turn may negatively impact its liquidity and competitive position.

Additionally, global markets may be adversely affected by the current or anticipated impact of climate change, extreme weather events or natural disasters, the emergence or continuation of widespread health emergencies or pandemics, cyber-attacks or campaigns, military conflicts, including the Russia-Ukraine conflict, the Israeli Palestinian conflict and other conflicts in the Middle East, terrorism or other geopolitical events such as rising tensions between the U.S. and China, and concerns about a potential conflict involving Taiwan.

The dynamic and constantly evolving sanctions environment, including the volume, nature and diversity of sanctions imposed during the Russia-Ukraine conflict, continues to drive heightened sanctions compliance risk and complexity in applying control frameworks across the market. The Russia-Ukraine conflict and conflicts in the Middle East have caused, and may continue to cause, supply shocks in energy, food and other commodities markets, disruption to global shipping lanes and supply chains, increased inflation, cybersecurity risks, increased volatility in commodity, currency and other financial markets and heightened geopolitical tensions. Either new or increased sanctions, the lifting of sanctions or a divergence in sanctions regimes of different authorities on currently-sanctioned countries that are, for example, major energy producers, could continue to disrupt regional and global energy, commodities and financial markets and macroeconomic conditions generally, adversely impacting the MBL Group and its customers, clients and employees.

New tariff barriers and retaliatory measures that have been imposed or threatened in recent months have disrupted and are likely to continue to disrupt global trade flows and adversely impact economic growth. The impact of announced and implemented tariffs has been exacerbated by the unpredictable manner in which announcements have been made and subsequently revised and the short time frames for implementation of some of these measures. Tariffs and countermeasures may increase volatility in financial markets, including equity, currency and interest rate markets, adversely affect business investment, negatively impact investor confidence, lead to the re-direction of exports, reduce co-operation and escalate tensions between the countries targeted by trade sanctions and result in lower economic growth in both the countries impacted by trade sanctions and globally, any of which may negatively impact Macquarie Bank's and the MBL Group's business and results of operations.

Actions taken by central banks, including changes to official interest rate targets, balance sheet management and government-sponsored lending facilities are beyond the MBL Group's control and difficult to predict. Sudden changes in monetary policy, for example in response to increased inflation or changes to fiscal or trade policies, could lead to financial market volatility and are likely to affect market interest rates and the value of financial instruments and other assets and liabilities, and can impact the MBL Group's customers.

The MBL Group's trading income may be adversely affected during times of subdued market conditions and client activity. Increased market volatility can lead to trading losses or cause the MBL Group to reduce the size of its trading activities in order to limit its risk exposure. Market conditions, as well as declines in asset values, may cause the MBL Group's clients to transfer their assets out of the MBL Group's funds or other products or their brokerage accounts and result in reduced net revenues.

The MBL Group's realisations from asset sales may also be less than anticipated if economic conditions deteriorate. A deterioration in economic conditions may also negatively impact the MBL Group's ability to exit its investment positions as a result of decreased transaction activity. In addition, if financial markets decline, revenues from the MBL Group's products are likely to decrease. In addition, increases in volatility increase the level of the MBL Group's risk weighted assets and increase the MBL Group's capital requirements. Increased capital requirements may require the MBL Group to raise additional capital at a time, and on terms,

which may be less favourable than the MBL Group would otherwise achieve during stable market conditions.

Sudden declines and significant volatility in the prices of assets may substantially curtail or eliminate the trading markets for certain assets, which may make it very difficult to sell, hedge or value such assets. The inability to sell or effectively hedge assets reduces the MBL Group's ability to limit losses in such positions and difficulty in valuing assets may negatively affect the MBL Group's capital, liquidity or leverage ratios, increase funding costs and generally require the MBL Group to maintain additional capital.

Concerns about, or a default by, one or more institutions or by a sovereign could lead to market-wide liquidity problems, losses or defaults by other institutions, financial instruments losing their value and liquidity, and interruptions to capital markets that may further affect the MBL Group. Negative perceptions about the soundness of a financial institution can result in counterparties seeking to limit their exposure and depositors withdrawing their deposits, which can happen more quickly than in the past due to the rapid dissemination of negative information through social media channels and other advances in technology, further weakening the institution. Bank collapses in the U.S. and Europe in 2023 have heightened these concerns. The commercial soundness of many financial institutions may be closely interrelated as a result of credit, trading, clearing or other relationships among financial institutions. This risk is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms, hedge funds and exchanges that the MBL Group interacts with on a daily basis. If any of the MBL Group's counterpart financial institutions fail, the MBL Group's financial exposures to that institution may lose some or all of their value. Any of these events may have a serious adverse effect on the MBL Group's liquidity, profitability and value.

- (z) Macquarie Bank's and the MBL Group's ability to operate their businesses could be impaired if their liquidity is constrained.

Liquidity is essential to Macquarie Bank's and the MBL Group's business. Financial institutions have failed in the past due to lack of liquidity. Inadequate liquidity, or even the perception that Macquarie Bank's and the MBL Group's liquidity is inadequate, would pose a serious risk to their ability to operate. Macquarie Bank's and the MBL Group's liquidity may be impacted at any given time as a result of various factors, including deposit losses, market disruptions, macroeconomic shocks, increases to liquidity and regulatory capital requirements due to legal and regulatory changes, restrictive central bank actions such as quantitative tightening that may reduce monetary supply and increase interest rates, the insolvency of a major market participant or systemically important financial institution, any idiosyncratic event impacting Macquarie Bank's or the MBL Group's reputation and/or business, any other unexpected cash outflows or higher-than-anticipated funding needs. The uncertainties surrounding these factors could undermine confidence in Macquarie Bank and the MBL Group or the financial system as a whole.

Factors beyond Macquarie Bank's and the MBL Group's control, such as periods of market stress, a fall in investor confidence or financial market illiquidity may increase their funding costs and reduce their access to conventional funding sources. Additionally, from time to time, regulations that impose increased liquidity requirements on financial institutions may be adopted. These regulations may require Macquarie Bank and the MBL Group to hold larger amounts of highly liquid assets and/or constrain Macquarie Bank's and the MBL Group's ability to raise funding or deploy capital. Further, Macquarie Bank's and the MBL Group's ability to liquidate assets may be impaired if there is not generally a liquid market for such assets, as well as in circumstances where other market participants are seeking to sell similar otherwise generally liquid assets at the same time, as is likely to occur in a liquidity or other market crisis or in response to changes in law or regulation.

Macquarie Bank and the MBL Group may need to raise funding from alternative sources if their access to stable and lower cost sources of funding, such as customer deposits and the equity and debt capital markets, is reduced. Those alternative sources of funding could be

more expensive or also limited in availability. Macquarie Bank's and the MBL Group's funding costs could also be negatively affected by actions that they may take in order to satisfy their mandated liquidity coverage and net stable funding ratios or other regulatory requirements.

If Macquarie Bank and the MBL Group fail to effectively manage their liquidity, this could constrain their ability to fund or invest in their businesses, and thereby adversely affect their business, results of operations, prospects, financial performance or financial condition.

- (aa) Failure of Macquarie Bank or the MBL Group to maintain their credit ratings and those of their subsidiaries could adversely affect their cost of funds, liquidity, competitive position and access to capital markets.

The credit ratings assigned to Macquarie Bank or the MBL Group and certain of their subsidiaries by rating agencies are based on their evaluation of a number of factors, including the MBL Group's ability to maintain a stable and diverse earnings stream, strong capital ratios, strong credit quality and risk management controls, funding stability and security, disciplined liquidity management and its key operating environments, including the availability of systemic support in Australia. In addition, a credit rating downgrade could be driven by the occurrence of one or more of the other risks identified in this section or by other events that are not related to the MBL Group where there has been no deterioration in its business, such as changes to the ratings methodology or criteria.

If these MBL Group entities fail to maintain their current credit ratings, this could (i) adversely affect Macquarie Bank's or the MBL Group's cost of funds, liquidity, competitive position, the willingness of counterparties to transact with the MBL Group and its ability to access capital markets; or (ii) trigger Macquarie Bank's or the MBL Group's obligations under certain bilateral provisions in some of their trading and collateralised financing contracts. Under these provisions, counterparties could be permitted to terminate contracts with the MBL Group or require it to post collateral. Termination of Macquarie Bank's or a MBL Group entity's trading and collateralised financing contracts could cause them to sustain losses and impair their liquidity by requiring them to find other sources of financing or to make significant cash payments or securities movements.

- (ab) Changes and increased volatility in currency exchange rates may adversely impact the MBL Group's financial results and its financial and regulatory capital positions.

While the MBL Group's consolidated financial statements are presented in Australian Dollars, a significant portion of the MBL Group's operating income is derived, and operating expenses are incurred, from its offshore business activities, which are conducted in a broad range of currencies. Changes in the rate at which the Australian Dollar is translated from other currencies can impact the MBL Group's financial statements and the economics of its business.

Although the MBL Group seeks to carefully manage its exposure to foreign currencies, in part through matching of assets and liabilities in local currencies and through the use of foreign exchange forward contracts to hedge its exposure, the MBL Group is still exposed to exchange risk. The risk becomes more acute during periods of significant currency volatility. Insofar as the MBL Group is unable to hedge or has not completely hedged its exposure to currencies other than the Australian Dollar, the MBL Group's reported profit and foreign currency translation reserve would be affected.

In addition, because the MBL Group's regulatory capital position is assessed in Australian Dollars, its capital ratios may be adversely impacted by a depreciating Australian Dollar, which increases the capital requirement for assets denominated in currencies other than Australian Dollars.

- (ac) Macquarie Bank's and the MBL Group's businesses are subject to the risk of loss associated with price volatility in the equity markets and other markets in which they operate.

Macquarie Bank and the MBL Group are exposed to changes in the value of financial instruments and other financial assets that are carried at fair market value, as well as changes to the level of their advisory and other fees, due to changes in interest rates, exchange rates, equity and commodity prices and credit spreads and other market risks. These changes may result from changes in economic conditions, monetary and fiscal policies, market liquidity, availability and cost of capital, international and regional political events, acts of war or terrorism, corporate, political or other scandals that reduce investor confidence in capital markets, natural disasters or pandemics or a combination of these or other factors.

Macquarie Bank and the MBL Group trade in foreign exchange, interest rate, commodity, bullion, energy, securities and other markets and are an active price maker in the derivatives market. Certain financial instruments that Macquarie Bank and/or the MBL Group hold and contracts to which they are a party are complex and these complex structured products often do not have readily available markets to access in times of liquidity stress. Additionally, a number of the markets Macquarie Bank and the MBL Group trade in, and in particular the energy markets, have or may experience increased levels of volatility as a result of uncertainty and supply chain disruptions related to ongoing developments, such as the Russia-Ukraine conflict, conflict in the Middle East and the implementation or proposed implementation of new trade barriers. In addition, reductions in equity market prices or increases in interest rates may reduce the value of Macquarie Bank's and the MBL Group's clients' portfolios, which in turn may reduce the fees they earn for managing assets in certain parts of their business. Increases in interest rates or attractive prices for other investments could cause Macquarie Bank's and the MBL Group's clients to transfer their assets out of their funds or other products.

Interest rate risk arises from a variety of sources, including mismatches between the repricing periods of assets and liabilities. As a result of these mismatches, movements in interest rates can affect earnings or the value of the MBL Group. See also "Risk Factors – Macro-economic Risks – Inflation has had, and could continue to have, a negative effect on Macquarie Bank's and the MBL Group's business, results of operations and financial condition."

- (ad) Macquarie Bank's and the MBL Group's businesses are subject to risks including trading losses, risks associated with market volatility and the risks associated with their physical commodities activities.

Macquarie Bank's and the MBL Group's commodities business primarily involves transacting with their clients to help them manage risks associated with their commodity exposures, and Macquarie Bank and the MBL Group may also enter into commodity transactions on their own behalf. These transactions often involve Macquarie Bank and the MBL Group taking on exposure to price movements in the underlying commodities. Macquarie Bank and the MBL Group employ a variety of techniques and processes to manage these risks, including hedging, but, they may not fully hedge their risk, and their risk management techniques may not be as effective as they intend for a variety of reasons, including unforeseen events occurring outside their risk modelling. For example, some products may have limited market liquidity and access to derivative markets may become constrained during periods of volatile commodity market conditions, increasing the cost of hedging instruments. Macquarie Bank's and the MBL Group's counterparty risk may also be elevated at times of high volatility because their counterparties may be more likely to be under financial stress, increasing Macquarie Bank's and the MBL Group's exposure to potential losses as a result of those counterparties defaulting or failing to perform their obligations. See also "Risk Factors – Counterparty credit risk – Failure of external parties to honour their commitments in connection with Macquarie Bank's and the MBL Group's trading, lending and other activities may adversely impact their business".

While most of Macquarie Bank's and the MBL Group's commodities markets activities involve financial exposures, from time to time they will also have physical positions, which expose them to the risks of owning and/or transporting commodities, some of which may be hazardous. Commodities involved in Macquarie Bank's and the MBL Group's intermediation activities and investments are also subject to the risk of unforeseen or catastrophic events, which are likely to be outside of their control. These risks may include accidents and failures with transportation and storage infrastructure, determinations made by exchanges, extreme weather events or other natural disasters, leaks, spills or release of hazardous substances, disruptions to global supply chains and shipping operations, changes to local legislation and regulation, government action (for example, energy price caps or emergency measures) or hostile geopolitical events (including the ongoing Russia-Ukraine conflict and conflict in the Middle East and any potential conflict as a result of rising tensions between China and Taiwan and the United States). The occurrence of any of such events may prevent Macquarie Bank and the MBL Group from performing under their agreements with clients, may impair their operations or financial results and may result in litigation, regulatory action, negative publicity or other reputational harm. Also, while Macquarie Bank and the MBL Group seek to insure against potential risks, insurance may be uneconomic to obtain, the insurance that Macquarie Bank and the MBL Group have may not be adequate to cover all their losses or they may not be able to obtain insurance to cover some of these risks. There may also be substantial costs in complying with extensive and evolving laws and regulations relating to Macquarie Bank's and the MBL Group's commodities and risk management related activities and investments including energy and climate change laws and regulations worldwide. Increasingly complex sanctions regimes implemented by countries globally have increased risk and uncertainty in some areas of the commodities sector, by prohibiting the continuation of, or requiring significant restructuring of, large and complex transactions and potentially affecting planned exit strategies. See also "Risk Factors – Legal and regulatory risks – The MBL Group is subject to the risk of loss as a result of not complying with laws governing financial crime, including sanctions".

- (ae) Funding constraints of investors may impact Macquarie Bank's and/or the MBL Group's income.

Macquarie Bank and the MBL Group generate a portion of their income from the sale of assets to external parties. If buyers are unable to obtain financing to purchase assets that Macquarie Bank and/or the MBL Group currently hold or purchase with the intention to sell in the future, Macquarie Bank and/or the MBL Group may be required to hold investment assets for longer than they intended or sell these assets at lower prices than they historically would have expected to achieve, which may lower their rate of return on these investments and require funding for periods longer than they have anticipated.

- (af) Inflation has had, and could continue to have, a negative effect on Macquarie Bank's and the MBL Group's business, results of operations and financial condition.

Inflationary pressures have affected economies, financial markets and market participants worldwide. In 2022 and 2023, central banks responded to these pressures with higher interest rates and aggressive balance sheet policies, which contributed to elevated financial and capital market volatility and significant changes in asset values. Central banks continue to warn that inflationary pressures may persist and there is a risk that inflation could return to the elevated levels recently experienced. New or increased trade barriers may also have an inflationary effect. If inflation were to return to the recent elevated levels, it could result in increases in labour costs and other operating costs, thus putting pressure on Macquarie Bank's and the MBL Group's expenses.

- (ag) The MBL Group could suffer losses due to climate change.

The MBL Group's businesses could also suffer losses due to climate change. Climate change is a driver of both financial and non-financial risks. Climate change related impacts include

physical risks from changing climatic conditions which could result from increased frequency and/or severity of adverse weather events. Such disasters could disrupt the MBL Group's operations or the operations of customers or external parties on which the MBL Group rely. These events could impact the ability of the MBL Group's clients or customers to repay their obligations, reduce the value of collateral, negatively impact asset values and result in other effects. Additionally, climate change could result in transition risks such as changes to laws and regulations, technology development and disruptions and changes in consumer and market preferences towards low carbon goods and services. These factors could restrict the scope of the MBL Group's existing businesses, limit the MBL Group's ability to pursue certain business activities and offer certain products and services, amplify credit and market risks, negatively impact asset values, result in litigation, regulatory scrutiny and/or action, negative publicity or other reputational harm and/or otherwise adversely impact the MBL Group, its business or its customers.

Climate risks can also arise from the inconsistencies and conflicts in the manner in which climate policy and financial regulation is implemented in the regions where the MBL Group operates, including initiatives to apply and enforce policy and regulation with extraterritorial effect. Legislative or regulatory uncertainties and changes are also likely to result in higher regulatory, compliance, credit, reputation and other risks and costs.

The MBL Group's ability to meet its climate-related goals, targets and commitments is subject to risks and uncertainties, many of which are outside of the MBL Group's control, such as technology advances, public policies and challenges related to capturing, verifying, analysing and disclosing emissions and climate-related data. Failure to effectively manage these risks could adversely affect the MBL Group's business, prospects, reputation, financial performance or financial condition.

#### **Legal and regulatory risks**

- (ah) Many of Macquarie Bank's and the MBL Group's businesses are highly regulated and they could be adversely affected by temporary and permanent changes in law, regulations and regulatory policy.

The MBL Group operates various businesses across multiple jurisdictions or sectors which are regulated by more than one regulator. Additionally, some members of the Macquarie Group own or manage assets and businesses that are regulated. The MBL Group's businesses include an "authorised deposit-taking institution" ("ADI") in Australia (regulated by APRA), a credit institution in Ireland (regulated by the Central Bank of Ireland), bank branches in the United Kingdom, the Dubai International Finance Centre and Singapore, and representative offices in the United States, South Africa, Brazil and Switzerland. The regulations vary from country to country but generally are designed to protect depositors and the banking system as a whole, not holders of Macquarie Bank's securities or creditors. In addition, as a diversified financial institution, many of the MBL Group's businesses are subject to financial services regulation other than prudential banking regulation, as well as laws, regulations and oversight specific to the industries applicable to Macquarie Bank's businesses and assets. Failure to comply with any laws or regulations which the MBL Group is subject to could adversely affect its business, prospects, reputation or financial condition.

Regulatory agencies and governments frequently review and revise banking and financial services laws, security and competition laws, fiscal laws and other laws, regulations and policies, including fiscal and trade policies. Changes to laws, regulations or policies, including changes in interpretation or implementation of laws, regulations or policies, could substantially affect Macquarie Bank and the MBL Group or their businesses, the products and services Macquarie Bank and the MBL Group offer or the value of their assets, or have unintended consequences or impacts across Macquarie Bank's and the MBL Group's business. These may include imposing more stringent liquidity requirements and capital adequacy, increasing tax burdens generally or on financial institutions or transactions, limiting the types of financial

services and products that can be offered and/or increasing the ability of other providers to offer competing financial services and products, as well as changes to prudential regulatory requirements. Global economic conditions and increased scrutiny of the governance, culture, remuneration and accountability in the banking sector have led to increased supervision and regulation, as well as changes in regulation in the markets in which Macquarie Bank and the MBL Group operate and may lead to further significant changes of this kind. Health, safety, environmental and social laws and regulations can also change rapidly and significantly. The occurrence of any adverse health, safety, environmental or social event, or any changes, additions to, or more rigorous enforcement of, health, safety, environmental and social standards could have an impact on operations and/or result in material expenditures.

Macquarie Bank and the MBL Group have invested in renewable energy and other low-carbon technology projects as part of the global effort to achieve net zero carbon emissions by 2050. Macquarie Bank and the MBL Group also provide climate-related solutions (including capital and financing, risk management, and physical execution and logistics services across the renewable energy, clean fuels and critical minerals sectors) as part of its lending, trading, derivatives and other businesses to support its clients in their decarbonisation efforts. As part of the global effort towards net zero carbon emissions, a number of governments and regulatory bodies have provided subsidies and other support to reduce the cost of capital associated with projects that support these efforts. However, there is a risk that governments and regulatory bodies may scale down or abandon their commitment to this net zero target due to political, economic or social pressures. A widespread scaling down or abandonment of these commitments may result in Macquarie Bank, the MBL Group and its clients being unable to generate adequate returns from projects that supported these commitments and may significantly reduce the market for Macquarie Bank and the MBL Group's climate-related solutions, negatively impacting Macquarie Bank and the MBL Group's business, results of operations and operational strategies.

In some countries in which the MBL Group does business or may in the future do business, in particular in emerging markets, the laws and regulations are uncertain and evolving, and it may be difficult for the MBL Group to determine the requirements of local laws in every market. The MBL Group's inability to remain in compliance with local laws in a particular market could have a significant and negative effect not only on its businesses in that market but also on its reputation generally.

In addition, regulation is becoming increasingly extensive and complex, and in many instances requires the MBL Group to make complex judgments, which increases the risk of non-compliance. Some areas of regulatory change involve multiple jurisdictions seeking to adopt a coordinated approach or certain jurisdictions seeking to expand the territorial reach of their regulation. The nature and impact of future changes are unpredictable, beyond Macquarie Bank's and the MBL Group's control and may result in potentially conflicting requirements, resulting in additional legal and compliance expenses and changes to their business practices that adversely affect their profitability.

APRA may introduce new prudential regulations or modify existing regulations, including those that apply to Macquarie Bank as an ADI. Any such event could result in changes to the organisational structure of the MBL Group and/or the Macquarie Group and adversely affect the MBL Group.

Macquarie Bank and its subsidiaries are subject to laws that authorise regulatory bodies to block or reduce the flow of funds from those subsidiaries to Macquarie Bank. Restrictions or regulatory action of that kind could impede access to funds that Macquarie Bank needs to make payments on its obligations, including debt obligations, or dividend payments.

- (ai) The MBL Group is subject to the risk of loss as a result of not complying with laws governing financial crime, including sanctions.

The MBL Group is subject in its operations worldwide to laws and regulations relating to corrupt and illegal payments, counter-terrorism financing, anti-bribery and corruption and adherence to anti-money laundering obligations, as well as laws, sanctions and economic

trade restrictions relating to doing business with certain individuals, groups and countries. The geographical diversity of the MBL Group's operations, employees, clients and customers, as well as the vendors and other external parties that it deals with, increases the risk that the MBL Group may be found in violation of financial crime related laws. Emerging financial crime risk typologies could also limit the MBL Group's ability to track the movement of funds thereby heightening the risk of the MBL Group breaching financial crime related laws, sanctions or bribery and corruption laws. The MBL Group's ability to comply with relevant laws is dependent on its detection and reporting capabilities, control processes and oversight accountability. Additionally, the current sanctions environment remains dynamic and constantly evolving. Increasingly complex sanctions and disclosure regimes, which may differ or are not aligned across countries, could adversely affect the MBL Group's business activities and investments, as well as expose the MBL Group to compliance risk and reputational harm.

A failure to comply with these requirements and expectations, even if inadvertent, or resolve any identified deficiencies could subject the MBL Group to significant penalties (including criminal liability), revocation, suspension, restriction or variation of conditions of operating licences, adverse reputational consequences, a breach of its contractual arrangements, litigation by external parties (including potentially class actions) or limitations on the MBL Group's ability to do business.

- (aj) Macquarie Bank and the MBL Group may be adversely affected by increased governmental and regulatory scrutiny or negative publicity.

Governmental scrutiny from regulators, legislative bodies and law enforcement agencies with respect to matters relating to the financial services sector generally, and the MBL Group's business operations, capital, liquidity, financial and non-financial risk management and other matters, has increased dramatically in recent years. The political and public sentiment regarding financial institutions has resulted in a significant amount of adverse press coverage, as well as adverse statements or charges by regulators or other government officials, and in some cases, to increased regulatory scrutiny, enforcement actions and litigation. Responding to and addressing such matters, regardless of the ultimate outcome, is time-consuming, expensive, can adversely affect investor confidence and can divert the time and effort of the MBL Group's staff (including senior management) from their business.

Investigations, inquiries, penalties and fines sought by regulatory authorities have increased substantially over the last several years, with regulators exercising their enhanced enforcement powers in commencing enforcement actions or with advancing or supporting legislation targeted at the financial services industry. If the MBL Group is subject to adverse regulatory findings, the financial penalties could have a material adverse effect on its results of operations. Adverse publicity, governmental scrutiny and legal and enforcement proceedings can also have a negative impact on the MBL Group's reputation with clients and on the morale and performance of its employees.

New or changing government rules and policies may result in government or public scrutiny of the MBL Group's business in ways the MBL Group has not previously experienced, including in areas such as employment practices and its association with groups and initiatives focused on environmental and social goals. The MBL Group's efforts to comply with rules and norms across all of the jurisdictions it operates may expose it to legal risk and criticism from governments and other stakeholders and harm its reputation.

- (ak) Litigation and regulatory actions may adversely impact Macquarie Bank's and the MBL Group's results of operations.

Macquarie Bank and the MBL Group may, from time to time, be subject to material litigation and regulatory actions, for example, as a result of inappropriate documentation of contractual relationships, class actions or regulatory breaches, which, if they crystallise, may adversely

impact upon their results of operations and financial condition in future periods or their reputation. Macquarie Bank and the MBL Group entities regularly obtain legal advice and make provisions, as deemed necessary. There is a risk that any losses may be larger than anticipated or provided for, or that additional litigation, regulatory actions or other contingent liabilities may arise. Furthermore, even where monetary damages may be relatively small, an adverse finding in a regulatory or litigation matter could harm Macquarie Bank's and the MBL Group's reputation or brand, thereby adversely affecting their business.

### **Counterparty credit risk**

- (al) Failure of external parties to honour their commitments in connection with Macquarie Bank's and the MBL Group's trading, lending and other activities may adversely impact their business.

Macquarie Bank and the MBL Group are exposed to potential losses as a result of an individual, counterparty or issuer being unable or unwilling to honour its contractual obligations. Macquarie Bank and the MBL Group are also exposed to potential concentration risk arising from individual exposures or other concentrations including to industries or countries. Macquarie Bank and the MBL Group assume counterparty credit risk in connection with their lending, trading, derivatives and other businesses where they rely on the ability of external parties to satisfy their financial obligations to them in full and on a timely basis. Macquarie Bank's and the MBL Group's recovery of the value of the resulting credit exposure may be adversely affected by a number of factors, including declines in the financial condition of the counterparty, the value of collateral they hold and the market value of counterparty obligations they hold. Changes in sanctions laws may affect the credit condition of their counterparties, with those whose businesses were developed around the ability to trade in or utilise now-sanctioned commodities more likely to have been negatively affected. A period of low or negative economic growth, changes in market conditions or stressed or volatile markets and/or a rise in unemployment could also adversely impact the ability of Macquarie Bank's and the MBL Group's consumer and/or commercial borrowers or counterparties to meet their financial obligations and negatively impact Macquarie Bank's and the MBL Group's credit portfolio. Consumers have been and may continue to be negatively impacted by inflation, resulting in drawdowns of savings or increases in household debt. Higher interest rates, which have increased debt servicing costs for some businesses and households, may adversely impact credit quality, particularly in a period of low or negative economic growth. If the macroeconomic environment worsens, Macquarie Bank's and the MBL Group's credit portfolio and allowance for credit losses could be adversely impacted. Please refer to Note 33 of the Macquarie Bank 2025 Financial Report as set out in the Appendix for details on the concentration of credit risk by significant geographical locations and counterparty types.

Macquarie Bank and the MBL Group are also subject to the risk that their rights against external parties may not be enforceable in all circumstances and jurisdictions. Macquarie Bank's and the MBL Group's inability to enforce their rights may result in losses.

- (am) Macquarie Bank and the MBL Group may experience impairments in their loans, investments and other assets.

Macquarie Bank and its subsidiaries recorded A\$150 million of credit and other impairment charges for the financial year ended 31 March 2025, including A\$110 million for net credit impairment charges, and A\$40 million for net other impairment charges on interests in associates and joint ventures, intangible assets and other non-financial assets. Credit and other impairments may be required in future periods depending upon the credit quality of Macquarie Bank's and the MBL Group's counterparties or if the market value of assets similar to those held were to decline. Credit and other impairment charges may also vary following a change to the inputs or forward-looking information used in the determination of expected credit losses. Please refer to Note 12 of the Macquarie Bank 2025 Financial Report as set out in the Appendix for further information on the determination of expected credit losses.

Sudden declines and significant volatility in the prices of assets may substantially curtail or eliminate the trading markets for certain assets, which may make it very difficult to sell, hedge or value such assets. The inability to sell or effectively hedge assets reduces Macquarie Bank's and the MBL Group's ability to limit losses in such positions and the difficulty in valuing assets may negatively affect their capital, liquidity or leverage ratios, increase their funding costs and generally require them to maintain additional capital.

### **Operational risks**

- (an) Macquarie Bank's and the MBL Group's ability to retain and attract qualified employees is critical to the success of their business and the failure to do so may materially adversely affect their performance.

Macquarie Bank's and the MBL Group's employees are their most important resource, and their performance largely depends on the talents and efforts of highly skilled individuals. Macquarie Bank's and the MBL Group's continued ability to compete effectively in their businesses and to expand into new business areas and geographic regions depends on their ability to retain and motivate their existing employees and attract new employees. Competition from within the financial services industry and from businesses outside the financial services industry, such as professional service firms, hedge funds, private equity funds and venture capital funds, for qualified employees has historically been intense. Remuneration costs required to attract and retain employees may increase and the competitive market for talent may further intensify. Recent employment conditions have made the competition to hire and retain qualified employees more challenging and costly. Attrition rates may also be impacted by factors such as changes in worker expectations, concerns and preferences, including an increased demand for remote work options and other flexibility in the post COVID-19 environment.

In order to attract and retain qualified employees, Macquarie Bank and the MBL Group must compensate such employees at or above market levels. Typically, those levels have caused employee remuneration to be the MBL Group's greatest expense as its performance-based remuneration has historically been cash and equity based and highly variable. Recent market events have resulted in increased regulatory and public scrutiny of corporate remuneration policies and the establishment of criteria against which industry remuneration policies may be assessed. As a regulated entity, Macquarie Bank may be subject to limitations on remuneration practices (which may or may not affect its competitors). These limitations may require Macquarie Bank and the MBL Group to further alter their remuneration practices in ways that could adversely affect their ability to attract and retain qualified and talented employees.

Advances in technology, such as automation and artificial intelligence, may result in changes to the composition of Macquarie Bank's and the MBL Group's workforce by reducing the number of employees they need to perform certain functions and by requiring higher levels of certain skills. As a result, Macquarie Bank and the MBL Group may have to manage processes involving workplace displacement and Macquarie Bank and the MBL Group may have to increase the amount they spend on employee training and recruitment, particularly if they need to acquire skills that are in high demand. If Macquarie Bank and the MBL Group are unable to effectively manage these processes, their business and operations may be adversely affected.

Current and future laws (including laws relating to immigration and outsourcing) may restrict Macquarie Bank's and the MBL Group's ability to move responsibilities or personnel from one jurisdiction to another. This may impact Macquarie Bank's and the MBL Group's ability to take advantage of business and growth opportunities or potential efficiencies.

- (ao) Macquarie Bank and the MBL Group may incur financial loss, adverse regulatory consequences or reputational damage due to inadequate or failure in internal or external operational systems and infrastructures, people and processes.

Macquarie Bank and the MBL Group's businesses depend on their ability to process and monitor, on a daily basis, a very large number of transactions, many of which are highly complex, across numerous and diverse markets in many currencies. While Macquarie Bank and the MBL Group employ a range of risk monitoring and risk mitigation techniques, those techniques and the judgments that accompany their application cannot anticipate every economic and financial outcome or the specifics and timing of such outcomes. As such, Macquarie Bank and the MBL Group may, in the course of their activities, incur losses. There can be no assurance that the risk management processes and strategies that Macquarie Bank and the MBL Group have developed will adequately anticipate or be effective in addressing market stress or unforeseen circumstances. For a further discussion of Macquarie Bank's and the MBL Group's risk management policies and procedures, please refer to Note 33 of the Macquarie Bank 2025 Financial Report as set out in the Appendix.

Macquarie Bank and the MBL Group also face the risk of operational failure, termination or capacity constraints of any of the counterparties, clearing agents, exchanges, clearing houses or other financial intermediaries Macquarie Bank and the MBL Group use to facilitate their securities or derivatives transactions, and as Macquarie Bank's and the MBL Group's interconnectivity with their clients and counterparties grows, the risk to Macquarie Bank and the MBL Group of failures in their clients' and counterparties' systems also grows. Any such failure, termination or constraint could adversely affect Macquarie Bank's and the MBL Group's ability to effect or settle transactions, service their clients, manage their exposure to risk, meet their obligations to counterparties or expand their businesses or result in financial loss or liability to their clients and counterparties, impairment of their liquidity, disruption of their businesses, regulatory intervention or reputational damage.

As Macquarie Bank's and the MBL Group's client base, business activities and geographical reach expands, developing and maintaining their operational systems and infrastructure becomes increasingly challenging. Macquarie Bank and the MBL Group must continuously update these systems to support their operations and growth, which may entail significant costs and risks of successful integration. Macquarie Bank's and the MBL Group's financial, accounting, data processing or technology assets may fail to operate properly or be disrupted as a result of events that are wholly or partially beyond their control, such as a malicious cyber-attack or a disruption event at an external supplier.

The MBL Group's businesses manage a large volume of sensitive data and rely on the secure processing, transmission, storage and retrieval of confidential, proprietary and other information in their data management systems and technology, and in those managed, processed and stored by external parties on behalf of the MBL Group. Inadequate data governance, management and control across the data lifecycle, which includes the capture, processing, retention, publication, use, archiving and disposal of data, could lead to poor decision making in the provision of credit as well as affecting its data management regulatory obligations, all of which may cause the MBL Group to incur losses or lead to regulatory actions. Macquarie Bank and the MBL Group are subject to laws, rules and regulations in a number of jurisdictions regarding compliance with their privacy policies and the disclosure, collection, use, sharing and safeguarding of personally identifiable information of certain parties, such as their employees, customers, suppliers, counterparties and other external parties, the violation of which could result in litigation, regulatory fines and enforcement actions. Furthermore, a breach, failure or other disruption of Macquarie Bank's and the MBL Group's data management systems and technology, or those of their external service providers, could lead to the unauthorised or unintended release, misuse, alteration, loss or destruction of personal or confidential data about their customers, employees or other external parties in their possession. A purported or actual unauthorised access or unauthorised disclosure of personal or confidential data could materially damage Macquarie

Bank's and the MBL Group's reputation and expose Macquarie Bank and the MBL Group to liability for violations of privacy and data protection laws.

Macquarie Bank and the MBL Group have deployed artificial intelligence tools in parts of its business and they anticipate these tools will play an increasing role within Macquarie Bank and the MBL Group's business in the future. Poor use of these tools, including inadequate controls over the way Macquarie Bank and the MBL Group use these tools and their output, could result in unintended consequences, including employees relying on inaccurate or incomplete outputs. Inadequacies in the datasets on which generative AI tools and other AI algorithms rely may also result in biased, incomplete and/or inaccurate outputs. Future laws or regulations may limit the development of these tools or the way Macquarie Bank and the MBL Group use them.

Macquarie Bank and the MBL Group are exposed to the risk of loss resulting from the failure of their internal or external processes and systems, such as from the disruption or failure of their IT systems, or from external suppliers and service providers, including public and private cloud-based technology platforms. Such operational risks may include theft and fraud, failure to effectively implement employment practices and inadequate workplace safety, improper business practices, mishandling of client moneys or assets, client suitability and servicing risks, product complexity and pricing, and valuation risk or improper recording, evaluating or accounting for transactions or breaches of their internal policies and regulations. There is increasing regulatory and public scrutiny concerning the appropriate management of data and the resilience of outsourced and offshore activities and their associated risks. If Macquarie Bank and the MBL Group fail to manage these risks appropriately, they may incur financial losses and/or regulatory intervention and penalties and damage to their reputation which may impact their ability to attract and retain clients who may or may not be directly affected.

Macquarie Bank and the MBL Group are also exposed to the risk of loss and adverse impact to external stakeholders, resulting from their business activities, including the actions or inactions of their employees, contractors or any other persons that are perceived to be representing Macquarie Bank, the MBL Group and external service providers operating in markets globally. Conduct risks can arise from lack of reasonable care and diligence exercised or intentional malfeasance, fraud and other misconduct, including the misuse of client information in connection with insider trading or for other purposes, even if promptly discovered and remediated, can result in reputational damage and material losses and liabilities for Macquarie Bank and the MBL Group. Whilst Macquarie Bank and the MBL Group have a range of controls and processes to minimise their conduct risk exposure and identify and manage employee behaviours in line with their risk management policies, it is not always possible to deter or prevent employee misconduct. The precautions Macquarie Bank and the MBL Group take to prevent and detect this activity may not be effective in all cases, which could result in financial losses, regulatory intervention and reputational damage.

- (ap) A cyber-attack, information security breach or technology disruption event of Macquarie Bank or the MBL Group or of an external supplier could adversely affect Macquarie Bank's or the MBL Group's ability to conduct their business, manage their exposure to risk or expand their businesses. This may result in the disclosure or misuse of confidential or proprietary information and an increase in Macquarie Bank's or the MBL Group's costs to maintain and update their operational and security controls and infrastructure.

The MBL Group's businesses depend on the security and efficacy of its data management systems and technology, as well as those of external parties with whom it interacts or on whom it relies. To access the MBL Group's network, products and services, its customers and other external parties may use personal mobile devices or computing devices that are outside of its network environment and are subject to their own cybersecurity risks. While the MBL Group seeks to operate in a control environment that limits the likelihood of a cyber and information security incident, and to ensure that the impact of a cyber and information security incident can be minimised by its information security capability and incident response, there

can be no assurances that the MBL Group's security controls will provide absolute security against a dynamic external threat environment.

Cyber and information security risks for financial institutions have increased in recent years, in part because of the proliferation of new technologies, the use of internet and telecommunications technology, the increase in remote working arrangements and the increased sophistication and activities of attackers (including hackers, organised criminals, terrorist organisations, hostile state-sponsored activity, disgruntled individuals, activists and other external parties). These risks have grown more acute due to advances in artificial intelligence, such as the use of machine learning and generative artificial intelligence, which has allowed malicious actors to develop more advanced social engineering attacks, including targeted phishing attacks. Global events and geopolitical instability may increase security threats targeted at financial institutions. Targeted social engineering attacks are becoming more sophisticated and are extremely difficult to prevent, requiring the exercise of sound judgment and vigilance by the MBL Group's employees at all times. The techniques used by hackers change frequently and may not be recognised until launched or until after a breach has occurred. Additionally, the existence of cyber-attacks or security breaches at the MBL Group's suppliers may also not be disclosed to it in a timely manner.

Despite efforts to protect the integrity of the MBL Group's systems through the implementation of controls, processes, policies and other protective measures, there is no guarantee that the measures the MBL Group continues to take will provide absolute security or recoverability given that the techniques used in cyber-attacks are complex, executed rapidly, frequently evolving and as a result are difficult to prevent, detect, and respond to.

Due to increasing consolidation, interdependence and complexity of financial entities and technology systems, a technology failure, cyber-attack or other information security breach that significantly degrades, deletes or compromises the systems or data of one or more financial entities could have a material impact on counterparties or other market participants, including the MBL Group. This consolidation, interconnectivity and complexity increases the risk of operational failure, on both individual and industry-wide bases, as disparate systems need to be integrated. Any technology failure, cyber-attack or other information security breach, termination or constraint on any of its external parties could, among other things, adversely affect the MBL Group's ability to effect transactions, service its clients, manage its exposure to risk or expand its businesses.

The MBL Group anticipates cyber-attacks will continue to occur because perpetrators are well resourced, deploying highly sophisticated techniques, including artificial intelligence based attacks, which are evolving rapidly. This challenges its ability to implement effective control measures to prevent or minimise damage that may be caused by all information security threats. Cyber-attacks or other information security breaches, whether directed at the MBL Group or external parties, may result in a material loss or have adverse consequences for the MBL Group, including operational disruption, financial losses, reputational damage, theft of intellectual property and customer data, violations of applicable privacy laws and other laws, litigation exposure, regulatory fines, penalties or intervention, loss of confidence in its security measures and additional compliance costs, all of which could have a material adverse impact on the MBL Group.

- (aq) Macquarie Bank's and the MBL Group's operations rely on their ability to maintain an appropriately staffed workforce, and on the competence, engagement, health, safety and wellbeing of employees and contractors.

Macquarie Bank's and the MBL Group's ability to operate their businesses efficiently and profitably, to offer products and services that meet the expectations of their clients and customers, and to maintain an effective risk management framework is highly dependent on their ability to staff their operations appropriately and on the competence, integrity and health, safety and wellbeing of their employees and contractors.

Macquarie Bank's and the MBL Group's operations could be impaired if the measures they take to ensure the health, safety and wellbeing of their employees and contractors are ineffective, or if any external party on which they rely fails to take appropriate and effective actions to protect the health and safety of their employees and contractors.

- (ar) The MBL Group could suffer losses due to hostile, catastrophic or unforeseen events, including due to environmental and social factors.

The MBL Group's businesses are subject to the risk of unforeseen, hostile or catastrophic events, many of which are outside of its control, including natural disasters, extreme weather events (such as persistent winter storms or protracted droughts), leaks, spills, explosions, release of toxic substances, fires, accidents on land or at sea, terrorist attacks, military conflict including the ongoing Russia-Ukraine conflict and conflict in the Middle East and any potential conflict as a result of rising tensions between China and Taiwan and the United States, or other hostile or catastrophic events. Any significant environmental change or external event (including increased frequency and severity of storms, floods and other catastrophic events such as earthquakes, persistent changes in precipitation levels, rising average global temperatures, rising sea levels, pandemics, other widespread health emergencies, civil unrest, geopolitical or terrorism events) has the potential to disrupt business activities, impact the MBL Group's operations or reputation, increase credit risk and other credit exposures, damage property and otherwise affect the value of assets held in the affected locations and the MBL Group's ability to recover amounts owing to it.

The occurrence of any such events may prevent the MBL Group from performing under its agreements with clients, may impair its operations or financial results, and may result in litigation, regulatory action, negative publicity or other reputational harm. The MBL Group may also not be able to obtain insurance to cover some of these risks and the insurance that it has may be inadequate to cover its losses. Any such long-term, adverse environmental or social consequences could prompt the MBL Group to exit certain businesses altogether. In addition, such an event or environmental change (as the case may be) could have an adverse impact on economic activity, consumer and investor confidence, or the levels of volatility in financial markets.

The MBL Group also faces increasing public scrutiny, laws and regulations related to environmental, social and governance ("ESG") factors, including concerns in respect of "greenwashing" practices. The MBL Group risks damage to its brand and reputation if it fails to act responsibly in a number of areas, such as diversity and inclusion, environmental stewardship, respecting the rights of Indigenous Peoples, support for local communities, corporate governance and transparency and considering ESG factors (including human rights breaches such as modern slavery) where relevant when conducting its business, including under its investment and procurement processes. The MBL Group is also subject to competing demands from different stakeholder groups with divergent views on such ESG-related factors, including by governmental and regulatory officials in various geographical markets in which it operates and invests. Failure to effectively manage these risks, including managing ESG-related expectations across varied stakeholder interests, may result in breaches of the MBL Group's statutory obligations and harm to its reputation, and could adversely affect the MBL Group's business, prospects, reputation, financial performance or financial condition.

- (as) Failure of the MBL Group's insurance carriers or its failure to maintain adequate insurance cover could adversely impact its results of operations.

The MBL Group maintains insurance that it considers to be prudent for the scope and scale of its activities. If the MBL Group's insurance carriers fail to perform their obligations to the MBL Group and/or its third-party cover is insufficient for a particular matter or group of related matters, its net loss exposure could adversely impact its results of operations.

- (at) The MBL Group is subject to risks in using custodians.

Certain products the MBL Group manages depend on the services of custodians to carry out certain securities transactions. Securities held at custodians are typically segregated. In the event of the insolvency of a custodian, the MBL Group might not be able to recover equivalent unsegregated assets in full as the beneficiaries of these products will rank among the custodian's unsecured creditors. In addition, the cash held with a custodian in connection with these products will not be segregated from the custodian's own cash, and the creditors of these products will therefore rank as unsecured creditors in relation to the cash they have deposited.

- (au) Macquarie Bank may be exposed to contagion risk as it does not control the management, operations or business of entities in the Macquarie Group that are not part of the MBL Group.

Entities in the Macquarie Group that are not part of the MBL Group may establish or operate businesses separately from the businesses of the MBL Group and are not obligated to support the businesses of the MBL Group, other than as required by APRA prudential standards. The activities of those entities may have an impact on the MBL Group.

### **Strategic risks**

- (av) Macquarie Bank's and the MBL Group's business may be adversely affected by their failure to adequately manage the risks associated with strategic opportunities and new businesses, including acquisitions, and the exiting or restructuring of existing businesses.

Macquarie Bank and other entities in the MBL Group are continually evaluating strategic opportunities and undertaking acquisitions of businesses, some of which may be material to their operations. Macquarie Bank's and/or the MBL Group's completed and prospective acquisitions and growth initiatives may cause them to become subject to unknown liabilities of the acquired or new business and additional or different regulations.

Future growth, including through acquisitions, mergers and other corporate transactions, may place significant demands on the MBL Group's legal, accounting, IT, risk management and operational infrastructure and result in increased expenses. A number of the MBL Group's business initiatives and further expansions of existing businesses are likely to bring it into contact with new clients, new asset classes and other new products or new markets. These business activities expose the MBL Group to new and enhanced risks, including reputational concerns arising from dealing with a range of new counterparties and investors, actual or perceived conflicts of interest, regulatory scrutiny of these activities, potential political pressure, increased credit-related and operational risks, including risks arising from IT systems and reputational concerns with the manner in which these businesses are being operated or conducted.

Any time Macquarie Bank and such other MBL Group entities make an acquisition, they may over-value the acquisition, they may not achieve expected synergies, they may achieve lower than expected cost savings or otherwise incur losses, they may lose customers and market share, they may face disruptions to their operations resulting from integrating the systems, processes and personnel (including in respect of risk management) of the acquired business into the MBL Group or their management's time may be diverted to facilitate the integration of the acquired business into the MBL Group. Macquarie Bank and other entities in the MBL Group may also underestimate the costs associated with outsourcing, exiting or restructuring existing businesses. Where Macquarie Bank's and/or the MBL Group's acquisitions are in foreign jurisdictions, or are in emerging or growth economies in particular, they may be exposed to heightened levels of regulatory scrutiny and political, social or economic disruption and sovereign risk in emerging and growth markets.

- (aw) Macquarie Bank and the MBL Group's businesses depend on the Macquarie Group's brand and reputation.

The MBL Group believes its reputation in the financial services markets and the recognition of the Macquarie brand by its customers are important contributors to its business. Many companies in the Macquarie Group and many of the funds managed by entities owned, in whole or in part, by the Macquarie Group use the Macquarie name. The MBL Group does not control those entities that are not in the MBL Group, but their actions may reflect directly on its reputation.

The MBL Group's business may be adversely affected by negative publicity or poor financial performance in relation to any of the entities using the Macquarie name, including any Macquarie-managed fund or funds that Macquarie has promoted or is associated with. Investors and lenders may associate such entities and funds with the name, brand and reputation of the Macquarie Group and other Macquarie-managed funds. If funds that use the Macquarie name or are otherwise associated with Macquarie-managed infrastructure assets, such as roads, airports, utilities and water distribution facilities that people view as community assets, are perceived to be managed inappropriately, those managing entities could be subject to criticism and negative publicity, harming the reputation of Macquarie Bank and the MBL Group and the reputation of other entities that use the Macquarie name.

- (ax) Competitive pressure, both in the financial services industry, as well as in the other industries in which Macquarie Bank and the MBL Group operate, could adversely impact their business.

Macquarie Bank and the MBL Group face significant competition from local and international competitors, which compete vigorously in the markets and sectors across which the MBL Group operates. Macquarie Bank and the MBL Group compete, both in Australia and internationally, with asset managers, retail and commercial banks, private banking firms, investment banking firms, brokerage firms, internet-based firms, commodity trading firms and other investment and service firms as well as businesses in adjacent industries in connection with the various funds and assets they manage and services they provide. This includes specialist competitors that may not be subject to the same capital and regulatory requirements and therefore may be able to operate more efficiently.

In addition, digital technologies and business models are changing consumer behaviour and the competitive environment. The use of digital channels by customers to conduct their banking continues to rise and emerging competitors are increasingly utilising new technologies and seeking to disrupt existing business models, including in relation to digital payment services and open data banking, that challenge, and could potentially disrupt, traditional financial services. Macquarie Bank and the MBL Group face competition from established providers of financial services as well as from businesses developed by non-financial services companies. Macquarie Bank and the MBL Group believe that they will continue to experience pricing pressures in the future as some of their competitors seek to obtain or increase market share.

The widespread adoption and rapid evolution of new technologies, including process automation, machine learning and artificial intelligence, analytic capabilities, self-service digital trading platforms and automated trading markets, internet services and digital assets, such as central bank digital currencies, cryptocurrencies (including stablecoins), tokens and other cryptoassets, clearing and settlement processes could have a substantial impact on the financial services industry. As these technologies develop, customer demand for products and services based on these technologies may increase, and new technologies may increasingly be integrated into the internal processes to generate efficiencies. If Macquarie Bank and the MBL Group are unable to match the speed or success of their competitors in developing and integrating these technologies, they may be unable to compete effectively with their competitors, adversely affecting Macquarie Bank's and the MBL Group's business and results of operations.

Any consolidation in the global financial services industry may create stronger competitors with broader ranges of product and service offerings, increased access to capital, and greater efficiency and pricing power which may enhance the competitive position of the MBL Group's competitors. In addition to mergers and acquisitions pursued for commercial reasons, consolidation may also occur as a result of bank regulators encouraging or directing stronger institutions to acquire weaker institutions to preserve stability. The effect of competitive market conditions, especially in the MBL Group's main markets, products and services, may lead to an erosion in its market share or margins.

- (ay) Conflicts of interest could limit the MBL Group's current and future business opportunities.

As the MBL Group expands its businesses and its client base, it increasingly has to address potential or perceived conflicts of interest, including situations where its services to a particular client conflict with, or are perceived to conflict with, its own proprietary investments or other interests or with the interests of another client, as well as situations where one or more of its businesses have access to material non public information that may not be shared with other businesses within the Macquarie Group. While the MBL Group believes it has adequate procedures and controls in place to address conflicts of interest, including those designed to prevent the improper sharing of information among its businesses, appropriately dealing with conflicts of interest is complex, and its reputation could be damaged and the willingness of clients or counterparties to enter into transactions may be adversely affected if the MBL Group fails, or appears to fail, to appropriately manage conflicts of interest. In addition, actual, potential or perceived conflicts could give rise to claims by and liabilities to clients, litigation or enforcement actions.

#### **Tax**

- (az) Macquarie Bank's and the MBL Group's business operations expose them to potential tax liabilities that could have an adverse impact on their results of operations and their reputation.

Macquarie Bank and the MBL Group are exposed to costs and risks arising from the manner in which the Australian and international tax regimes may be applied, enforced and/or amended, both in terms of their own tax compliance and the tax aspects of transactions on which they work with clients and other external parties.

Macquarie Bank's and the MBL Group's international, multi-jurisdictional platform increases their tax risks. Any actual or alleged failure to comply with or any change in the implementation, interpretation, application or enforcement of applicable tax laws and regulations could adversely affect Macquarie Bank's and the MBL Group's reputation and affected business areas, significantly increase their effective tax rate or tax liability and expose them to legal, regulatory and other actions.

#### **Accounting standards**

- (ba) Changes in accounting standards, policies, interpretations, estimates, assumptions and judgments that could have a material impact on the financial results of Macquarie Bank and the MBL Group.

Macquarie Bank's and the MBL Group's accounting policies are fundamental to how they record and report their financial position and results of operations. These policies require the use of estimates, assumptions and judgements that affect the reported value of Macquarie Bank's and the MBL Group's assets or liabilities and results of operations. Management is required to determine estimates and apply subjective and complex assumptions and judgements about matters that are inherently uncertain. Changes in those estimates, assumptions and judgements are accounted for prospectively as a change in accounting estimate unless it is determined that either (i) the determination thereof was in error or (ii) the

accounting policy which sets out the application of those estimates, assumptions and judgements has changed, in which case the previous reported financial information is re-presented.

Accounting standard setting bodies issue new accounting standards and interpretations in response to outreach activities, evolving interpretations, application of accounting principles as well as changes in market developments. In addition, changes in interpretations by accounting standard setting bodies; regulators; and Macquarie Bank's and the MBL Group's independent external auditor may also arise from time to time. These changes may be difficult to predict in terms of the nature of such changes and the timing thereof. The application of new requirements and interpretations may impact how Macquarie Bank and the MBL Group prepare and report their financial statements. In some cases, Macquarie Bank and the MBL Group may be required to apply a new or revised standard or change in interpretation retrospectively, resulting in a requirement to re-present their previously reported financial information.

(a) Risks relating to the weighted voting rights structure.

The Company is controlled through weighted voting rights. Certain individuals who own shares of a class which is being given more votes per share may have the ability to determine the outcome of most matters. If the Company takes actions that the other shareholders do not view as beneficial, the market price of the underlying shares and hence the Warrants could be adversely affected.

(b) Investors should note that they are exposed to an exchange rate risk as the Warrants will be issued and traded in Singapore dollars while the underlying shares are traded in Hong Kong dollars and the Cash Settlement Amount is converted from a foreign currency into Singapore dollars. The value of the Warrants may therefore be affected by, amongst other factors, the relative exchange rates of the Singapore dollar and the Hong Kong dollars. Exchange rates between currencies are determined by forces of supply and demand in the foreign exchange markets. These forces are, in turn, affected by factors such as international balances of payments and other economic and financial conditions, government intervention in currency markets and currency trading speculation. Fluctuations in foreign exchange rates, foreign political and economic developments, and the imposition of exchange controls or other foreign governmental laws or restrictions applicable to such investments may affect the foreign currency market price and the exchange rate-adjusted equivalent price of the Warrants. Fluctuations in the exchange rate of any one currency may be offset by fluctuations in the exchange rate of other relevant currencies.

(c) The price of the Share is published during the trading hours of the Relevant Stock Exchange. The trading days and hours of the Relevant Stock Exchange are different from that of the SGX-ST. In assessing the price of the Warrants, you should be aware of the differences in the time zone and the actual trading days and hours of the relevant exchanges in Singapore and Hong Kong. For example, the price of the Share may be volatile during which the Stock SGX-ST is not open for trading of the Warrants. There may also be certain period of time during the trading hours of the SGX-ST when the prices of the Shares are not available. The market maker will not be able to provide liquidity for the Warrants during such times.

(d) Risks relating to the multiple counter single equities in Hong Kong.

Where the Company adopts the multiple counters model for trading its shares on HKEX in HKD and one or more foreign currencies (such as Renminbi) separately, the relatively recent introduction and untested nature of HKEX's multiple counters model may bring the following additional risks:

(i) The Warrants are only related to the Shares which are HKD traded on HKEX. Any movement in the trading prices of the shares of the Company traded in another currency counter should not directly affect the price of the Warrants. Investors should not consider the price of the shares of the Company traded in another currency counter in making investment decision in the Warrants;

(ii) if there is a suspension of inter-counter transfer of the shares of the Company between the HKD counter and any other currency counters for any reason, such shares will only be able to be traded in the relevant currency counter on HKEX, which may affect the demand and supply of the Shares and have an adverse effect on the price of the Warrants; and

(iii) the trading price on HKEX of HKD traded shares may deviate significantly from the trading price on HKEX of shares traded in another currency counter due to a number of factors such as market liquidity, foreign exchange conversion risk, supply and demand in each counter and exchange rate fluctuation. Changes in the trading price of the Shares may adversely influence the price of the Warrants.

## INFORMATION RELATING TO THE COMPANY

*All information contained in this document regarding the Company, including, without limitation, its financial information, is derived from publicly available information. The Issuer has not independently verified any of such information.*

Xiaomi Corporation (the “**Company**”) manufactures communication equipment and parts. The Company produces and sells mobile phones, smart phone software, set-top boxes, and related accessories. The Company markets its products worldwide.

The information set out in Appendix I of this document relates to the unaudited consolidated financial results of the Company and its subsidiaries for the six months ended 30 June 2025 and has been extracted and reproduced from the Company’s announcement dated 25 September 2025. Further information relating to the Company may be located on the Company’s web-site at <http://www.mi.com>.

## INFORMATION RELATING TO THE DESIGNATED MARKET MAKER

Macquarie Capital Securities (Singapore) Pte. Limited (“**MCSSP**”) has been appointed the designated market maker (“**DMM**”) for the Warrants. The DMM will provide competitive buy and sell quotes for the Warrants continuously during the trading hours of the SGX-ST on the following basis:

- (a) Maximum bid and offer spread : 10 times the minimum permitted price movement in the Warrants in accordance with the rules of the SGX-ST or SGD 0.20, whichever is the greater
- (b) Minimum quantity subject to bid and offer spread : 10,000 Warrants
- (c) Last Trading Day for Market Making : The date falling five Business Days immediately preceding the Expiry Date, provided that if such day is not a day on which HKEX is open for dealings during its normal trading hours (“HK Business Day”), the Business Day immediately preceding such day which is also a HK Business Day

Quotations will/may however not be provided by the DMM in the following circumstances:

- (i) during the pre-market opening and five minutes following the opening of the SGX-ST on any trading day;
- (ii) if the Warrant is valueless (where the Issuer’s bid price is below the minimum bid size for such securities as prescribed by the SGX-ST);
- (iii) when trading in the Shares is suspended or limited in a material way (including price quote limits activated by the relevant exchange or otherwise); for the avoidance of doubt, the DMM is not obliged to provide quotations for the Warrants at any time when the shares or securities relating to or constituting the Index are not traded for any reason;
- (iv) when the Issuer or DMM faces technical problems affecting the ability of the DMM to provide the bid and offer prices;
- (v) when the ability of the Issuer to source a hedge or unwind an existing hedge, as determined by the Issuer in good faith, is materially affected by the prevailing market conditions. The Issuer will inform the SGX-ST of its inability to do so as soon as practicable;
- (vi) in cases where the Issuer has no Warrants to sell, then the DMM will only provide bid quotations. The DMM may provide intermittent offer quotations when it has inventory of the Warrants;
- (vii) when the stock market experiences exceptional price movements and volatility; and
- (viii) when it is a public holiday in Singapore or Hong Kong and the SGX-ST or HKEX is not open for dealings.

### History and Business

MCSSP holds a Capital Markets Services License issued by the Monetary Authority of Singapore and is a trading member of SGX-ST as well as a Clearing Member of the CDP. Under the Capital Markets Services License, MCSSP is permitted to deal in securities and provide custodial services as well as act as an exempt financial adviser. Its principal activities are those relating to the provision of stock and share broking services, prescribed under the rules and regulations of the SGX-ST, and related securities research services. MCSSP is a wholly owned subsidiary of Macquarie Group Holdings (Singapore) Pte. Limited and its ultimate holding company is Macquarie Group Limited.

## **SUPPLEMENTAL INFORMATION RELATING TO THE ISSUER**

The Macquarie Bank Limited 2025 Annual Report for the financial year ended 31 March 2025 is released. Copies of the Macquarie Bank Limited 2025 Annual Report can be obtained at the office of Macquarie Capital Securities (Singapore) Pte. Limited at 9 Straits View #21-07 Marina One West Tower Singapore 018937, and viewed at [www.macquarie.com.au](http://www.macquarie.com.au).

For more information on the Issuer, please see [www.macquarie.com](http://www.macquarie.com).

Queries regarding the Warrants may be directed to 1800 288 2880 (Toll Free) or +65 6601 0289 (International) or [info@warrants.com.sg](mailto:info@warrants.com.sg).

# SALE

## General

No action has been or will be taken by the Issuer that would permit a public offering of the Warrants or possession or distribution of any offering material in relation to the Warrants in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Warrants, or distribution of any offering material relating to the Warrants may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws or regulations and will not impose any obligation on the Issuer. In the event that the Issuer contemplates a placing, placing fees may be payable in connection with the issue and the Issuer may at its discretion allow discounts to placees.

## European Economic Area

Please note that in relation to EEA states, additional selling restrictions may apply in respect of any specific EEA state.

The Warrants are not offered, sold or otherwise made available and will not be offered, sold, or otherwise made available under this document to any retail investor in the European Economic Area. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRiIPs Regulation**") for offering or selling the Warrants or otherwise making them available to retail investors in the European Economic Area has been prepared and therefore offering or selling the Warrants or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRiIPs Regulation. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
  - (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended and superseded the "**Prospectus Regulation**"); and
- (b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Warrants to be offered so as to enable an investor to decide to purchase or subscribe the Warrants.

## United Kingdom

Each dealer has represented and agreed, and each further dealer appointed in respect of the Warrants will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Warrants which are the subject of the offering contemplated by. document to any retail investor in the United Kingdom. Consequently no key information document required by the PRiIPs Regulation as it by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA") forms part of domestic law (the "UK PRiIPs Regulation") for offering or selling the Warrants or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Warrants or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRiIPs Regulation.

For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of EUWA; or
  - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act, as amended (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Warrants to be offered so as to enable an investor to decide to purchase or subscribe for the Warrants.

Each dealer has represented and agreed, and each further dealer appointed in respect of the Warrants will be required to represent and agree, that:

- (a) in respect of Warrants having a maturity of less than one year: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell any Warrants other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Warrants would otherwise constitute a contravention of Section 19 of the FSMA, by us;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of the Warrants in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Warrants in, from or otherwise involving the United Kingdom.

### **United States of America**

The Warrants have not been, and will not be, registered under the Securities Act. Subject to certain exceptions, Warrants, or interests therein, may not at any time be offered, sold, resold or delivered, directly or indirectly, in the U.S. or to, or for the account or benefit of, any U.S. person or to others for offering, sale or resale in the U.S. or to any such U.S. person. Offers and sales of Warrants, or interests therein, in the U.S. or to U.S. persons would constitute a violation of U.S. securities laws unless made in compliance with registration requirements of the Securities Act or pursuant to an exemption therefrom. As used herein, “**U.S.**” means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction; and “**U.S. person**” means any citizen or resident of the U.S., including any corporation, partnership or other entity created or organised in or under the laws of the U.S. or of any political subdivision thereof, any estate or trust the income of which is subject to U.S. income taxation

regardless of its source, and any other **“U.S. person”** as such term is defined in Regulation S under the Securities Act.

## **Singapore**

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Warrants may not be circulated or distributed, nor may Warrants be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with the conditions of, any applicable provision of the Securities and Futures Act 2001 of Singapore.

## **Hong Kong**

Each distributor, purchaser or subscriber of the Warrants has represented and agreed that it has not issued or had in its possession for the purposes of issue, and will not issue, or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Warrants, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Warrants which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

## **Commonwealth of Australia**

This document is not a prospectus, product disclosure statement or any other disclosure document for the purposes of the Corporations Act 2001 (Cth) (the **“Act”**). This document has not been, and will not be, lodged with the Australian Securities and Investments Commission, ASX Limited or any other government agency in Australia. Each Warrantholder will be required to represent and agree that, unless the applicable final terms otherwise provides, it:

- (a) has not offered or invited applications, and will not make any offer, or invite applications, for the issue, sale or purchase of any Warrant in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, this document, any addendums to the Base Listing Document and this document or any other offering material or advertisement relating to any Warrant in Australia,

Unless:

- (a) the offeree or invitee is a “wholesale client”, “sophisticated investor” or “professional investor” (as defined in the Act);
- (b) the minimum aggregate consideration payable by each offeree or invitee is at least A\$500,000 (or its equivalent in other currencies but disregarding moneys lent by the offeror or its associates); or
- (c) the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Act.

Section 708(19) of the Act provides that an offer of debentures for issue or sale does not need disclosure to investors under Part 6D.2 of the Act if the issuer is an Australian ADI. As at the date of this document, the Issuer is an ADI.

## SUPPLEMENTAL GENERAL INFORMATION

The information set out herein is supplemental to, and should be read in conjunction with, the information set out on page 127 of the Base Listing Document.

1. Settlement of trades done on a normal “ready basis” on the SGX-ST generally takes place on the second Business Day following the transaction. Dealing in the Warrants will take place in Board Lots in Singapore dollars. For further details on the transfer of Warrants and their exercise, please refer to the section headed “Summary of the Issue” above.
2. It is not the current intention of the Issuer to apply for a listing of the Warrants on any stock exchange other than the SGX-ST.
3. Macquarie Bank is an indirect subsidiary of MGL. Macquarie Group is a large diversified Australian-based financial institution with a long and successful history. Like any financial institution, Macquarie Group has been subject to lawsuits.

As appropriate, the Macquarie Group makes provision for and recognises contingent liabilities in respect of actual and potential claims and proceedings that have not been determined. An assessment of likely losses is made on a case-by-case basis for the purposes of Macquarie Group’s consolidated financial statements and specific provisions that Macquarie Group considers appropriate are made, as described in the Notes to Macquarie Group’s consolidated financial statements for the year ended 31 March 2025.

There are no, nor have there been, any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which Macquarie Bank or the Macquarie Group is aware) in the 12 month period prior to the date of this document which may have or have had a significant effect on the financial position or profitability of Macquarie Bank.

4. To the best of the Issuer's knowledge, there has been no adverse change, material in the context of the issue of the Warrants, in the financial position of the Issuer since 31 March 2025.
5. The following contracts, relating to the issue of the Warrants, have been or will be entered into by the Issuer and may be material to the issue of the Warrants:
  - (a) the Master Instrument; and
  - (b) the Warrant Agent Agreement.

None of the directors of the Issuer has any direct or indirect interest in any of the above contracts.

6. The Warrants are not fully covered by Shares held by Issuer or a trustee for and on behalf of the Issuer. The Issuer has appropriate risk management capabilities to manage the issue of the Warrants.
7. Copies of the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) at the office of Macquarie Capital Securities (Singapore) Pte. Limited at 9 Straits View, #21-07 Marina One West Tower, Singapore 018937, until the expiry of the Warrants:
  - (a) the Constitution of the Issuer;
  - (b) the annual reports for the financial years ended 31 March 2024 and 31 March 2025 of the Issuer;

- (c) the Master Instrument;
- (d) the Warrant Agent Agreement; and
- (e) the Base Listing Document.

## **APPENDIX I**

### **REPRODUCTION OF THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025 OF XIAOMI CORPORATION AND ITS SUBSIDIARIES**

The information set out below is a reproduction of the unaudited consolidated financial results of the Company and its subsidiaries for the six months ended 30 June 2025 and has been extracted and reproduced from the Company's announcement dated 25 September 2025.



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

# XIAOMI CORPORATION

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

## 2025 INTERIM REPORT

This interim report (in both English and Chinese versions) has been posted on the Company's website at [www.mi.com](http://www.mi.com) and the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk). Shareholders who have chosen to rely on copies of the corporate communications (including but not limited to annual report and (where applicable) summary financial report, interim report and (where applicable) summary interim report, notice of meeting, listing document, circular and proxy form) posted on the aforesaid websites in lieu of any or all the printed copies thereof may request the printed copy of the interim report.

Shareholders who have chosen or are deemed to have consented to receive the corporate communications using electronic means and who have difficulty in receiving or gaining access to the interim report posted on the Company's website will promptly upon request be sent the interim report in printed form free of charge.

Shareholders may at any time choose to change their choice of means of receipt (in printed form or by electronic means through the Company's website) and language (in English only, in Chinese only or in both Chinese and English) of all future corporate communications from the Company by sending reasonable prior notice in writing by post to the Hong Kong Share Registrar at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or by email at [xiaomi.ecom@computershare.com.hk](mailto:xiaomi.ecom@computershare.com.hk).

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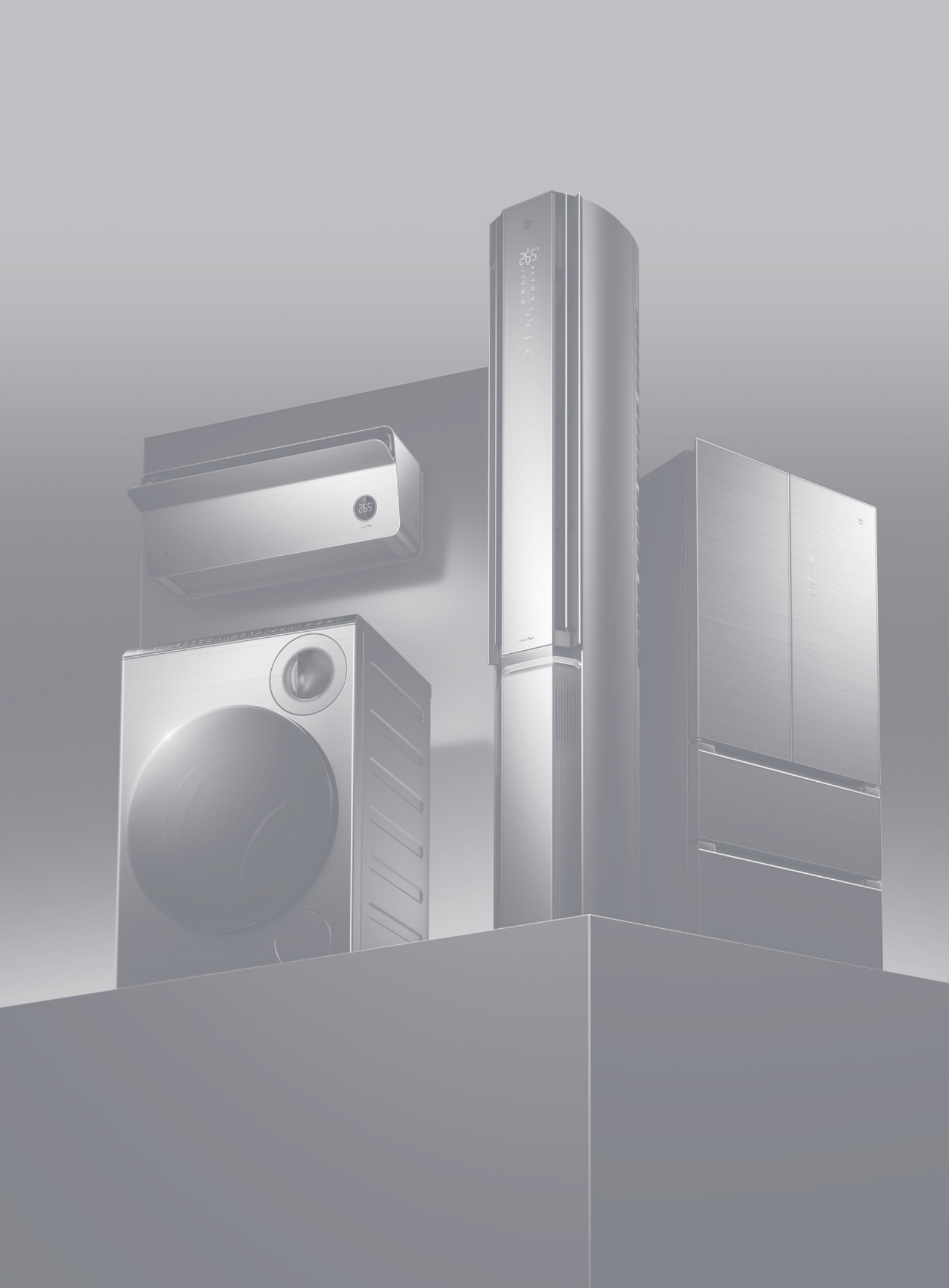
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We relentlessly  
build amazing products  
with honest prices  
to let everyone in the world  
enjoy a better life through  
innovative technology





# CORPORATE INFORMATION

## Board of Directors

### Executive Directors

Lei Jun (雷軍) *(Chairman of the Board)*

Lin Bin (林斌) *(Vice Chairman of the Board)*

Liu De (劉德)

### Non-Executive Director

Liu Qin (劉芹)

### Independent Non-Executive Directors

Chen Dongsheng (陳東升)

Wong Shun Tak (王舜德)

Cai Jinqing (蔡金青)

## Audit Committee

Wong Shun Tak (王舜德) *(Chairman)*

Liu Qin (劉芹)

Chen Dongsheng (陳東升)

## Remuneration Committee

Chen Dongsheng (陳東升) *(Chairman)*

Lei Jun (雷軍)

Wong Shun Tak (王舜德)

## Nomination Committee

Wong Shun Tak (王舜德) *(Chairman)*

Lin Bin (林斌)

Cai Jinqing (蔡金青)

## Corporate Governance Committee

Chen Dongsheng (陳東升) *(Chairman)*

Wong Shun Tak (王舜德)

Cai Jinqing (蔡金青)

## Joint Company Secretaries

So Ka Man (蘇嘉敏)

Liu Hao (劉灝)

## Authorized Representatives

Lin Bin (林斌)

So Ka Man (蘇嘉敏)

## Auditor

PricewaterhouseCoopers

*Certified Public Accountants and Registered Public*

*Interest Entity Auditor*

22/F, Prince's Building, Central, Hong Kong

### Registered Office

Maples Corporate Services Limited  
PO Box 309  
Ugland House  
Grand Cayman, KY1-1104  
Cayman Islands

### Head Office and Principal Place of Business in Mainland China

Xiaomi Campus  
Anningzhuang Road  
Haidian District  
Beijing  
The People's Republic of China

### Principal Place of Business in Hong Kong

Room 1928, 19/F, Lee Garden One  
33 Hysan Avenue  
Causeway Bay  
Hong Kong

### Hong Kong Legal Advisor

Skadden, Arps, Slate, Meagher & Flom  
42/F, Edinburgh Tower  
The Landmark  
15 Queen's Road Central  
Hong Kong

### Compliance Advisor

Guotai Junan Capital Limited  
27/F, Low Block  
Grand Millennium Plaza  
181 Queen's Road Central  
Hong Kong

### Hong Kong Share Registrar

Computershare Hong Kong Investor Services Limited  
Shops 1712–1716, 17<sup>th</sup> Floor  
Hopewell Centre  
183 Queen's Road East  
Wan Chai  
Hong Kong

### Principal Share Registrar and Transfer Office

Maples Fund Services (Cayman) Limited  
PO Box 1093, Boundary Hall  
Cricket Square  
Grand Cayman, KY1-1102  
Cayman Islands

### Principal Banker

Shouti Technology Finance Sub-Branch, Beijing Branch,  
China Merchants Bank

### Stock Codes

1810 (HKD counter) and 81810 (RMB counter)

### Company Website

[www.mi.com](http://www.mi.com)

# KEY HIGHLIGHTS

	June 30, 2025	Unaudited Six months ended June 30, 2024	Year-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 <sup>1</sup>	21,506.3	12,666.4	69.8%

<sup>1</sup> See the section entitled "Non-IFRS Measure: Adjusted Net Profit" for more information about the non-IFRS measure.

xiaomi



Six months ended June 30, 2025



Total revenue

227.2  
RMB billion

Smartphone x AIoT  
segment<sup>(1)</sup> revenue

187.4  
RMB billion

Smart EV, AI and  
other new initiatives  
segment<sup>(1)</sup> revenue

39.8  
RMB billion



Gross profit margin

22.7%

Smartphone  
shipments

84.2  
million units

Connected IoT  
devices<sup>(2)</sup>

989.1  
million units

Global MAU<sup>(3)</sup>

731.2  
million



Smart EV deliveries

157,171  
vehicles

Notes:

- (1) The operating segment of smart EV and other new initiatives has been updated to smart EV, AI and other new initiatives since the first quarter of 2025.
- (2) As of June 30, 2025, excluding smartphones, tablets and laptops.
- (3) In June 2025, global monthly active users including smartphones and tablets.

# CHAIRMAN'S STATEMENT

Dear Shareholders,

I am pleased to present our interim report for the six months ended June 30, 2025 to the shareholders.

The graphic consists of four icons arranged in a 2x2 grid, each with a label below it. The top-left icon shows a bar chart with an upward arrow and a dollar sign, labeled 'OVERALL PERFORMANCE'. The top-right icon shows a hand holding a smartphone with a house icon and a cloud with up/down arrows, labeled 'SMARTPHONE X AIOT'. The bottom-left icon shows a car with a lightning bolt and a plug, labeled 'SMART EV, AI AND OTHER NEW INITIATIVES'. The bottom-right icon shows three stylized human figures, labeled 'CORPORATE SOCIAL RESPONSIBILITY'.

## 1. Overall Performance

In the first half 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 first half of 2025 reached a record high of RMB227.2 billion, representing an increase of 38.2% year-over-year. Segment-wise, in the first half of 2025, revenue of our smartphone × AIoT segment reached RMB187.4 billion, up 18.6% year-over-year; revenue of our smart Electric Vehicle (“EV”), AI and other new initiatives segment reached RMB39.8 billion. Both segments achieved record highs. In this first half of the year, our adjusted net profit hit a record high of RMB21.5 billion, up 69.8% year-over-year.

We continued to advance our “Human × Car × Home” corporate strategy. In the first half of 2025, our global smartphone shipments reached 84.2 million units, up 1.8% year-over-year. According to Canalys<sup>2</sup>, in the first half of 2025, we maintained top 3 global smartphone shipment ranking for the 20th consecutive quarter, with a market share of 14.4%. Meanwhile, we continued to expand our user ecosystem. In June 2025, our global monthly active users (“MAU”)<sup>3</sup> 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 first half of 2025, we achieved total deliveries of 157,171 vehicles.

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 first half of 2025, our research and development expenses increased by 35.8% year-over-year to RMB14.5 billion. As of June 30, 2025, our research and development personnel hit a record high of 22,641.

We remain committed to the principle “Technology as Foundation”, and continue to invest in fundamental core technologies and build our competitive barriers. In May 2025, we officially unveiled our first self-developed flagship processor *Xiaomi XRING 01*. Building on the cutting-edge second-gen 3nm process, *Xiaomi XRING 01* integrates a 10-core CPU and 16-core GPU architecture, delivering flagship performance. Meanwhile, we unveiled *Xiaomi 15S Pro* and *Xiaomi Pad 7 Ultra*, both powered by *XRING 01*. Moreover, we unveiled *Xiaomi XRING T1*, our first 4G smartwatch chip with long battery life and it integrates our first self-developed 4G baseband. *XRING T1* is featured in the *Xiaomi Watch S4 eSIM 15th Anniversary Version*.

Meanwhile, we have been making continuous progress on our foundational large language models. In April 2025, we introduced *Xiaomi MiMo*, our first open-sourced large language reasoning model. Powered by multi-dimensional innovations across data and algorithms during both pre-training and post-training states, *Xiaomi MiMo-7B* has achieved significant improvements in reasoning capability. Moreover, on public evaluation sets for mathematical reasoning and coding competitions<sup>4</sup>, *Xiaomi MiMo-7B* achieved outstanding results among large language models with 7 billion parameter size. 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

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<sup>2</sup> Canalys (now part of Omdia).

<sup>3</sup> Including smartphones and tablets.

<sup>4</sup> Refer to public evaluation sets for mathematical reasoning (AIME 24-25) and coding competitions (LiveCodeBench v5).

## CHAIRMAN'S STATEMENT

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 first half of 2025, we ranked No. 2 in terms of smartphone units sold in mainland China, and our premium smartphone<sup>5</sup> units sold accounted for 26.2% of our total smartphone units sold in mainland China, representing an increase of 4.4 percentage points year-over-year. According to third-party data, in the first half 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 24.6%, an increase of 4.6 percentage points year-over-year. Our market share in the RMB5,000–6,000 segment in mainland China reached 12.0%, up 2.5 percentage points year-over-year.

We continued to advance our new retail strategy. During the first half of 2025, we added a net of over 2,700 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 first half of 2025, our market share of smartphone units sold through offline channels in mainland China was 12.2%, up 2.5 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.

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<sup>5</sup> Premium smartphones in mainland China are models with retail prices at or above RMB3,000.

## 2. Smartphone × AIoT

In the first half of 2025, revenue from our smartphone × AIoT segment reached RMB187.4 billion, up 18.6% year-over-year. The gross profit margin of our smartphone × AIoT segment was 22.2%, up 0.5 percentage points year-over-year.

### *Smartphones*

In the first half of 2025, our smartphone revenue reached RMB96.1 billion, with a gross profit margin of 12.0%. Our global smartphone shipments reached 84.2 million units, up 1.8% year-over-year. According to Canalys, in the first half of 2025, we maintained top 3 global smartphone shipment ranking, with a market share of 14.4%. In the first half of 2025, our smartphone shipments rose to No. 1 in Southeast Asia, with market share rising by 1.3 percentage points year-over-year to 18.2%. In Europe, we moved up to No. 2, with market share rising by 1.7 percentage points year-over-year to 21.7%. We maintained our No. 2 position in both the Middle East and Latin America, with market shares of 17.3% and 18.5% respectively. And we ranked No. 3 in Africa, with market share rising by 2.6 percentage points year-over-year to 13.8%. In first half of 2025, our smartphone shipments ranked among the top three across 61 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 May 2025, we launched our flagship smartphone *Xiaomi 15S Pro* in mainland China. *Xiaomi 15S Pro* is powered by our first self-developed flagship processor *Xiaomi XRING 01*, and features the wing-shaped loop liquid-cooling system Pro, delivering robust performance while maintaining energy efficiency. The *Xiaomi 15S Pro* is equipped with a Leica Summilux triple-lens system, and the *Xiaomi XRING 01* integrates Xiaomi's fourth-generation ISP, offering a significantly upgraded imaging experience. 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.

## CHAIRMAN'S STATEMENT

### *IoT and lifestyle products*

In the first half of 2025, our IoT and lifestyle products achieved a record-high revenue of RMB71.1 billion, up 50.7% year-over-year, and gross profit margin reached 23.8%, up 4.0 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 first half of 2025, our smart large home appliances revenue reached a record high, up 78.1% year-over-year. Our air conditioner shipments hit a record high and exceeded 6.5 million units, up over 60% year-over-year; our refrigerator shipments exceeded 1.6 million units, up over 40% year-over-year; and our washing machine shipments exceeded 1.3 million units, up over 70% 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 first half of 2025, our global tablet shipments grew by 48.9% year-over-year, maintaining the fastest growth rate among the top five vendors. In May 2025, we unveiled *Xiaomi Pad 7 Ultra*. Equipped with our self-developed processor *Xiaomi XRING 01*, and a 14-inch OLED display, the *Xiaomi Pad 7 Ultra* is designed to support professional productivity experience. In June 2025, we unveiled the *Xiaomi Pad 7S Pro 12.5*, the second tablet powered by our self-developed processor *Xiaomi XRING 01*, 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 ultralight 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 Canalis, in the first half of 2025, our wearable bands<sup>6</sup> 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 first half of 2025, our internet services revenue reached RMB18.2 billion, up 11.4% year-over-year. The gross profit margin of our internet services reached 76.1%.

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 TV<sup>7</sup> reached 73.8 million, up 7.3% year-over-year.

In the first half of 2025, our advertising revenue reached RMB13.4 billion, up 17.0% year-over-year. In the first half of 2025, our gaming revenue reached RMB2.3 billion, up 2.1% year-over-year.

In the first half of 2025, our overseas internet services revenue reached RMB5.7 billion, up 10.5% year-over-year. Overseas internet services revenue accounted for 31.4% of our total internet services revenue.

## **3. Smart EV, AI and Other New Initiatives**

In the first half of 2025, revenue from our smart EV, AI and other new initiatives segment reached RMB39.8 billion, which consisted of RMB38.7 billion from smart EV and RMB1.1 billion from other related businesses. In the first half of 2025, the gross profit margin of our smart EV, AI and other new initiatives segment reached 24.9%. In the first half of 2025, the loss from operations<sup>8</sup> related to our smart EV, AI and other new initiatives segment was RMB0.8 billion.

In the first half of 2025, we achieved total deliveries of 157,171 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.

<sup>6</sup> Including basic bands, basic watches and smart watches.

<sup>7</sup> Including *Xiaomi Box* and *Xiaomi TV Stick*.

<sup>8</sup> Defined as gross profit minus operating expenses.

## CHAIRMAN'S STATEMENT

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 CLTC<sup>9</sup> range of 835 km<sup>10</sup>. 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*<sup>11</sup> 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 centers<sup>12</sup> across 92 cities in mainland China.

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. In April 2025, we published our Xiaomi Corporation 2024 Environmental, Social and Governance (ESG) Report, which we have released for the seventh consecutive year. The report provides a comprehensive overview of our strategies and achievements in 2024 across key areas such as low-carbon transition, circular economy, sustainable supply chain, talent nurturing, and corporate governance. By the end of 2024, we had achieved 95.94% of our five years (2022–2026) target to recycle a total of 38,000 tons of electronic waste. Furthermore, we are motivating our supply chain partners toward a green transition, thereby continuously reducing Scope 3 emissions. We require that: 1) By 2030, suppliers in the smartphone business achieve an annual average carbon reduction<sup>13</sup> of no less than 5% and a renewable electricity usage rate of no less than 25%. 2) By 2050, suppliers in the smartphone business reach 100% renewable electricity usage.

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<sup>9</sup> China Light-duty Vehicle Test Cycle.

<sup>10</sup> Data obtained from Xiaomi internal EV Lab, the configuration parameters may vary depending on the vehicle model.

<sup>11</sup> *Xiaomi SU7 Pro*, *Xiaomi SU7 Max* and *Xiaomi SU7 Ultra*.

<sup>12</sup> The sales centers of Xiaomi EV includes Xiaomi EV delivery centers, Xiaomi EV sales and service centers and Xiaomi stores.

<sup>13</sup> The base year for suppliers' carbon targets is 2024.

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 Fund<sup>14</sup> has cumulatively donated over RMB210 million, supporting 141 research teams in mainland China.

**Lei Jun**

*Chairman*

Hong Kong

August 19, 2025

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<sup>14</sup> By Beijing Xiaomi Foundation.

# MANAGEMENT DISCUSSION AND ANALYSIS

## First Half of 2025 Compared to First Half of 2024

The following table sets forth the comparative figures for the first half of 2025 and 2024:

	Unaudited	
	Six months ended	
	June 30, 2025	June 30, 2024
	(RMB in millions)	
<b>Revenue</b>	<b>227,249.4</b>	164,394.7
Cost of sales	(175,742.5)	(129,170.8)
<b>Gross profit</b>	<b>51,506.9</b>	35,223.9
Research and development expenses	(14,475.1)	(10,657.1)
Selling and marketing expenses	(14,977.8)	(11,380.1)
Administrative expenses	(3,157.2)	(2,705.5)
Fair value changes on financial instruments measured at fair value through profit or loss	<b>6,190.5</b>	(2,076.0)
Share of net profits of investments accounted for using the equity method	<b>150.4</b>	241.8
Other income	<b>461.2</b>	444.7
Other gains, net	<b>863.2</b>	480.1
<b>Operating profit</b>	<b>26,562.1</b>	9,571.8
Finance income, net	<b>1,008.7</b>	2,330.0
<b>Profit before income tax</b>	<b>27,570.8</b>	11,901.8
Income tax expenses	(4,804.9)	(2,658.9)
<b>Profit for the period</b>	<b>22,765.9</b>	9,242.9
<b>Non-IFRS Measure: Adjusted Net Profit</b>	<b>21,506.3</b>	12,666.4

## Revenue

Revenue increased by 38.2% to RMB227.2 billion in the first half of 2025 from RMB164.4 billion in the first half of 2024. The following table sets forth our revenue by segment in the first half of 2025 and the first half of 2024:

	Unaudited Six months ended			
	June 30, 2025		June 30, 2024	
	Amount	% of total revenue	Amount	% of total revenue
	(RMB in millions, unless specified)			
Smartphone × AIoT	187,406.1	82.5%	157,999.8	96.1%
Smart EV, AI and other new initiatives	39,843.3	17.5%	6,394.9	3.9%
Total revenue	227,249.4	100.0%	164,394.7	100.0%

## Smartphone × AIoT

Revenue from our smartphone × AIoT segment increased by 18.6% from RMB158.0 billion in the first half of 2024 to RMB187.4 billion in the first half of 2025. The following table sets forth our revenue by line of our smartphone × AIoT segment in the first half of 2025 and the first half of 2024:

	Unaudited Six months ended			
	June 30, 2025		June 30, 2024	
	Amount	% of total revenue	Amount	% of total revenue
	(RMB in millions, unless specified)			
<b>Smartphone × AIoT</b>				
Smartphones	96,132.0	42.3%	92,996.2	56.6%
IoT and lifestyle products	71,051.4	31.3%	47,133.8	28.7%
Internet services	18,173.8	8.0%	16,314.0	9.9%
Other related businesses	2,048.9	0.9%	1,555.8	0.9%
Total revenue of smartphone × AIoT segment	187,406.1	82.5%	157,999.8	96.1%

## MANAGEMENT DISCUSSION AND ANALYSIS

### (i) Smartphones

Revenue from our smartphones increased by 3.4% from RMB93.0 billion in the first half of 2024 to RMB96.1 billion in the first half of 2025, primarily due to the increase in both our smartphone shipments and average selling price (“ASP”). Our smartphone shipments increased by 1.8% from 82.8 million units in the first half of 2024 to 84.2 million units in the first half of 2025, primarily due to the increased shipments in mainland China, partially offset by the decreased shipments of overseas markets such as India. Our smartphone shipments in mainland China increased by 22.0% in the first half of 2025, outperforming the 0.3% year-over-year increase in smartphone shipments in mainland China, according to Canalys. The ASP of our smartphones increased by 1.6% from RMB1,123.7 per unit in the first half of 2024 to RMB1,141.4 per unit in the first half of 2025, primarily due to the higher contribution of smartphone shipments in mainland China which carry higher ASP.

### (ii) IoT and lifestyle products

Revenue from our IoT and lifestyle products increased by 50.7% from RMB47.1 billion in the first half of 2024 to RMB71.1 billion and reached a record high in the first half 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 78.1% year-over-year, primarily due to the increased shipments, as well as the increased ASP driven by our premiumization strategy in mainland China.

Revenue from our wearables increased by 63.5% year-over-year, primarily due to the increased shipments and ASP in mainland China.

Revenue from our tablets increased by 56.5% 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 11.4% from RMB16.3 billion in the first half of 2024 to RMB18.2 billion in the first half of 2025, primarily due to the increased revenue from our advertising business.

### (iv) Other related businesses

Revenue from our other related businesses increased by 31.7% from RMB1.6 billion in the first half of 2024 to RMB2.0 billion in the first half of 2025, primarily due to the increased revenue from installation services provided for air conditioners.

### Smart EV, AI and Other New Initiatives

Revenue from our smart EV, AI and other new initiatives segment increased from RMB6.4 billion in the first half of 2024 to RMB39.8 billion in the first half of 2025.

Revenue from our smart EV increased from RMB6.2 billion in the first half of 2024 to RMB38.7 billion in the first half of 2025, primarily due to the increase in both our vehicle deliveries and ASP. Our vehicle deliveries increased from 27,367 units in the first half of 2024 to 157,171 units in the first half of 2025, primarily due to the successful ramp-up in our production capacity. The ASP of our smart EV increased by 7.6% from RMB228,815 per unit in the first half of 2024 to RMB246,247 per unit in the first half of 2025, primarily due to the deliveries of *Xiaomi SU7 Ultra* with higher ASP.

Revenue from our other related businesses increased from RMB0.2 billion in the first half of 2024 to RMB1.1 billion in the first half of 2025, primarily due to the increased revenue from after-sales services, sales of accessories and auto financing services.

### Cost of Sales

Our cost of sales increased by 36.1% from RMB129.2 billion in the first half of 2024 to RMB175.7 billion in the first half of 2025. The following table sets forth our cost of sales by segment in the first half of 2025 and the first half of 2024:

	Unaudited			
	Six months ended		Six months ended	
	June 30, 2025		June 30, 2024	
	Amount	% of total revenue	Amount	% of total revenue
(RMB in millions, unless specified)				
Smartphone × AIoT	145,825.4	64.2%	123,759.0	75.3%
Smart EV, AI and other new initiatives	29,917.1	13.1%	5,411.8	3.3%
Total cost of sales	175,742.5	77.3%	129,170.8	78.6%

## MANAGEMENT DISCUSSION AND ANALYSIS

**Smartphone × AIoT**

Cost of sales related to our smartphone × AIoT segment increased by 17.8% from RMB123.8 billion in the first half of 2024 to RMB145.8 billion in the first half of 2025. The following table sets forth our cost of sales by line of our smartphone × AIoT segment in the first half of 2025 and the first half of 2024:

	<b>Unaudited</b>			
	<b>Six months ended</b>			
	<b>June 30, 2025</b>		<b>June 30, 2024</b>	
	<b>Amount</b>	<b>% of total revenue</b>	<b>Amount</b>	<b>% of total revenue</b>
	<small>(RMB in millions, unless specified)</small>			
<b>Smartphone × AIoT</b>				
Smartphones	84,629.1	37.2%	80,467.5	48.9%
IoT and lifestyle products	54,175.0	23.8%	37,802.8	23.0%
Internet services	4,336.2	1.9%	3,865.9	2.4%
Other related businesses	2,685.1	1.3%	1,622.8	1.0%
<b>Total cost of sales of smartphone × AIoT segment</b>	<b>145,825.4</b>	<b>64.2%</b>	123,759.0	75.3%

**(i) Smartphones**

Cost of sales related to our smartphones increased by 5.2% from RMB80.5 billion in the first half of 2024 to RMB84.6 billion in the first half of 2025, primarily due to the increased sales of our smartphones.

**(ii) IoT and lifestyle products**

Cost of sales related to our IoT and lifestyle products increased by 43.3% from RMB37.8 billion in the first half of 2024 to RMB54.2 billion in the first half 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 12.2% from RMB3.9 billion in the first half of 2024 to RMB4.3 billion in the first half 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 65.5% from RMB1.6 billion in the first half of 2024 to RMB2.7 billion in the first half of 2025, primarily due to the increased cost from sales of materials, as well as the increased 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 from RMB5.4 billion in the first half of 2024 to RMB29.9 billion in the first half 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 46.2% from RMB35.2 billion in the first half of 2024 to RMB51.5 billion in the first half of 2025.

	Unaudited			
	Six months ended			
	June 30, 2025		June 30, 2024	
	Gross profit	Gross margin%	Gross profit	Gross margin%
	(RMB in millions, unless specified)			
Smartphone × AIoT	41,580.7	22.2%	34,240.8	21.7%
Smart EV, AI and other new initiatives	9,926.2	24.9%	983.1	15.4%
<b>Total gross profit and gross margin</b>	<b>51,506.9</b>	<b>22.7%</b>	<b>35,223.9</b>	<b>21.4%</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

**Smartphone × AIoT**

The gross profit margin from our smartphone × AIoT segment increased from 21.7% in the first half of 2024 to 22.2% in the first half of 2025. The following table sets forth our gross profit and margin by line of our smartphone × AIoT segment in the first half of 2025 and the first half of 2024:

	<b>Unaudited</b>			
	<b>Six months ended</b>			
	June 30, 2025		June 30, 2024	
	<b>Gross profit</b>	<b>Gross margin%</b>	Gross profit	Gross margin%
	(RMB in millions, unless specified)			
<b>Smartphone × AIoT</b>				
Smartphones	11,502.9	12.0%	12,528.7	13.5%
IoT and lifestyle products	16,876.4	23.8%	9,331.0	19.8%
Internet services	13,837.6	76.1%	12,448.1	76.3%
Other related businesses	(636.2)	(31.1%)	(67.0)	(4.3%)
Total gross profit and margin of smartphone × AIoT segment	<b>41,580.7</b>	<b>22.2%</b>	34,240.8	21.7%

The gross profit margin from our smartphones decreased from 13.5% in the first half of 2024 to 12.0% in the first half 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 19.8% in the first half of 2024 to 23.8% in the first half 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 tablets in mainland China.

The gross profit margin from our internet services decreased from 76.3% in the first half of 2024 to 76.1% in the first half 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 increased from 15.4% in the first half of 2024 to 24.9% in the first half of 2025, mainly 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 RMB10.7 billion in the first half of 2025<sup>15</sup>.

#### Research and Development Expenses

Our research and development expenses increased by 35.8% from RMB10.7 billion in the first half of 2024 to RMB14.5 billion in the first half 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 31.6% from RMB11.4 billion in the first half of 2024 to RMB15.0 billion in the first half 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 16.7% from RMB2.7 billion in the first half of 2024 to RMB3.2 billion in the first half of 2025, primarily due to the increase in compensation for administrative personnel.

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

Our fair value changes on financial instruments measured at fair value through profit or loss changed from a loss of RMB2.1 billion in the first half of 2024 to a gain of RMB6.2 billion in the first half of 2025, primarily due to the fair value gains of both listed equity investments and unlisted preferred shares investments in the first half of 2025, compared to the fair value losses of both listed equity investments and unlisted preferred shares investments in the first half of 2024.

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<sup>15</sup> Including share-based compensation expenses of RMB0.7 billion related to our smart EV, AI and other new initiatives segment in the first half of 2025.

## MANAGEMENT DISCUSSION AND ANALYSIS

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

Our share of net profits of investments accounted for using the equity method decreased from RMB241.8 million in the first half of 2024 to RMB150.4 million in the first half of 2025.

### Other Income

Our other income increased by 3.7% from RMB444.7 million in the first half of 2024 to RMB461.2 million in the first half of 2025, primarily due to the increase of dividend income received from our investee companies.

### Other Gains, Net

Our other net gains increased by 79.8% from RMB0.5 billion in the first half of 2024 to RMB0.9 billion in the first half of 2025, primarily due to the change from foreign exchange losses to gains.

### Finance Income, Net

Our net finance income decreased by 56.7% from RMB2.3 billion in the first half of 2024 to RMB1.0 billion in the first half of 2025, primarily due to the change of value of financial liabilities payable to fund investors, partially offset by the increase of interest income.

### Income Tax Expenses

Our income tax expenses increased by 80.7% from RMB2.7 billion in the first half of 2024 to RMB4.8 billion in the first half of 2025, primarily due to the increase of taxable profit in the first half of 2025.

### Profit for the Period

As a result of the foregoing, our profit for the period increased by 146.3% from RMB9.2 billion in the first half of 2024 to RMB22.8 billion in the first half of 2025.

### Adjusted Net Profit

Our adjusted net profit increased by 69.8% from RMB12.7 billion in the first half of 2024 to RMB21.5 billion in the first half 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 first half of 2025 and 2024 to the nearest measures prepared in accordance with IFRS Accounting Standards.

	Unaudited Six Months Ended June 30, 2025 Adjustments						Non-IFRS
	As reported	Share-based compensation <sup>(1)</sup>	Net fair value changes on investments <sup>(2)</sup>	Amortization of intangible assets resulting from acquisitions <sup>(3)</sup>	Changes of value of financial liabilities to investors <sup>(4)</sup>	Income tax effects <sup>(5)</sup>	
	(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%

## MANAGEMENT DISCUSSION AND ANALYSIS

	Unaudited Six Months Ended June 30, 2024							Non-IFRS
	As reported	Share-based compensation <sup>(1)</sup>	Net fair value changes on investments <sup>(2)</sup>	Amortization of intangible assets resulting from acquisitions <sup>(3)</sup>	Changes of value of financial liabilities to investors <sup>(4)</sup>	Income tax effects <sup>(5)</sup>		
	(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, Financial Resources and Gearing

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 resources<sup>16</sup> of RMB235.9 billion as of June 30, 2025.

Our gearing ratio was -37.9%, which represented a net cash position, as of June 30, 2025. Our gearing ratio is calculated as net debt divided by total capital at the end of each financial period. Net debt equals to our total borrowings less our cash and cash equivalents, restricted cash and short-term bank deposits. Total capital is calculated as total equity plus net debt.

## 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. 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<sup>17</sup>.

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.

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<sup>16</sup> 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.

<sup>17</sup> In July 2025, 12,112,587 Class B Shares were issued pursuant to conversion of the 2027 Bonds.

## MANAGEMENT DISCUSSION AND ANALYSIS

## Consolidated Statement of Cash Flows

	Unaudited	
	Six months ended	
	June 30, 2025	June 30, 2024
	(RMB in millions)	
Net cash generated from operating activities <sup>(1)</sup>	28,054.7	2,530.6
Net cash (used in)/generated from investing activities	(60,128.6)	2,709.1
Net cash generated from financing activities <sup>(1)</sup>	34,434.3	455.3
Net increase in cash and cash equivalents	2,360.4	5,695.0
Cash and cash equivalents at the beginning of the period	33,661.4	33,631.3
Effects of exchange rate changes on cash and cash equivalents	(13.8)	9.5
Cash and cash equivalents at the end of the period	36,008.0	39,335.8

Note:

- (1) Excluding (1) the change of trade payables related to the finance factoring business; (2) the change of loan and interest receivables and impairment provision for loan receivables mainly resulting from the fintech business; (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 RMB25.9 billion and RMB4.9 billion in the first half of 2025 and 2024, respectively. Excluding the change of borrowings for the finance factoring business, the net cash generated from financing activities was RMB34.8 billion in the first half of 2025 and the net cash used in financing activities was RMB1.3 billion in the first half of 2024. 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 interim report.

## 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 first half of 2025, net cash generated from our operating activities amounted to RMB28.1 billion, representing cash generated from operations of RMB32.0 billion minus income tax paid of RMB4.0 billion. Cash generated from operations was primarily attributable to our profit before income tax of RMB27.6 billion, mainly adjusted by an increase in trade payables of RMB9.7 billion, partially offset by an increase in inventories of RMB6.7 billion.

## Net Cash Used in Investing Activities

For the first half of 2025, our net cash used in investing activities was RMB60.1 billion, which was primarily attributed to the net increase of term bank deposits of RMB56.0 billion, the net increase of long-term investments measured at amortized cost of RMB7.5 billion and the net increase of long-term investments measured at fair value through profit or loss of RMB6.0 billion, partially offset by the net decrease of short-term investments measured at fair value through profit or loss of RMB10.8 billion.

## Net Cash Generated from Financing Activities

For the first half of 2025, our net cash generated from financing activities was RMB34.4 billion, which was primarily attributed to the proceeds from issuance of shares upon placement of RMB39.2 billion, partially offset by the distribution to fund investors of RMB2.0 billion, the payments of deferred consideration for acquisition of intangible assets of RMB1.3 billion and the payments of lease liabilities of RMB1.3 billion.

## Borrowings

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

## Capital Expenditure

	Unaudited Six months ended	
	June 30, 2025	June 30, 2024
	(RMB in millions)	
Capital expenditures		
Smartphone × AIoT	3,287.4	2,941.2
Smart EV, AI and other new initiatives	4,310.1	825.4
Total	7,597.5	3,766.6

## MANAGEMENT DISCUSSION AND ANALYSIS

### Off-Balance Sheet Commitments and Arrangements

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

### Future Plans for Material Investments and Capital Assets

As of June 30, 2025, we did not have plans for material investments and capital assets.

### Investment Held

As of June 30, 2025, we had invested in about 420 companies with an aggregate book value of RMB80.2 billion. In the first half of 2025, we recorded a net gain on disposal of investments (after tax) of RMB1.3 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 first half 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, for the first half of 2025 were RMB13.7 billion.

## Foreign Exchange Risk

The transactions of our Company are denominated and settled in our functional currency, the United States Dollar. Our Group's subsidiaries primarily operate in the 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 rights 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 31 to the interim financial information.

# OTHER INFORMATION

## Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares and Debentures of the Company or any of its Associated Corporations

As at June 30, 2025, the interests and short positions of our Directors or chief executives of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

### 1. Interest in Shares

Name of Director or chief executive	Nature of interest <sup>(1)</sup>	Relevant company	Number and class of securities	Approximate percentage of shareholding in the relevant class of Shares <sup>(2)</sup>
Lei Jun <sup>(3)</sup>	Beneficiary, founder and settlor of a trust(L)	ARK Trust (Hong Kong) Limited	4,067,406,863 Class A Shares	90.06%
			1,986,772,775 Class B Shares	9.27%
	Interest in controlled corporations(L)	Smart Mobile Holdings Limited	4,067,406,863 Class A Shares	90.06%
			1,835,306,103 Class B Shares	8.56%
	Interest in controlled corporations(L)	Smart Player Limited	59,221,630 Class B Shares	0.28%
	Interest in controlled corporations(L)	Team Guide Limited	92,245,042 Class B Shares	0.43%
Lin Bin <sup>(4)</sup>	Beneficial owner(L)		30,347,523 Class B Shares	0.14%
	Trustee of a trust(L)	Apex Star FT LLC	93,438,272 Class B Shares	0.44%
	Interest in controlled corporations(L)	Apex Star LLC	448,874,946 Class A Shares	9.94%
			1,706,572,869 Class B Shares	7.96%
	Interest in controlled corporations(L)	Bin Lin and Daisy Liu Family Foundation	50,686,600 Class B Shares	0.24%

Name of Director or chief executive	Nature of interest <sup>(1)</sup>	Relevant company	Number and class of securities	Approximate percentage of shareholding in the relevant class of Shares <sup>(2)</sup>
Liu Qin <sup>(5)</sup>	Interest in controlled corporations(L)	Morningside China TMT Fund I, L.P.	7	0.00%
	Founder of a trust(L)		Class B Shares 184,466,366	0.86%
	Founder of a trust(S)		Class B Shares 85,780,000	0.40%
Liu De <sup>(6)</sup>	Beneficial owner(L)	Lofty Power International Limited	10,000,000	0.05%
	Founder of a trust(L)		Class B Shares 135,871,935	0.63%
Wong Shun Tak <sup>(7)</sup>	Interest of spouse(L)		8,000	0.00%
			Class B Shares	

## Notes:

- (1) The letter "L" denotes a long position in the shares and the letter "S" denotes a short position in the shares.
- (2) The calculation is based on the total number of relevant class of Shares in issue as at June 30, 2025.
- (3) Smart Mobile Holdings Limited and Smart Player Limited are both wholly-owned by Sunrise Vision Holdings Limited which is in turn wholly-owned by Parkway Global Holdings Limited. Team Guide Limited is wholly-owned by Techno Frontier Investments Limited. The entire interests in Parkway Global Holdings Limited and Techno Frontier Investments Limited are held by ARK Trust (Hong Kong) Limited as trustee for the trusts established by Lei Jun (as settlor) for the benefit of Lei Jun and his family. Accordingly, Lei Jun is deemed to be interested in 1) the 4,067,406,863 Class A Shares and the 1,835,306,103 Class B Shares held by Smart Mobile Holdings Limited; 2) the 59,221,630 Class B Shares held by Smart Player Limited and 3) the 92,245,042 Class B Shares held by Team Guide Limited under the SFO.
- (4) Lin Bin directly holds 30,347,523 Class B Shares. Apex Star FT LLC is controlled by Bin Lin Family Trust. Accordingly, Lin Bin, as the trustee of Bin Lin Family Trust, is deemed to be interested in 93,438,272 Class B Shares held by Apex Star FT LLC under the SFO. Bin Lin and Daisy Liu Family Foundation is controlled by Lin Bin. Accordingly, Lin Bin is deemed to be interested in 50,686,600 Class B Shares held by Bin Lin and Daisy Liu Family Foundation under the SFO. Apex Star LLC is controlled by Lin Bin. Accordingly, Lin Bin is deemed to be interested in 1,706,572,869 Class B Shares and 448,874,946 Class A Shares held by Apex Star LLC under the SFO.
- (5) Liu Qin is entitled to exercise or control the exercise of one-third of the voting power at general meetings of TMT General Partner Ltd. and is therefore deemed to be interested in 7 Class B Shares in which TMT General Partner Ltd. is interested. TMT General Partner Ltd. controls Morningside China TMT GP, L.P., which controls Morningside China TMT Fund I, L.P. (the "5Y Capital Funds"). Consequently, TMT General Partner Ltd. is deemed to be interested in the Shares in which the 5Y Capital Funds have an interest. Liu Qin is deemed to be interested in 184,466,366 Class B Shares (long position) and 85,780,000 Class B Shares (short position) held by an entity controlled by the trustee of a discretionary trust, of which Liu Qin is a founder of the discretionary trust under the SFO.

## OTHER INFORMATION

(6) Liu De directly holds 10,000,000 Class B Shares. Lofty Power International Limited is controlled by YLL Trust (formerly known as YYL Trust). Accordingly, Liu De is deemed to be interested in 135,871,935 Class B Shares held by Lofty Power International Limited under the SFO.

(7) Wong Shun Tak is deemed to be interested in 8,000 Class B Shares held by his spouse under the SFO.

## 2. Interest in associated corporations

Name of Director or chief executive	Nature of interest <sup>(4)</sup>	Associated corporations	Approximate percentage of shareholding <sup>(1)</sup>
Lei Jun	Beneficial owner(L)	Xiaomi Finance <sup>(2)</sup>	42.07%
	Interest in controlled corporations(L)	Parkway Global Holdings Limited <sup>(3)</sup>	100%
	Interest in controlled corporations(L)	Sunrise Vision Holdings Limited <sup>(3)</sup>	100%
	Interest in controlled corporations(L)	Smart Mobile Holdings Limited <sup>(3)</sup>	100%

Notes:

(1) The calculation is based on the total number of shares of the associated corporations in issue as at June 30, 2025.

(2) Xiaomi Finance is a subsidiary of the Company and therefore Xiaomi Finance is an associated corporation of the Company. Lei Jun is entitled to receive up to 42,070,000 shares in Xiaomi Finance pursuant to options granted to him under the XMF Share Option Scheme I (subject to the relevant vesting conditions).

(3) Smart Mobile Holdings Limited, the holding company of the Company, is wholly-owned by Sunrise Vision Holdings Limited which is in turn wholly-owned by Parkway Global Holdings Limited. Lei Jun is the beneficial owner of the entire interest in Smart Mobile Holdings Limited, and is deemed to be interested in the 4,067,406,863 Class A Shares and the 1,835,306,103 Class B Shares held by Smart Mobile Holdings Limited under the SFO. Therefore, Smart Mobile Holdings Limited, Sunrise Vision Holdings Limited and Parkway Global Holdings Limited are associated corporations of the Company.

(4) The letter "L" denotes a long position in the shares.

Save as disclosed above, as at June 30, 2025, so far as is known to any Director or the chief executive of the Company, none of the Directors nor the chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (b) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

## Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at June 30, 2025, so far as the Directors are aware, the following parties (other than our Directors or chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Substantial Shareholder	Nature of interest <sup>(1)</sup>	Number of Shares	Approximate percentage of shareholding in the relevant class of Shares <sup>(2)</sup>
<b>Class A Shares</b>			
Smart Mobile Holdings Limited <sup>(3)</sup>	Beneficial interest (L)	4,067,406,863	90.06%
Sunrise Vision Holdings Limited <sup>(3)</sup>	Interest in controlled corporations (L)	4,067,406,863	90.06%
Parkway Global Holdings Limited <sup>(3)</sup>	Interest in controlled corporations (L)	4,067,406,863	90.06%
ARK Trust (Hong Kong) Limited <sup>(3)</sup>	Trustee (L)	4,067,406,863	90.06%
Apex Star LLC <sup>(4)</sup>	Beneficial interest (L)	448,874,946	9.94%
<b>Class B Shares</b>			
Smart Mobile Holdings Limited <sup>(3)</sup>	Beneficial interest (L)	1,835,306,103	8.56%
Sunrise Vision Holdings Limited <sup>(3)</sup>	Interest in controlled corporations (L)	1,894,527,733	8.84%
Parkway Global Holdings Limited <sup>(3)</sup>	Interest in controlled corporations (L)	1,894,527,733	8.84%
ARK Trust (Hong Kong) Limited <sup>(3)</sup>	Trustee (L)	2,144,270,405	10.00%
Apex Star LLC <sup>(4)</sup>	Beneficial interest(L)	1,706,572,869	7.96%
BlackRock, Inc. <sup>(5)</sup>	Interest in controlled corporations (L)	1,096,126,139	5.11%
	Interest in controlled corporations (S)	8,799,600	0.04%

Notes:

(1) The letter "L" denotes a long position in the shares and the letter "S" denotes a short position in the shares.

(2) The calculation is based on the total number of relevant class of Shares in issue as at June 30, 2025.

(3) Smart Mobile Holdings Limited and Smart Player Limited are both wholly-owned by Sunrise Vision Holdings Limited which is in turn wholly-owned by Parkway Global Holdings Limited. Team Guide Limited is wholly-owned by Techno Frontier Investments Limited. The entire interests in Parkway Global Holdings Limited and Techno Frontier Investments Limited are held by ARK Trust (Hong Kong) Limited as trustee for the trusts established by Lei Jun (as settlor) for the benefit of Lei Jun and his family. Accordingly, Lei Jun is deemed to be interested in 1) the 4,067,406,863 Class A Shares and the 1,835,306,103 Class B Shares held by Smart Mobile Holdings Limited; 2) the 59,221,630 Class B Shares held by Smart Player Limited and 3) the 92,245,042 Class B Shares held by Team Guide Limited under the SFO. ARK Trust (Hong Kong) Limited is also a trustee for a number of trusts and therefore is deemed to be interested in the 157,497,630 Class B shares held by the trusts.

## OTHER INFORMATION

- (4) Apex Star LLC is controlled by Lin Bin. Accordingly, Lin Bin is deemed to be interested in 1,706,572,869 Class B Shares and 448,874,946 Class A Shares held by Apex Star LLC under the SFO.
- (5) BlackRock, Inc. was interested in an aggregated 1,096,126,139 Class B Shares (long position) and 8,799,600 Class B Shares (short position). According to the disclosure of interest notice filed by BlackRock, Inc. regarding the relevant event dated June 11, 2025, such Class B Shares were held by BlackRock, Inc. indirectly through certain of its subsidiaries. Among them, 8,077,611 Class B Shares (long position) and 8,799,600 Class B Shares (short position) were held through cash settled unlisted derivatives, and 400,939 Class B Shares (long position) were held through convertible instruments listed derivatives.

Save as disclosed above, as at June 30, 2025, no person, other than the Directors whose interests are set out in the section headed “Directors’ and Chief Executive’s Interests and Short Positions in Shares and Underlying Shares and Debentures of the Company or any of its Associated Corporations” above, had any interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept pursuant to Section 336 of the SFO.

### Share Schemes

The Company has four existing share schemes, namely the Pre-IPO ESOP, the 2018 Share Option Scheme, the 2018 Share Award Scheme and the 2023 Share Scheme.

A total of 114,270,734 new Shares, representing approximately 0.5% of the weighted average number of the Class B Shares in issue of the Company (excluding any treasury Shares), may be issued in respect of all options and awards granted during the Reporting Period to eligible participants pursuant to the Pre-IPO ESOP, the 2018 Share Option Scheme, the 2018 Share Award Scheme and the 2023 Share Scheme.

Xiaomi HK, a principal subsidiary of the Company as defined in Rule 17.14 of the Listing Rules, has adopted 2024 Xiaomi HK Share Scheme.

A total of 11,668,084 new Xiaomi HK Shares, representing approximately 0.1% of the weighted average number of Xiaomi HK Shares in issue may be issued in respect of all options granted during the Reporting Period to eligible participants pursuant to the 2024 Xiaomi HK Share Scheme.

#### 1. Pre-IPO ESOP

The Pre-IPO ESOP was adopted by the Company on May 5, 2011 and superseded on August 24, 2012. The overall limit on the number of Shares which may be issued pursuant to the Pre-IPO ESOP is 251,307,455 Class B Shares, which was subsequently adjusted by the Board to 2,512,694,900 Class B Shares (adjusted after taking into account the share subdivision which took place on June 17, 2018). No further Pre-IPO Awards would be granted under the Pre-IPO ESOP after Listing.

Details of movements of share options granted under the Pre-IPO ESOP during the Reporting Period are as follows:

Grantees by category	Date of grant	Vesting period <sup>(1)</sup>	Exercise price (US\$)	Number of share options				Outstanding as at June 30, 2025	Weighted average closing price of the Shares immediately before the date of exercise during the period (HK\$)
				Outstanding as at January 1, 2025	Exercised during the period	Cancelled during the period	Lapsed during the period		
Employee Participants									
	4/1/2010 to 6/14/2018	1-10 years	0-0.344	193,243,844	(30,859,126)	–	(2,639,521)	159,745,197	45.30
Service Providers									
	1/1/2012 to 4/1/2018	4-5 years	0-0.344	1,120,070	–	–	–	1,120,070	N/A
<b>Total:</b>				<b>194,363,914</b>	<b>(30,859,126)</b>	<b>–</b>	<b>(2,639,521)</b>	<b>160,865,267</b>	

(1): The exercise period of the options granted under the Pre-IPO ESOP shall commence from the date on which the relevant options become vested and end on the 10th anniversary of the grant date, subject to the terms of the Pre-IPO ESOP and the share option award agreement signed by the grantee.

Further details of the Pre-IPO ESOP are set out in Note 27 to the interim financial information.

## OTHER INFORMATION

## 2. 2018 Share Option Scheme

The 2018 Share Option Scheme was adopted by the Company on June 17, 2018. Immediately upon the 2023 Share Scheme taking effect on June 8, 2023, no further share options shall be granted under the 2018 Share Option Scheme.

Details of movements of share options granted under the 2018 Share Option Scheme during the Reporting Period are as follows:

Grantees by category	Date of grant	Vesting period	Exercise period	Number of share options						Outstanding as at June 30, 2025	Exercise price (HK\$)	Fair value of options at the date of grant during the period and the accounting standard and policy adopted	Weighted average closing price of the Shares immediately before the date of exercise during the period (HK\$)
				Outstanding as at January 1, 2025	Granted during the period	Cancelled during the period	Lapsed during the period	Exercised during the period	Outstanding as at June 30, 2025				
Employee Participants													
	9/4/2020	4-10 years	9/4/2021 to 9/3/2030	105,200,000	-	-	-	(1,600,000)	103,600,000	24.50	N/A	54.67	
	10/9/2020	4 years	10/9/2021 to 10/8/2030	6,250,000	-	-	-	-	6,250,000	21.04	N/A	N/A	
	1/6/2021	4 years	1/6/2022 to 1/5/2031	6,250,000	-	-	-	-	6,250,000	33.90	N/A	N/A	
<b>Total:</b>				<b>117,700,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,600,000)</b>	<b>116,100,000</b>				

Further details of the 2018 Share Option Scheme are set out in Note 27 to the interim financial information.

### 3. 2018 Share Award Scheme

The Company adopted the 2018 Share Award Scheme on June 17, 2018. Immediately upon the 2023 Share Scheme taking effect on June 8, 2023, no further awards shall be granted under the 2018 Share Award Scheme.

Details of the award Shares granted under the 2018 Share Award Scheme (to be satisfied by new Shares) and their movements during the Reporting Period are as follows:

Grantees by category	Date of grant	Vesting period	Purchase price	Number of award Shares						Unvested award Shares as at June 30, 2025	Closing price of Shares immediately before the grant during the period	Fair value of award Shares at the date of grant during the period and the accounting standard and policy adopted	Weighted average closing price of the Shares immediately before the date of vesting during the period (HK\$)
				Unvested award Shares as at January 1, 2025	Granted during the period	Vested during the period	Cancelled during the period	Lapsed during the period	Unvested award Shares as at June 30, 2025				
Employee Participants													
	4/1/2019	4-10 years	Nil	4,348,104	–	(869,620) <sup>(1)</sup>	–	–	3,478,484	N/A	N/A	49.20	
	9/4/2020	4-10 years	Nil	6,000,000	–	–	–	–	6,000,000	N/A	N/A	N/A	
	10/10/2020	4-5 years	Nil	6,729	–	(6,729)	–	–	–	N/A	N/A	49.20	
	1/6/2021	4 years	Nil	1,987,842	–	(1,967,274) <sup>(1)</sup>	–	(20,568)	–	N/A	N/A	36.25	
	7/2/2021	1-4 years	Nil	10,613,332	–	(1,876,468) <sup>(1)</sup>	–	(257,194)	8,479,670	N/A	N/A	48.61	
	7/5/2021	4-10 years	Nil	50,100,000	–	(6,504,314) <sup>(1)</sup>	–	(3,070,686)	40,525,000	N/A	N/A	49.08	
	11/24/2021	1-10 years	Nil	10,110,828	–	(78,251)	–	(151,028)	9,881,549	N/A	N/A	49.20	
	3/23/2022	1-10 years	Nil	78,511,459	–	(32,578,772) <sup>(1)</sup>	–	(1,609,706)	44,322,981	N/A	N/A	49.84	
	5/20/2022	1-5 years	Nil	18,004,943	–	(8,584,247) <sup>(1)</sup>	–	(856,476)	8,564,220	N/A	N/A	52.04	
	8/21/2022	4 years	Nil	35,014,474	–	(1,112,385) <sup>(1)</sup>	–	(1,421,381)	32,480,708	N/A	N/A	51.32	
	11/24/2022	4-5 years	Nil	17,035,605	–	(459,721)	–	(209,335)	16,366,549	N/A	N/A	47.75	
	3/27/2023	1-10 years	Nil	128,303,491	–	(34,031,624) <sup>(1)</sup>	–	(2,347,037)	91,924,830	N/A	N/A	51.61	
	5/25/2023	2-4 years	Nil	30,487,163	–	(9,662,848)	–	(1,895,044)	18,929,271	N/A	N/A	52.97	
Category subtotal:				390,523,970	–	(97,732,253)	–	(11,838,455)	280,953,262				

## OTHER INFORMATION

Grantees by category	Date of grant	Vesting period	Purchase price	Unvested award Shares as at January 1, 2025	Number of award Shares				Unvested award Shares as at June 30, 2025	Closing price of Shares immediately before the grant during the period	Fair value of award Shares at the date of grant during the period and the accounting standard and policy adopted	Weighted average closing price of the Shares immediately before the date of vesting during the period (HK\$)
					Granted during the period	Vested during the period	Cancelled during the period	Lapsed during the period				
Service Providers												
	1/6/2021	4 years	Nil	8,754	–	(8,754)	–	–	–	N/A	N/A	36.25
	7/2/2021	4 years	Nil	66,942	–	(21,154)	–	(839)	44,949	N/A	N/A	48.05
	11/24/2021	4 years	Nil	22,876	–	–	–	(2,164)	20,712	N/A	N/A	N/A
	3/23/2022	4 years	Nil	216,449	–	(82,760)	–	(50,904)	82,785	N/A	N/A	50.87
	5/20/2022	4 years	Nil	230,091	–	(111,703)	–	–	118,388	N/A	N/A	53.63
	8/21/2022	4 years	Nil	105,353	–	(6,243)	–	(6,806)	92,304	N/A	N/A	52.35
	11/24/2022	4 years	Nil	17,879	–	–	–	–	17,879	N/A	N/A	N/A
	3/27/2023	4 years	Nil	418,347	–	(76,042)	–	(186,690)	155,615	N/A	N/A	46.52
	5/25/2023	4 years	Nil	167,684	–	(55,892)	–	–	111,792	N/A	N/A	53.00
Category subtotal:				1,254,375	–	(362,548)	–	(247,403)	644,424			
Total:				391,778,345	–	(98,094,801)	–	(12,085,858)	281,597,686			

- (1): Among the total number of awards Shares vested as stated, 11,446,193 award Shares were issued to employee participants who subsequently become connected persons for the purpose of Listing Rules during the Reporting Period by way of existing shares. At the time of grant, these employee participants were not connected persons.

Details of the award Shares granted under the 2018 Share Award Scheme (to be satisfied by existing Shares) and their movements during the Reporting Period are as follows:

Grantees by category	Date of grant	Vesting period	Purchase price	Unvested award Shares as at January 1, 2025	Number of award Shares				Unvested award Shares as at June 30, 2025	Closing price of Shares immediately before the grant during the period	Fair value of award Shares at the date of grant during the period and the accounting standard and policy adopted	Weighted average closing price of the Shares immediately before the date of vesting during the period (HK\$)
					Granted during the period	Vested during the period	Cancelled during the period	Lapsed during the period				
Grantees in aggregate												
	1/6/2021	4 years	Nil	4,470	–	(4,470)	–	–	–	N/A	N/A	36.25
	11/24/2021	4 years	Nil	2,873	–	–	–	(2,873)	–	N/A	N/A	N/A
	3/23/2022	4–10 years	Nil	1,505,310	–	(452,654)	–	–	1,052,656	N/A	N/A	49.23
	5/20/2022	3–4 years	Nil	352,931	–	(340,000)	–	–	12,931	N/A	N/A	52.35
	8/21/2022	4 years	Nil	55,219	–	–	–	(55,219)	–	N/A	N/A	N/A
	3/27/2023	4–5 years	Nil	1,248,225	–	(16,075)	–	–	1,232,150	N/A	N/A	53.95
<b>Total:</b>				<b>3,169,028</b>	<b>–</b>	<b>(813,199)</b>	<b>–</b>	<b>(58,092)</b>	<b>2,297,737</b>			

Further details of the 2018 Share Award Scheme are set out in Note 27 to the interim financial information.

## OTHER INFORMATION

### 4. 2023 Share Scheme

The 2023 Share Scheme was approved at the annual general meeting by the Shareholders on June 8, 2023. The purpose of the 2023 Share Scheme is (1) to provide the Company with a flexible means of attracting, remunerating, incentivising, retaining, rewarding, compensating and/or providing benefits to eligible participants; (2) to align the interests of eligible participants with those of the Company and Shareholders by providing such eligible participants with the opportunity to acquire proprietary interests in the Company and become Shareholders; and (3) to encourage eligible participants to contribute to the long-term growth, performance and profits of the Company and to enhance the value of the Company and its Shares for the benefit of the Company and Shareholders as a whole.

The total number of Class B Shares which may be issued pursuant to all awards to be granted under the 2023 Share Scheme and awards to be granted under any other share schemes of the Company is not more than 2,503,959,565 (the “**2023 Share Scheme Mandate Limit**”). Within the Scheme Mandate Limit, the total number of Shares which may be issued pursuant to awards to be granted to service provider participants under the 2023 Share Scheme is not more than 125,197,978 (the “**2023 Share Scheme Service Provider Sublimit**”).

As at January 1, 2025, 2,102,871,335 Shares were available for grant (including 124,072,129 Shares available for grant to service providers) under the 2023 Share Scheme. During the Reporting Period, 114,270,734 award Shares were granted to eligible participants (including 288,974 award Shares granted to service providers) pursuant to the 2023 Share Scheme, respectively and 13,251,141 award Shares were forfeited (including 169,203 award Shares forfeited from service providers) pursuant to the 2023 Share Scheme. It follows that, as of June 30, 2025, 2,001,851,742 Shares and 123,952,358 Shares were available for grant under the 2023 Share Scheme Mandate Limit and the 2023 Share Scheme Service Provider Sublimit, respectively.

Details of the award Shares granted under the 2023 Share Scheme (to be satisfied by new Shares) and their movements during the Reporting Period are as follows:

Grantees by category	Date of grant	Vesting period	Purchase price	Number of award Shares						Unvested award Shares as at June 30, 2025	Closing price of Shares during the immediately grant during the period (HK\$)	Fair value of award Shares at the date of grant during the period and the accounting policy adopted (HK\$)	Weighted average closing price of the Share immediately before the date of vesting during the period (HK\$)
				Unvested award Shares as at January 1, 2025	Granted during the period	Vested during the period	Cancelled during the period	Lapsed during the period	Unvested award Shares as at June 30, 2025				
<b>Employee Participants</b>													
	8/30/2023	2-10 years	Nil	67,039,711	–	(423,604)	–	(1,671,673)	64,944,434	N/A	N/A	53.58	
	11/21/2023	2-10 years	Nil	31,820,139	–	(514,561)	–	(2,336,729)	28,968,849	N/A	N/A	47.14	
	3/20/2024	1-10 years	Nil	145,492,490	–	(29,169,583)	–	(3,664,251)	112,658,656	N/A	N/A	55.51	
	5/24/2024	1-10 years	Nil	31,740,074	–	(6,726,533)	–	(1,098,686)	23,914,855	N/A	N/A	53.05	
	8/22/2024	1-4 years	Nil	38,325,102	–	(317,647)	–	(1,074,249)	36,933,206	N/A	N/A	55.34	
	11/20/2024	1-4 years	Nil	49,103,660	–	(7,315,326)	–	(1,663,907)	40,124,427	N/A	N/A	49.03	
	3/19/2025	0-4 years	Nil	–	83,272,485 <sup>(a)</sup>	(81,260)	–	(1,330,227)	81,860,998	57.65	58.20 <sup>(a)</sup>	50.38	
	5/28/2025	0-4 years	Nil	–	30,709,275 <sup>(a)</sup>	(90,032)	–	(242,216)	30,377,027	51.55	51.75 <sup>(a)</sup>	50.37	
<b>Category subtotal:</b>				363,521,176	113,981,760	(44,638,546)	–	(13,081,938)	419,782,452				
<b>Service Providers</b>													
	8/30/2023	4 years	Nil	234,716	–	–	–	(11,511)	223,205	N/A	N/A	N/A	
	11/21/2023	4 years	Nil	10,800	–	–	–	–	10,800	N/A	N/A	N/A	
	3/20/2024	4 years	Nil	336,899	–	(47,353)	–	(147,467)	142,079	N/A	N/A	46.38	
	5/24/2024	4 years	Nil	189,141	–	(105,400)	–	–	83,741	N/A	N/A	53.00	
	8/22/2024	1-4 years	Nil	154,913	–	–	–	(10,225)	144,688	N/A	N/A	N/A	
	11/20/2024	1-4 years	Nil	118,986	–	–	–	–	118,986	N/A	N/A	N/A	
	3/19/2025	1-4 years	Nil	–	171,171 <sup>(a)</sup>	–	–	–	171,171	57.65	58.20 <sup>(a)</sup>	N/A	
	5/28/2025	1-4 years	Nil	–	117,803 <sup>(a)</sup>	–	–	–	117,803	51.55	51.75 <sup>(a)</sup>	N/A	
<b>Category subtotal:</b>				1,045,455	288,974	(152,753)	–	(169,203)	1,012,473				
<b>Total:</b>				364,566,631	114,270,734	(44,791,299)	–	(13,251,141)	420,794,925				

## OTHER INFORMATION

(1): The fair value of the award Shares granted during the Reporting Period were determined based on the market value of the Shares at the respective grant dates.

(2): A time-based vesting schedule is applicable to the award Shares. The number of award Shares to be vested at every anniversary year shall be based on the selected participant's performance rank in the said anniversary year. The performance rank is linked to the performance of the selected participant (and in some cases of the selected participant's department) in the anniversary year as assessed by the Group.

Further details of the 2023 Share Scheme are set out in Note 27 to the interim financial information.

### 5. 2024 Xiaomi HK Share Scheme

The 2024 Xiaomi HK Share Scheme was approved at the annual general meeting by the Shareholders on June 6, 2024. The purpose of the 2024 Xiaomi HK Share Scheme is (1) to provide Xiaomi HK with a flexible means of retaining, incentivising and rewarding eligible participants by compensating and/or providing benefits to them; (2) to align the interests of eligible participants with those of Xiaomi HK and its shareholders by providing them with the opportunity to acquire interests in Xiaomi HK and become its shareholders, and thereby; (3) to encourage eligible participants to contribute to the business development, long-term growth, performance and profits of Xiaomi HK and to enhance the value of Xiaomi HK and the Company for the benefit of the Company, Xiaomi HK and the Shareholders as a whole.

The total number of Xiaomi HK Shares that may be issued pursuant to all awards to be granted under the 2024 Xiaomi HK Share Scheme and awards to be granted under any other share schemes of Xiaomi HK is not more than 1,000,000,000 (the "**XMHK Scheme Mandate Limit**"). Within the XMHK Scheme Mandate Limit, the total number of Shares which may be issued pursuant to awards to be granted to service provider participants under the 2024 Xiaomi HK Share Scheme is not more than 50,000,000 (the "**XMHK Service Provider Sublimit**").

As at January 1, 2025, 516,964,706 Xiaomi HK Shares and 50,000,000 Xiaomi HK Shares were available for grant under the XMHK Scheme Mandate Limit and the XMHK Service Provider Sublimit, respectively. During the Reporting Period, 11,668,084 award Xiaomi HK Shares were granted to eligible participants (no award Xiaomi HK Shares granted to service providers) under the 2024 Xiaomi HK Share Scheme and 14,572,855 award Xiaomi HK Shares were forfeited (no award Xiaomi HK Shares forfeited from service providers) pursuant to the 2024 Xiaomi HK Share Scheme. It follows that, as of June 30, 2025, 519,869,477 Xiaomi HK Shares and 50,000,000 Xiaomi HK Shares were available for grant under the XMHK Scheme Mandate Limit and the XMHK Service Provider Sublimit, respectively.

Details of the share options granted under the 2024 Xiaomi HK Share Scheme and their movements during the Reporting Period are as follows:

Grantees by category	Date of grant	Vesting period	Exercise period	Number of share options					Outstanding as at June 30, 2025	Exercise price (US\$)	Fair value of options at the date of grant during the period and the accounting standard and policy adopted (US\$)
				Outstanding as at January 1, 2025	Granted during the period	Cancelled during the period	Lapsed during the period	Exercised during the period			
<b>Employee Participants</b>											
	11/20/2024	11/21/2024 to 7/2/2032	11/21/2024 to 11/20/2034	483,035,294	–	–	(14,530,855)	–	468,504,439	0.10	N/A
	3/19/2025	3/20/2025 to 3/19/2030	3/20/2025 to 3/19/2035	–	10,244,813 <sup>(1)</sup>	–	(42,000)	–	10,202,813	0.10	0.74–0.75 <sup>(1)</sup>
	5/28/2025	11/20/2025 to 5/28/2030	5/29/2025 to 5/28/2035	–	1,423,271 <sup>(2)</sup>	–	–	–	1,423,271	0.10	0.75 <sup>(1)</sup>
<b>Total:</b>				<b>483,035,294</b>	<b>11,668,084</b>	<b>–</b>	<b>(14,572,855)</b>	<b>–</b>	<b>480,130,523</b>		

(1): Details of the valuation of the award Xiaomi HK Shares granted during the Reporting Period, including the accounting standard and policy adopted, are set out in Note 27 to the interim financial information.

(2): A time-based vesting schedule is applicable to the award Xiaomi HK Shares. The number of award Xiaomi HK Shares to be vested at every anniversary year shall be based on the Xiaomi HK selected participant's performance rank in the said anniversary year. The performance rank is linked to the performance of the Xiaomi HK selected participant (and in some cases of the Xiaomi HK selected participant's department) in the anniversary year as assessed by the Group.

Further details of the 2024 Xiaomi HK Share Scheme are set out in Note 27 to the interim financial information.

## OTHER INFORMATION

### Weighted Voting Rights

The Company is controlled through weighted voting rights. Each Class A Share has 10 votes per share and each Class B Share has one vote per share except with respect to resolutions regarding a limited number of Reserved Matters, where each Share has one vote. The Company's weighted voting rights structure will enable the WVR Beneficiaries to exercise voting control over the Company notwithstanding the WVR Beneficiaries do not hold a majority economic interest in the share capital of the Company. This allows the Company to benefit from the continuing vision and leadership of the WVR Beneficiaries who will control the Company with a view to its long-term prospects and strategy.

Shareholders and prospective investors are advised to be aware of the potential risks of investing in companies with weighted voting rights structures, in particular that interests of the WVR Beneficiaries may not necessarily always be aligned with those of our Shareholders as a whole, and that the WVR Beneficiaries will be in a position to exert significant influence over the affairs of the Company and the outcome of shareholders' resolutions, irrespective of how other shareholders vote. Prospective investors should make the decision to invest in the Company only after due and careful consideration.

As of June 30, 2025, the WVR Beneficiaries were Lei Jun and Lin Bin. Lei Jun beneficially owns 4,067,406,863 Class A Shares, representing approximately 61.1% of the voting rights in the Company with respect to shareholder resolutions relating to matters other than the Reserved Matters. The Class A Shares are held by Smart Mobile Holdings Limited, a company indirectly wholly-owned by a trust established by Lei Jun (as settlor) for the benefit of Lei Jun and his family. Lin Bin beneficially owns 448,874,946 Class A Shares, representing 6.7% of the voting rights in the Company with respect to shareholder resolutions relating to matters other than the Reserved Matters.

Class A Shares may be converted into Class B Shares on a one-to-one ratio. As of June 30, 2025, upon the conversion of all the issued and outstanding Class A Shares into Class B Shares, the Company will issue 4,516,281,809 Class B Shares, representing 21.1% of the total number of issued and outstanding Class B Shares (excluding any treasury Shares) or 17.4% of the issued share capital (excluding any treasury Shares) of the Company.

The weighted voting rights attached to Class A Shares will cease when none of the WVR Beneficiaries have beneficial ownership of any of the Class A Shares in accordance with Rule 8A.22 of the Listing Rules. This may occur:

- (i) upon the occurrence of any of the circumstances set out in Rule 8A.17 of the Listing Rules, in particular where the WVR Beneficiary is: (1) deceased; (2) no longer a member of the Board; (3) deemed by the Stock Exchange to be incapacitated for the purpose of performing his duties as a director; or (4) deemed by the Stock Exchange to no longer meet the requirements of a director set out in the Listing Rules;

- (ii) when the Class A Shareholders have transferred to another person the beneficial ownership of, or economic interest in, all of the Class A Shares or the voting rights attached to them, other than in the circumstances permitted by Rule 8A.18 of the Listing Rules;
- (iii) where a vehicle holding Class A Shares on behalf of a WVR Beneficiary no longer complies with Rule 8A.18(2) of the Listing Rules; or
- (iv) when all of the Class A Shares have been converted to Class B Shares.

### 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 CG Code, the Company has complied with the applicable code provisions set out in the CG Code during the Reporting Period.

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

### Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as the code of conduct regarding the Directors' dealings in the securities of the Company. Having made specific enquiry of all the Directors, all the Directors confirmed that they have complied with the provisions of the Model Code throughout the Reporting Period.

## OTHER INFORMATION

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

During the six months ended June 30, 2025 and up to the Latest Practicable Date, 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	6,829,800	33.65	32.60	224,943,300
<b>Total</b>	<b>6,829,800</b>			<b>224,943,300</b>

In respect of the Shares Repurchased, the WVR beneficiaries of the Company simultaneously reduced their WVR in the Company proportionately by way of converting their Class A Shares into Class B Shares on a one-to-one ratio pursuant to Rule 8A.21 of 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 Reporting Period and up to the Latest Practicable Date, 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, Financial Resources and Gearing" above and "Use of Net Proceeds from the 2025 Placing and Subscription" below 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 Latest Practicable Date.

## Disclosure of Changes in Directors' Information Pursuant to Listing Rule 13.51(B)(1)

Mr. Wong Shun Tak became an independent non-executive director of JNBY Design Limited (SEHK Stock Code: 3306) with effect from September 8, 2025.

Save as disclosed above, the Company is not aware of other changes in the Directors' information which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## Interim Dividend

The Board has resolved not to declare an interim dividend for the Reporting Period.

## Use of Net Proceeds from the 2025 Placing and Subscription

On March 27, 2025, the Company completed the 2025 Placing and Subscription. In respect of the Subscription, the subscription price per new Class B Share was HK\$53.25 per Class B Share, which represented a discount of approximately 6.6% to the closing price of HK\$57.00 per Class B Share as quoted on the Stock Exchange on the last trading day prior to the signing of the placing and subscription agreement, and the aggregate nominal value of the subscription Shares was U.S.\$2,000.0 (equivalent to approximately HK\$15,545.7).

The 2025 Placing and the Subscription was undertaken to further enlarge the Shareholders' equity base of the Company, optimize the capital structure of the Company and support a healthy and sustainable development of the Company. The net proceeds from the Subscription (after deducting all fees, costs and expenses properly incurred by the Smart Mobile Holdings Limited and the Company (including the managers' commission, the stamp duty, the Stock Exchange trading fee and the SFC transaction levy) to be borne by the Company, and other expenses incurred by the Company, in connection with the 2025 Placing and the Subscription) were approximately HK\$42.5 billion. The net subscription price, after deducting such fees, costs and expenses, was therefore approximately HK\$53.11 per subscription Share.

The Company has used and intends to use the net proceeds for (a) the acceleration of our business expansion; (b) investments in research and development to further advance our technological capabilities; and (c) other general corporate purposes. There has been no change in the intended use of net proceeds as previously disclosed in the announcement of the Company dated March 25, 2025. The Company expects to fully utilize the residual amount of the net proceeds in accordance with such intended purposes within two years. For further details, please refer to the announcements of the Company dated March 25, 2025 and March 31, 2025.

## OTHER INFORMATION

As of June 30, 2025, the Company had utilized the net proceeds as set out in the table below:

	Allocation of net proceeds from the 2025 Placing and Subscription (HK\$ million)	Utilization as of June 30, 2025 (HK\$ million)	Unutilized amount as of June 30, 2025 (HK\$ million)
Acceleration of business expansion	19,120.5	3,777.9	15,342.6
Investments in research and development to further advance technological capabilities	19,120.5	4,560.0	14,560.5
Other general corporate purposes	4,248.9	795.4	3,453.5
<b>Total</b>	<b>42,489.9</b>	<b>9,133.3</b>	<b>33,356.6</b>

### Audit Committee

The Company has established the Audit Committee in compliance with Rule 3.21 of the Listing Rules and the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of the Group, review and approve connected transactions and to advise the Board. The Audit Committee comprises one non-executive Director and two independent non-executive Directors, namely, Liu Qin, Chen Dongsheng and Wong Shun Tak. Wong Shun Tak is the chairman of the Audit Committee.

The Audit Committee has reviewed the interim report and 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.

### Other Board Committees

In addition to the Audit Committee, the Company has also established a nomination committee, a remuneration committee and a corporate governance committee.

## Corporate Governance Committee

The Company has established the Corporate Governance Committee in compliance with Rule 8A.30 of the Listing Rules and the CG Code. The Corporate Governance Committee is responsible for performing the functions set out in code provision A.2.1 of the CG Code. The primary duties of the Corporate Governance Committee are to ensure that the Company is operated and managed for the benefit of all Shareholders indiscriminately and to ensure the Company's compliance with the Listing Rules and safeguards relating to the weighted voting rights structure of the Company. The Corporate Governance Committee would review the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, and the Company's compliance with the CG Code. As at the Latest Practicable Date, the members of the Corporate Governance Committee are the independent nonexecutive Directors, namely, Chen Dongsheng, Wong Shun Tak and Cai Jinqing. Chen Dongsheng is the chairman of the Corporate Governance Committee.

The following is a summary of work performed by the Corporate Governance Committee during the Reporting Period:

- Reviewed and monitored whether the Company is operated and managed for the benefits of all its Shareholders.
- Reviewed the policies and practices of the Company on corporate governance and on compliance with legal and regulatory requirements. The policies reviewed include Code for Securities Transactions by Directors and Relevant Employees, board diversity policy, director nomination policy, shareholders' communication policy, procedures for nomination of director by shareholders, disclosure of information policy, connected transactions policy, whistle-blowing policy, dividend policy, board remuneration policy, board policy on obtaining independent views and inputs, and other corporate governance policies.
- Reviewed the Company's compliance with the CG Code and the deviation(s) from code provision C.2.1 of the CG Code and the Company's disclosure for compliance with Chapter 8A of the Listing Rules.
- Reviewed the remuneration, the terms of engagement and the re-appointment of the Company's compliance advisor.
- Reviewed and monitored the management of conflicts of interests between the Group/the Shareholders on one hand and the WVR Beneficiaries on the other.
- Reviewed and monitored all risks related to the weighted voting rights structure, including connected transactions between the Group/the Shareholders on one hand and the WVR Beneficiaries on the other.

## OTHER INFORMATION

- Reviewed the arrangements for the training and continuous professional development of Directors and senior management (in particular, Chapter 8A of the Listing Rules and knowledge in relation to risks relating to the weighted voting rights structure).
- Sought to ensure effective and on-going communication between the Company and its Shareholders, particularly with regards to the requirements of Rule 8A.35 of the Listing Rules.
- Reviewed the Company's compliance with the ESG Reporting Guide and annual management practices on material ESG issues (such as data security and privacy protection, circular economy and business ethics) and disclosure in the Environmental, Social and Governance Report.
- Reviewed the Company's progress in achieving the annual ESG management goals and provide guidance and supervision to the ESG team.
- Reported on the work of the Corporate Governance Committee covering all areas of its terms of reference.

The Corporate Governance Committee has confirmed that (i) the WVR Beneficiaries have been members of the Board throughout the Reporting Period; (ii) no matter under Rule 8A.17 of the Listing Rules has occurred during the Reporting Period; and (iii) the WVR Beneficiaries have complied with Rules 8A.14, 8A.15, 8A.18 and 8A.24 of the Listing Rules during the Reporting Period.

In particular, the Corporate Governance Committee has confirmed to the Board it is of the view that the Company has adopted sufficient corporate governance measures to manage the potential conflict of interest between the Group and the beneficiaries of weighted voting rights in order to ensure that the operations and management of the Company are in the interests of the Shareholders as a whole indiscriminately. These measures include the Corporate Governance Committee (a) reviewing and monitoring each transaction contemplated to be entered into by the Group and making a recommendation to the Board prior to the transaction being entered into, of any potential conflict of interest between the Group and/or the Shareholders and any beneficiaries of the weighted voting rights, and (b) ensuring that (i) any connected transactions are disclosed and dealt with in accordance with the requirements of the Listing Rules, (ii) their terms are fair and reasonable and in the interest of the Company and its Shareholders as a whole, (iii) any directors who have a conflict of interest abstain from voting on the relevant board resolution, and (iv) the Compliance Advisor is consulted on any matters related to the transactions involving the beneficiaries of weighted voting rights or a potential conflict of interest between the Group and these beneficiaries. The Corporate Governance Committee recommended the Board to continue the implementation of these measures and to periodically review their efficacy towards these objectives.

Having reviewed the remuneration and terms of engagement of the Compliance Advisor, the Corporate Governance Committee confirmed to the Board that it was not aware of any factors that would require it to consider either the removal of the current Compliance Advisor or the appointment of a new compliance advisor. As a result, the Corporate Governance Committee recommended that the Board retain the services of the Compliance Advisor.

### Restriction on Foreign Investment Access

On December 11, 2001, the State Council promulgated the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (the “FITE Regulations”), which were amended on September 10, 2008, February 6, 2016 and March 26, 2022. According to the FITE Regulations, foreign investors are not allowed to hold more than 50% of the equity interests in a company providing value-added telecommunications services, except as otherwise prescribed by the state.

Because foreign investment in certain areas of the industry in which we currently and may operate are subject to restrictions under current PRC laws and regulations outlined above, after consultation with our PRC Legal Advisor, we determined that it was not viable for the Company to control our Consolidated Affiliated Entities directly through equity ownership. Instead, we decided that, in line with common practice in industries in the PRC subject to foreign investment restrictions, the Company would gain effective control over, and have the right to receive all the economic benefits generated by the businesses currently operated by Consolidated Affiliated Entities through the Contractual Arrangements between the WFOEs, on the one hand, and the Consolidated Affiliated Entities and the Registered Shareholders, on the other hand. The Contractual Arrangements allow the financial results of our Consolidated Affiliated Entities to be consolidated into our results of the Group’s financial information as if they were subsidiaries of the Group.

Further details of the Contractual Arrangements are set out in the Prospectus and the Company’s 2024 annual report published on April 24, 2025.

### Material Litigation

As at 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.

### Events after the Reporting Period

Save as disclosed in this interim report, there were no other significant events that might affect the Group after June 30, 2025 and up to the Latest Practicable Date.

# REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



羅兵咸永道

To the Board of Directors of Xiaomi Corporation  
(incorporated in the Cayman Islands with limited liability)

## Introduction

We have reviewed the interim financial information set out on pages 55 to 118, which comprises the interim condensed consolidated balance sheet of Xiaomi Corporation (the “**Company**”) and its subsidiaries (together, the “**Group**”) as of June 30, 2025 and the interim condensed consolidated 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting”. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

**PricewaterhouseCoopers**  
Certified Public Accountants

Hong Kong, August 19, 2025

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# 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
<b>Revenue</b>	6	<b>115,956,091</b>	88,887,828	<b>227,249,428</b>	164,394,650
Cost of sales	6, 9	<b>(89,855,133)</b>	(70,493,651)	<b>(175,742,560)</b>	(129,170,756)
<b>Gross profit</b>		<b>26,100,958</b>	18,394,177	<b>51,506,868</b>	35,223,894
Research and development expenses	9	<b>(7,763,377)</b>	(5,497,729)	<b>(14,475,085)</b>	(10,657,116)
Selling and marketing expenses	9	<b>(7,777,971)</b>	(5,899,052)	<b>(14,977,788)</b>	(11,380,099)
Administrative expenses	9	<b>(1,627,144)</b>	(1,182,524)	<b>(3,157,238)</b>	(2,705,531)
Fair value changes on financial instruments measured at fair value through profit or loss		<b>3,363,497</b>	(849,410)	<b>6,190,519</b>	(2,075,902)
Share of net profits of investments accounted for using the equity method	11	<b>86,864</b>	86,385	<b>150,395</b>	241,776
Other income	7	<b>299,446</b>	287,246	<b>461,212</b>	444,653
Other gains, net	8	<b>754,446</b>	549,628	<b>863,243</b>	480,084
<b>Operating profit</b>		<b>13,436,719</b>	5,888,721	<b>26,562,126</b>	9,571,759
Finance income	10	<b>1,478,526</b>	876,875	<b>2,482,491</b>	1,896,310
Finance costs	10	<b>(512,462)</b>	(86,211)	<b>(1,473,866)</b>	433,694
<b>Profit before income tax</b>		<b>14,402,783</b>	6,679,385	<b>27,570,751</b>	11,901,763
Income tax expenses	12	<b>(2,529,620)</b>	(1,609,716)	<b>(4,804,842)</b>	(2,658,882)
<b>Profit for the period</b>		<b>11,873,163</b>	5,069,669	<b>22,765,909</b>	9,242,881
<b>Attributable to:</b>					
— Owners of the Company		<b>11,904,405</b>	5,098,002	<b>22,828,726</b>	9,280,063
— Non-controlling interests		<b>(31,242)</b>	(28,333)	<b>(62,817)</b>	(37,182)
		<b>11,873,163</b>	5,069,669	<b>22,765,909</b>	9,242,881
<b>Earnings per share (expressed in RMB per share):</b>	13				
Basic		<b>0.46</b>	0.21	<b>0.90</b>	0.37
Diluted		<b>0.45</b>	0.20	<b>0.87</b>	0.36

The above interim condensed consolidated income statements should be read in conjunction with the accompanying notes.

# INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

(Expressed in RMB)

	Note	Unaudited		Unaudited	
		Three months ended June 30,		Six months ended June 30,	
		2025	2024	2025	2024
		RMB'000	RMB'000	RMB'000	RMB'000
<b>Profit for the period</b>		<b>11,873,163</b>	5,069,669	<b>22,765,909</b>	9,242,881
<b>Other comprehensive (loss)/income:</b>					
<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	11	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
<b>Other comprehensive (loss)/income for the period, net of tax</b>		<b>(285,759)</b>	280,613	<b>(266,262)</b>	369,849
<b>Total comprehensive income for the period</b>		<b>11,587,404</b>	5,350,282	<b>22,499,647</b>	9,612,730
<b>Attributable to:</b>					
— 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)
		<b>11,587,404</b>	5,350,282	<b>22,499,647</b>	9,612,730

The above interim condensed consolidated statements of comprehensive income should be read in conjunction with the accompanying notes.

# 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
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	22,212,155	18,087,583
Intangible assets	15	7,937,987	8,152,721
Investments accounted for using the equity method	11	6,034,029	6,151,055
Long-term investments measured at fair value through profit or loss	16	74,162,523	62,112,188
Deferred income tax assets	26	2,710,583	2,781,982
Term bank deposits		94,313,995	58,520,305
Long-term investments measured at amortized cost	16	10,658,560	3,219,462
Other non-current assets	23	19,867,964	18,421,227
		<b>237,897,796</b>	177,446,523
<b>Current assets</b>			
Inventories	20	65,825,475	62,509,682
Trade and notes receivables	18	18,845,260	14,588,579
Loan receivables	17	11,111,847	12,261,490
Prepayments and other receivables	19	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	16	1,473,109	1,681,062
Short-term investments measured at amortized cost	16	—	700,163
Short-term investments measured at fair value through profit or loss	16	17,420,176	28,123,777
Term bank deposits		57,033,640	36,350,271
Restricted cash	21(b)	5,411,773	5,476,417
Cash and cash equivalents	21(a)	36,008,030	33,661,442
		<b>243,619,962</b>	225,708,766
<b>Total assets</b>		<b>481,517,758</b>	403,155,289

## 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
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	24	425	407
Reserves		252,473,281	188,737,370
		252,473,706	188,737,777
<b>Non-controlling interests</b>			
		386,989	467,342
<b>Total equity</b>			
		252,860,695	189,205,119
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	25	18,271,941	17,275,721
Deferred income tax liabilities	26	1,933,737	1,282,196
Provisions		2,187,132	1,695,063
Other non-current liabilities	28	17,935,260	18,312,200
		40,328,070	38,565,180
<b>Current liabilities</b>			
Trade payables	29	108,393,324	98,280,585
Other payables and accruals	30	38,457,592	36,372,035
Advance from customers		19,363,377	16,581,252
Borrowings	25	10,640,895	13,327,297
Income tax liabilities		3,703,966	3,822,134
Provisions		7,769,839	7,001,687
		188,328,993	175,384,990
<b>Total liabilities</b>			
		228,657,063	213,950,170
<b>Total equity and liabilities</b>			
		481,517,758	403,155,289

The above interim condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

On behalf of the Board

Lei Jun  
Director

Lin Bin  
Director

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2025

(Expressed in RMB)

	Note	Unaudited Attributable to owners of the Company Reserves						Non- controlling interests RMB'000	Total equity RMB'000
		Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Sub-total RMB'000		
<b>Balance at January 1, 2025</b>		407	(34,678)	60,117,658	17,113,248	111,541,142	188,737,777	467,342	189,205,119
<b>Comprehensive income</b>									
Profit for the period		—	—	—	—	22,828,726	22,828,726	(62,817)	22,765,909
<b>Other comprehensive loss</b>									
<i>Items that may be reclassified subsequently to profit or loss</i>									
Share of other comprehensive income of investments accounted for using the equity method	11	—	—	—	13,395	—	13,395	—	13,395
Transfer from other comprehensive income to profit or loss upon disposal of investments accounted for using the equity method		—	—	—	(2,256)	—	(2,256)	—	(2,256)
Net gains from changes in fair value of financial assets at fair value through other comprehensive income		—	—	—	56,278	—	56,278	—	56,278
Currency translation differences		—	—	—	(52,750)	—	(52,750)	(17,536)	(70,286)
<i>Item that will not be reclassified subsequently to profit or loss</i>									
Currency translation differences		—	—	—	(263,393)	—	(263,393)	—	(263,393)
<b>Total comprehensive income</b>		—	—	—	(248,726)	22,828,726	22,580,000	(80,353)	22,499,647
<b>Transactions with owners in their capacity as owners</b>									
Purchase of own shares	24	—	(599,317)	—	—	—	(599,317)	—	(599,317)
Cancellation of shares	24	—	207,072	(207,072)	—	—	—	—	—
Issuance of shares upon placement	24	14	—	39,225,977	—	—	39,225,991	—	39,225,991
Release of ordinary shares from Share Scheme Trusts	24	—	382,850	1,487,537	(1,863,009)	—	7,378	—	7,378
Share of other reserves of investments accounted for using the equity method	11	—	—	—	79,121	—	79,121	—	79,121
Transfer from other reserves to profit or loss upon disposal of investments accounted for using the equity method		—	—	—	(20,144)	—	(20,144)	—	(20,144)
Employees share-based compensation scheme:									
— value of employee services	27	—	—	—	2,363,735	—	2,363,735	—	2,363,735
— exercise of share options	24, 27	4	—	322,381	(265,858)	—	56,527	—	56,527
Conversion of convertible bonds	24	—	—	54,520	(13,004)	—	41,516	—	41,516
Appropriation to general reserves		—	—	—	(8,253)	8,253	—	—	—
Others		—	—	—	1,122	—	1,122	—	1,122
<b>Total transactions with owners in their capacity as owners</b>		18	(9,395)	40,883,343	273,710	8,253	41,155,929	—	41,155,929
<b>Balance at June 30, 2025</b>		425	(44,073)	101,001,001	17,138,232	134,378,121	252,473,706	386,989	252,860,695

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2025

(Expressed in RMB)

	Note	Unaudited Attributable to owners of the Company Reserves						Non- controlling interests RMB'000	Total equity RMB'000
		Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Other reserves RMB'000	Retained earnings RMB'000	Sub-total RMB'000		
<b>Balance at January 1, 2024</b>		407	(438,291)	60,778,287	15,483,618	88,171,468	163,995,489	266,279	164,261,768
<b>Comprehensive income</b>									
Profit for the period		—	—	—	—	9,280,063	9,280,063	(37,182)	9,242,881
<b>Other comprehensive income</b>									
<i>Items that may be reclassified subsequently to profit or loss</i>									
Share of other comprehensive loss of investments accounted for using the equity method	11	—	—	—	(12,508)	—	(12,508)	—	(12,508)
Transfer from other comprehensive loss to profit or loss upon deemed disposal of investments accounted for using the equity method		—	—	—	2,876	—	2,876	—	2,876
Net losses from changes in fair value of financial assets at fair value through other comprehensive income		—	—	—	(16,362)	—	(16,362)	—	(16,362)
Currency translation differences		—	—	—	147,278	—	147,278	(5,101)	142,177
<i>Item that will not be reclassified subsequently to profit or loss</i>									
Currency translation differences		—	—	—	253,666	—	253,666	—	253,666
<b>Total comprehensive income</b>		—	—	—	374,950	9,280,063	9,655,013	(42,283)	9,612,730
<b>Transactions with owners in their capacity as owners</b>									
Purchase of own shares	24	—	(2,903,979)	—	—	—	(2,903,979)	—	(2,903,979)
Cancellation of shares	24	(3)	2,004,356	(2,004,353)	—	—	—	—	—
Release of ordinary shares from Share Scheme Trusts	24	3	186,090	1,709,409	(1,888,979)	—	6,523	—	6,523
Share of other reserves of investments accounted for using the equity method	11	—	—	—	16,092	—	16,092	—	16,092
Transfer from other reserves to profit or loss upon deemed disposal of investments accounted for using the equity method		—	—	—	(31,581)	—	(31,581)	—	(31,581)
Employees share-based compensation scheme:									
— value of employee services	27	—	—	—	1,799,516	—	1,799,516	—	1,799,516
— exercise of share options	24, 27	—	—	188,223	(153,549)	—	34,674	—	34,674
Capital injection from non-controlling interests		—	—	—	—	—	—	400,079	400,079
Appropriation to general reserves		—	—	—	(14,411)	14,411	—	—	—
<b>Total transactions with owners in their capacity as owners</b>		—	(713,533)	(106,721)	(272,912)	14,411	(1,078,755)	400,079	(678,676)
<b>Balance at June 30, 2024</b>		407	(1,151,824)	60,671,566	15,585,656	97,465,942	172,571,747	624,075	173,195,822

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended June 30, 2025

(Expressed in RMB)

	Note	Unaudited	
		Six months ended June 30,	
		2025	2024
		RMB'000	RMB'000
<b>Cash flows from operating activities</b>			
Cash generated from operations		32,008,513	5,021,874
Income tax paid		(3,953,773)	(2,491,299)
Net cash generated from operating activities		28,054,740	2,530,575
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment, land use rights and intangible assets		(5,085,940)	(2,267,908)
Proceeds from disposal of property, plant and equipment		7,634	254,311
Proceeds from disposal of land use rights		—	769,837
Placement of term bank deposits		(88,987,742)	(44,721,404)
Proceeds from maturity/disposal of term bank deposits		32,957,784	44,997,554
Purchase of short-term investments measured at fair value through profit or loss		(30,067,307)	(31,811,960)
Proceeds from maturity of short-term investments measured at fair value through profit or loss		40,862,185	33,439,970
Purchase of short-term investments measured at fair value through other comprehensive income		(2,160,086)	(1,144,934)
Proceeds from maturity of short-term investments measured at fair value through other comprehensive income		2,369,778	665,802
Purchase of long-term investments measured at amortized cost		(7,504,610)	—
Purchase of short-term investments measured at amortized cost		—	(1,000,000)
Proceeds from maturity of short-term investments measured at amortized cost		700,000	500,000
Interest income received		1,829,829	1,850,478
Investment income received		227,608	212,974
Purchase of long-term investments measured at fair value through profit or loss		(12,009,478)	(1,146,550)
Proceeds from disposal of long-term investments measured at fair value through profit or loss		6,005,705	2,102,117
Purchase of investments accounted for using the equity method		—	(115,000)
Proceeds from disposal of investments accounted for using the equity method		545,159	30
Dividends received		180,842	123,761
Net cash (used in)/generated from investing activities		(60,128,639)	2,709,078

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended June 30, 2025

(Expressed in RMB)

	Note	Unaudited	
		Six months ended June 30,	
		2025	2024
		RMB'000	RMB'000
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		11,721,938	12,436,649
Repayment of borrowings		(12,920,591)	(7,759,247)
Finance expenses paid		(387,820)	(348,935)
Contribution from fund investors		1,082,914	1,140,450
Distribution to fund investors		(1,991,175)	(588,720)
Net proceeds from exercise of share options		103,631	38,175
Payments for shares repurchase		(207,072)	(3,032,539)
Issuance of shares upon placement		39,225,991	—
Payments to holders of employee fund		—	(2,971)
Proceeds from financial assets sold under repurchase agreements		367,840	369,844
Capital injection from non-controlling interests		—	400,079
Payments of lease liabilities		(1,254,754)	(698,802)
Payments of deferred consideration for acquisition of intangible assets		(1,306,598)	(1,498,683)
Net cash generated from financing activities		34,434,304	455,300
<b>Net increase in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of the period	21(a)	33,661,442	33,631,313
Effects of exchange rate changes on cash and cash equivalents		(13,817)	9,554
<b>Cash and cash equivalents at the end of the period</b>	21(a)	<b>36,008,030</b>	<b>39,335,820</b>

The above interim condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

# NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

## 1 General information

Xiaomi Corporation (the “**Company**”), was incorporated in the Cayman Islands on January 5, 2010 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries, including controlled structured entities (together, the “**Group**”) are principally engaged in development and sales of smartphones, internet of things (“**IoT**”) and lifestyle products, provision of internet services, development, manufacture and sales of smart electric vehicles (“**EV**”), research and development of Artificial Intelligence (“**AI**”) and other new initiatives and investments holding in the People’s Republic of China (“**the PRC**”) and other countries or regions.

Lei Jun is the ultimate controlling shareholder of the Company as of the date of approval of this interim financial information.

The interim condensed consolidated 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 (collectively, the “**Interim Financial Information**”). The Interim Financial Information is presented in RMB, unless otherwise stated.

The Interim Financial Information was approved by the Board of Directors of the Company on August 19, 2025.

The Interim Financial Information has not been audited but has been reviewed by the external auditor of the Company.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

### 2 Basis of preparation

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 and up to date of approval of this unaudited Interim Financial Information.

### 3 Material accounting policies

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 amended standard as set out below.

#### Amended standard adopted by the Group

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

- Lack of Exchangeability — Amendments to IAS 21

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

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

### 3 Material accounting policies (continued)

#### New and amended standards issued but not yet effective

Certain new and amended accounting standards have been published that are not mandatory for the six months ended June 30, 2025 and have not been early adopted by the Group, which is listed as below:

	Effective date
<ul style="list-style-type: none"> <li>Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7</li> </ul>	Annual periods beginning on or after January 1, 2026
<ul style="list-style-type: none"> <li>Annual Improvement to IFRS Accounting Standards-Volume 11</li> </ul>	Annual periods beginning on or after January 1, 2026
<ul style="list-style-type: none"> <li>IFRS 18 – Presentation and Disclosure in Financial Statements</li> </ul>	Annual periods beginning on or after January 1, 2027
<ul style="list-style-type: none"> <li>IFRS 19 – Subsidiaries without Public Accountability: Disclosures</li> </ul>	Annual periods beginning on or after January 1, 2027

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

### 4 Significant accounting estimates

The preparation of the Interim Financial Information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the Interim Financial Information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were substantially the same as those applied to the 2024 Financial Statements.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

### 5 Financial risk management

#### 5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

The Group's policies on financial risk management were set out in the 2024 Financial Statements and there have been no significant changes in the financial risk management policies for the three months and six months ended June 30, 2025.

#### 5.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to enhance shareholders' value in the long-term.

The Group monitors capital (including share capital and share premium) by regularly reviewing the capital structure. As a part of this review, the Group considers the cost of capital and the risks associated with the issued share capital. The Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or repurchase the Company's shares. In the opinion of the directors of the Company, the Group has strong cash positions, continuously generating operating profits with a low level of indebtedness.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

### 5 Financial risk management (continued)

#### 5.3 Fair value estimation

The table below analyzes the Group's financial instruments carried at fair value as of each balance sheet date, by level of the inputs to valuation techniques used to measure fair value.

The following table presents the Group's financial assets and liabilities that are measured at fair value at June 30, 2025.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<b>(Unaudited)</b>				
<b>Assets</b>				
Long-term investments measured at fair value through profit or loss (Note 16)	8,527,728	—	65,634,795	74,162,523
Short-term investments measured at fair value through profit or loss (Note 16)	—	—	17,420,176	17,420,176
Short-term investments measured at fair value through other comprehensive income (Note 16)	1,473,109	—	—	1,473,109
Bills receivables measured at fair value through other comprehensive income	—	—	184,110	184,110
	10,000,837	—	83,239,081	93,239,918
<b>Liabilities</b>				
Liabilities to investors	—	—	4,269,661	4,269,661

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

## 5 Financial risk management (continued)

## 5.3 Fair value estimation (continued)

The following table presents the Group's financial assets and liabilities that are measured at fair value at December 31, 2024.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<b>(Audited)</b>				
<b>Assets</b>				
Long-term investments measured at fair value through profit or loss (Note 16)	6,613,312	—	55,498,876	62,112,188
Short-term investments measured at fair value through profit or loss (Note 16)	—	—	28,123,777	28,123,777
Short-term investments measured at fair value through other comprehensive income (Note 16)	1,681,062	—	—	1,681,062
Bills receivables measured at fair value through other comprehensive income	—	—	1,255,767	1,255,767
	8,294,374	—	84,878,420	93,172,794
<b>Liabilities</b>				
Liabilities to investors	—	—	3,757,399	3,757,399

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

### 5 Financial risk management (continued)

#### 5.3 Fair value estimation (continued)

##### (a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at each of the reporting dates. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

##### (b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value of an instrument are observable, the instrument is included in level 2.

##### (c) Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- Discounted cash flow model and unobservable inputs mainly including assumptions of expected future cash flows and discount rate; and
- A combination of observable and unobservable inputs, including risk-free rate, expected volatility, discount rate for lack of marketability, market multiples, etc.

Level 3 instruments of the Group's assets mainly include long-term investments measured at fair value through profit or loss and short-term investments measured at fair value through profit or loss.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

## 5 Financial risk management (continued)

## 5.3 Fair value estimation (continued)

## (c) Financial instruments in level 3 (continued)

The following table presents the changes in level 3 instruments of long-term investments measured at fair value through profit or loss for the six months ended June 30, 2025 and 2024.

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
At the beginning of the period	55,498,876	54,207,368
Additions	11,635,788	1,321,770
Disposals	(4,093,746)	(1,844,049)
Changes in fair value	3,109,654	(1,236,371)
Transfer from investments accounted for using the equity method	2,713	1,185,826
Transfer to level 1 financial instruments	(418,914)	(306,457)
Currency translation differences	(99,576)	94,570
At the end of the period	65,634,795	53,422,657
Net unrealized gains/(losses) for the period	2,414,864	(1,548,181)

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

### 5 Financial risk management (continued)

#### 5.3 Fair value estimation (continued)

##### (c) Financial instruments in level 3 (continued)

The following table presents the changes in level 3 instruments of short-term investments measured at fair value through profit or loss for the six months ended June 30, 2025 and 2024.

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
At the beginning of the period	28,123,777	20,193,662
Additions	30,067,307	31,811,960
Disposals	(41,064,351)	(33,656,018)
Changes in fair value	272,003	209,318
Currency translation differences	21,440	3,075
At the end of the period	17,420,176	18,561,997
Net unrealized gains for the period	189,927	147,331

The Group has a team that manages the valuation of level 3 instruments for financial reporting purposes. The team manages the valuation exercise of the investments on a case by case basis. At least once every year, the team would use valuation techniques to determine the fair value of the Group's level 3 instruments. External valuation experts will be involved when necessary.

The valuation of the level 3 instruments mainly included long-term investments measured at fair value through profit or loss in unlisted companies and certain listed companies for which sale is restricted for a specified period (Note 16), and short-term investments measured at fair value through profit or loss (Note 16). As these instruments are not traded in an active market, their fair values have been determined by using various applicable valuation techniques, including market approach etc.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

## 5 Financial risk management (continued)

## 5.3 Fair value estimation (continued)

## (c) Financial instruments in level 3 (continued)

The following table summarizes the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements.

Description	Fair values		Significant unobservable inputs	Range of inputs		Relationship of unobservable inputs to fair values
	As of June 30, 2025	As of December 31, 2024		As of June 30, 2025	As of December 31, 2024	
	RMB'000 (Unaudited)	RMB'000 (Audited)				
Long-term investments measured at fair value through profit or loss						
— Ordinary shares investments and preferred shares investments	41,877,524	41,326,558	Expected volatility	29%–74%	33%–96%	The higher the expected volatility, the lower the fair value
			Discount for lack of marketability ("DLOM")	2%–25%	3%–30%	The higher the DLOM, the lower the fair value
			Risk-free rate	1.5%–4.0%	1.1%–6.7%	

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

## 5 Financial risk management (continued)

## 5.3 Fair value estimation (continued)

## (c) Financial instruments in level 3 (continued)

Description	Fair values		Significant unobservable inputs	Range of inputs		Relationship of unobservable inputs to fair values
	As of June 30, 2025	As of December 31, 2024		As of June 30, 2025	As of December 31, 2024	
	RMB'000 (Unaudited)	RMB'000 (Audited)				
— Treasury investments and other investments	23,757,271	14,172,318	Note (a)			
Short-term investments measured at fair value through profit or loss	17,420,176	28,123,777	Expected rate of return	0.65%–2.52%	0.65%–5.85%	The higher the expected rate of return, the higher the fair value

Note:

- (a) The fair value of these investments (treasury investments and other investments) was determined based on the net asset value of the investments, whose underlying assets and liabilities were measured at fair value.

There were no material transfers between level 1, 2 and 3 of fair value hierarchy classifications during the six months ended June 30, 2025, except that certain financial assets were transferred out of level 3 of fair value hierarchy to level 1 classifications due to the conversion to ordinary shares as the result of the initial public offering or lifting of sale restriction of the investee companies.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

### 5 Financial risk management (continued)

#### 5.3 Fair value estimation (continued)

##### (c) Financial instruments in level 3 (continued)

The carrying amounts of the Group's financial assets that are not measured at fair value, mainly including cash and cash equivalents, restricted cash, term bank deposits, short-term investments measured at amortized cost, long-term investments measured at amortized cost, trade and notes receivables, loan receivables and other receivables, and the Group's financial liabilities that are not measured at fair value, mainly including borrowings, trade payables and other payables, approximate their fair values due to short maturities or the interest rates are close to the market interest rates.

### 6 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 the CODM:

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

The CODM assesses the performance of the operating segments mainly based on segment revenue and gross profit of each operating segment. The research and development expenses, selling and marketing expenses and administrative expenses are not included in the measure of the segments' performance that reviewed by CODM as a basis for the purpose of resource allocation and assessment of segment performance. Fair value changes on financial instruments measured at fair value through profit or loss, share of net profits of investments accounted for using the equity method, other income, other gains, net, finance income, finance costs, and income tax expenses are not allocated to individual operating segments as they were centrally monitored by the Group.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

### 6 Segment information (continued)

The revenues for each segment are described as below:

- (a) Smartphone × AIoT:
- Revenues from smartphones are derived from the sale of smartphones.
  - Revenues from the IoT and lifestyle products primarily comprise revenues from sales of smart large home appliances, smart TVs, tablets, wearables and other IoT and lifestyle products.
  - Revenues from internet services are derived from advertising services and internet value-added services (including online game and fintech business).
  - Other related businesses revenues primarily comprise revenue from the hardware repairment services for products, installation services for certain IoT products and sale of materials.
- (b) Smart EV, AI and other new initiatives: Revenues from this segment are mainly derived from the sale of smart EV, revenues from other new initiatives are immaterial to the Group.

The cost of sales from each segment mainly comprises:

- (a) Smartphone × AIoT:
- The Group's cost of sales for smartphones and IoT and lifestyle products primarily consist of (i) procurement cost of raw materials and components, (ii) assembly cost charged by the Group's outsourcing partners, (iii) royalty fees for certain technologies embedded in the products, (iv) costs, in the forms of production costs and profit-sharing, paid to the Group's partners for procuring ecosystem products, (v) warranty expenses, and (vi) provision for impairment of inventories.
  - The Group's cost of sales for internet services primarily consists of (i) content fees to game developers, (ii) bandwidth, server custody and cloud service related costs, and (iii) fintech costs.
  - The Group's cost of sales for other related businesses in Smartphone × AIoT segment primarily consists of hardware consumed, installation costs and costs of the sold materials.
- (b) Smart EV, AI and other new initiatives: The Group's cost of sales for smart EV, AI and other new initiatives segment primarily consist of (i) procurement cost of direct parts and raw materials, (ii) labor costs, (iii) manufacturing costs (including depreciation of assets associated with the production), (iv) provision of warranty, and (v) write-down of the inventory to its estimated net realizable value.

Other information related to the measurement of profit or loss, together with the segment information, provided to the CODM, is measured in a manner consistent with that applied in the interim condensed consolidated financial statements.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

## 6 Segment information (continued)

Other than the inventory information by segment, there were no other segment assets and segment liabilities information provided to the CODM, as CODM does not use this information to allocate resources or to evaluate the performance of the operating segments.

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 statements.

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						
	Smartphones	Smartphone × AIoT			Subtotal	Smart EV, AI and other new initiatives	Total
		IoT and lifestyle products	Internet services	Other related businesses			
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
<b>(Unaudited)</b>							
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)	5,220,254	8,721,542	6,855,769	(317,446)	20,480,119	5,620,839	26,100,958

	Three months ended June 30, 2024						
	Smartphones	Smartphone × AIoT			Subtotal	Smart EV, AI and other new initiatives	Total
		IoT and lifestyle products	Internet services	Other related businesses			
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
<b>(Unaudited)</b>							
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	5,649,460	5,283,597	6,472,687	8,648	17,414,392	979,785	18,394,177

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

## 6 Segment information (continued)

	Six months ended June 30, 2025						
	Smartphones	Smartphone × AIoT			Subtotal	Smart EV, AI and other new initiatives	Total
		IoT and	Internet	Other			
		products	services	related			
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
<b>(Unaudited)</b>							
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)	11,502,905	16,876,410	13,837,609	(636,228)	41,580,696	9,926,172	51,506,868

	Six months ended June 30, 2024						
	Smartphones	Smartphone × AIoT			Subtotal	Smart EV, AI and other new initiatives	Total
		IoT and	Internet	Other			
		products	services	related			
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
<b>(Unaudited)</b>							
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)	12,528,683	9,331,034	12,448,052	(66,935)	34,240,834	983,060	35,223,894

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

## 6 Segment information (continued)

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	%	RMB'000	%	RMB'000	%	RMB'000	%
	(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)	
Mainland China	79,265,167	68.4	50,812,668	57.2	152,333,838	67.0	88,446,741	53.8
Rest of the world								
(Note (a))	36,690,924	31.6	38,075,160	42.8	74,915,590	33.0	75,947,909	46.2
	115,956,091		88,887,828		227,249,428		164,394,650	

Note:

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

The major customers which contributed more than 10% of the total revenue of the Group for the three months and six months ended June 30, 2025 and 2024 are listed as below:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
	%	%	%	%
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Customer A	11.7	10.4	11.6	9.8

All the revenues derived from other single external customer were less than 10% of the Group's total revenues during the three months and six months ended June 30, 2025 and 2024.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

### 6 Segment information (continued)

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

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

### 7 Other income

Other income mainly includes government grants, dividend income and refunds of value-added tax and other tax.

During the three months and six months ended June 30, 2025, majority of the government grants recognized in other income was relating to expenses. As it is reasonable assurance that the Group have met these attached conditions and the related expenses have incurred, the Group credited the other income from deferred government grants during the three months and six months ended June 30, 2025.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

**8 Other gains, net**

Other gains, net mainly include gains on disposal and deemed disposal of investments accounted for using the equity method, impairment on investments accounted for using the equity method and foreign exchanges gains/(losses), net for the three months and six months ended June 30, 2025 and 2024.

**9 Expenses by nature**

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cost of inventories sold and royalty fees	<b>82,758,193</b>	64,865,246	<b>162,477,261</b>	118,629,191
Provision for impairment of inventories (Note 20)	<b>1,838,328</b>	1,705,256	<b>3,168,300</b>	2,946,746
Employee benefit expenses	<b>7,235,802</b>	5,358,712	<b>13,765,515</b>	10,549,089
Depreciation of property, plant and equipment, right-of-use assets and investment properties	<b>1,222,019</b>	816,293	<b>2,281,939</b>	1,620,006
Amortization of intangible assets	<b>787,574</b>	596,037	<b>1,510,516</b>	1,186,647
Promotion and advertising expenses	<b>1,898,896</b>	1,686,913	<b>3,898,768</b>	3,796,722
Warranty expenses	<b>1,220,430</b>	1,140,326	<b>2,656,870</b>	2,177,493

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

## 10 Finance income and costs

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Finance income:</b>				
Interest income from bank deposits	1,478,526	876,875	2,482,491	1,896,310
<b>Finance costs:</b>				
Losses/(gains) arising from liabilities payable to investors (Note 28)	170,323	(280,153)	789,705	(1,090,265)
Interest expense from borrowings (Note 25), lease liabilities (Note 22) and deferred consideration of intangible assets (Note 28, 30)	342,139	366,364	684,161	656,571
	512,462	86,211	1,473,866	(433,694)

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

## 11 Investments accounted for using the equity method

	As of June 30, 2025 RMB'000 (Unaudited)	As of December 31, 2024 RMB'000 (Audited)
Investments in associates accounted for using the equity method		
— Listed entities (Note (a))	1,077,865	1,078,253
— Unlisted entities	4,956,164	5,072,802
	<b>6,034,029</b>	<b>6,151,055</b>

	Six months ended June 30, 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>At the beginning of the period</b>	<b>6,151,055</b>	6,922,241
Additions	—	80,000
Disposals and transfers	(184,393)	(545,417)
Dilution gains on deemed disposal	174,980	—
Share of net profits	150,395	241,776
Share of other comprehensive income/(loss)	13,395	(12,508)
Share of changes of other reserves	79,121	16,092
Dividends from associates	(55,279)	(35,607)
Impairment provision	(295,245)	—
<b>At the end of the period</b>	<b>6,034,029</b>	<b>6,666,577</b>

Note:

- (a) As of June 30, 2025, the fair value of the investments in associates which were listed entities was RMB3,882,823,000 (December 31, 2024: RMB4,241,316,000).

Management has assessed the level of influence that the Group exercises on certain associates and determined that it has significant influence through the board representation and other relevant facts and circumstances, even though the respective shareholding of some investments is below 20%. Accordingly, these investments have been classified as associates.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

### 12 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,		Six months ended June 30,	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(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)
<b>Income tax expenses</b>	<b>2,529,620</b>	<b>1,609,716</b>	<b>4,804,842</b>	<b>2,658,882</b>

Income tax expenses are recognized based on management's best knowledge of the income tax rates that would be applicable to the full financial year.

Notes:

- (a) Enterprise income tax in mainland China ("EIT")  
The income tax provision of the Group in respect of its operations in mainland China was calculated at tax rate of 25% on the assessable profits for the periods presented, based on the existing legislation, interpretations and practices in respect thereof.
- (b) Cayman Islands and British Virgin Islands income tax  
The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly, is exempted from Cayman Islands income tax. As such, the operating results reported by the Company, including the share-based payments (Note 27), are not subject to any income tax in Cayman Islands.  
  
The Group entities established under the International Business Companies Acts of British Virgin Islands ("BVI") are exempted from BVI income taxes.
- (c) Hong Kong income tax  
Entities incorporated in Hong Kong are subject to Hong Kong profits tax at a rate of 16.5% on the assessable profits for the periods presented, based on the existing legislation, interpretations and practices in respect thereof.
- (d) India income tax  
The income tax provision for India entities were calculated at a rate of 25.17% on the assessable profits for the periods presented, based on the existing legislation, interpretations and practices in respect thereof.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

## 12 Income tax expenses (continued)

Notes (continued):

## (e) Preferential EIT rate

Certain subsidiaries in mainland China are entitled to preferential tax rates ranging from 10% to 15%. Main subsidiaries with preferential EIT rates are as follows:

Beijing Xiaomi Mobile Software Co., Ltd. ("**Xiaomi Mobile**") was qualified as a "Key Software Enterprise" in the third quarter of 2018 and renewed this qualification annually, hence it enjoyed a preferential income tax rate of 10% from 2017 to 2024. The directors of the Company consider Xiaomi Mobile can still be qualified upon annual renewal and hence continues to enjoy the preferential income tax rate of 10% for the six months ended June 30, 2025.

Xiaomi Technology (Wuhan) Co., Ltd was qualified as a "High and New Technology Enterprise" in December 2023, hence it enjoys a preferential income tax rate of 15% from 2023 to 2025.

## (f) Super Deduction for research and development expense

The State Taxation Administration of The People's Republic of China ("**STA**") announced in March 2023 that enterprises engaging in research and development activities would be entitled to claim 200% of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year ("**Super Deduction**") from January 1, 2023 onwards. The Group has made its best estimate for the Super Deduction to be claimed for the Group's entities in ascertaining their assessable profits during the period.

(g) Withholding tax in mainland China ("**WHT**")

According to the New Corporate Income Tax Law ("**New EIT Law**"), distribution of profits earned by companies incorporated in mainland China since January 1, 2008 to foreign investors is subject to withholding tax of 5% or 10%, depending on the country of incorporation of the foreign investors, upon the distribution of profits to overseas-incorporated immediate holding companies.

The Group does not have any plan in the foreseeable future to require its subsidiaries in mainland China to distribute their retained earnings and intends to retain them to operate and expand its business in mainland China. Accordingly, no deferred income tax liability related to WHT on undistributed earnings of these subsidiaries was accrued as of the end of each reporting period.

(h) Organization for Economic Co-operation and Development ("**OECD**") Pillar Two model rules

The Group is within the scope of the OECD Pillar Two model rules and Pillar Two legislation was enacted or to be enacted in several tax jurisdictions in which the group entities are incorporated or operated. The Group applies the IAS 12 exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Under the Pillar Two legislation, the Group is liable to pay a top-up tax for the difference between its Global Anti-Base Erosion ("**GloBE**") effective tax rate in each jurisdiction and the 15% minimum rate. The Group has conducted a preliminary assessment of the Pillar Two transitional safe harbour rules and the full Pillar Two rules and made some current income tax provisions to reflect the impact from the Pillar Two legislation for the six months ended June 30, 2025.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

### 13 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,		Six months ended June 30,	
	2025 (Unaudited)	2024 (Unaudited)	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
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

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

## 13 Earnings per share (continued)

## (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,		Six months ended June 30,	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(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 restricted shares units (“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

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

## 14 Property, plant and equipment

	Factory				Structure and				Total
	and production	Transport	Electronic	Office	Office	leasehold	Construction		
	equipment	equipment	equipment	equipment	buildings	improvements	in progress		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
<b>(Unaudited)</b>									
<b>Six months ended June 30, 2025</b>									
Opening net book amount	5,316,613	141,933	1,686,577	14,914	5,712,197	1,094,166	4,121,183	18,087,583	
Additions	487,627	266,241	512,030	1,053	—	933,028	3,448,031	5,648,010	
Transfers	1,728,058	—	44,032	—	528,881	—	(2,300,971)	—	
Transfer to investment properties	—	—	—	—	(10,406)	—	(290,895)	(301,301)	
Disposals	(3,524)	(17,459)	(22,850)	(48)	—	(34,795)	—	(78,676)	
Depreciation charge	(291,108)	(20,321)	(359,000)	(1,979)	(134,592)	(341,871)	—	(1,148,871)	
Currency translation differences	—	—	2,093	176	—	3,141	—	5,410	
<b>Closing net book amount</b>	<b>7,237,666</b>	<b>370,394</b>	<b>1,862,882</b>	<b>14,116</b>	<b>6,096,080</b>	<b>1,653,669</b>	<b>4,977,348</b>	<b>22,212,155</b>	
<b>At June 30, 2025</b>									
Cost	8,042,866	429,695	4,293,082	46,766	6,733,264	4,032,313	4,977,348	28,555,334	
Accumulated depreciation	(805,200)	(59,301)	(2,430,200)	(32,650)	(637,184)	(2,378,644)	—	(6,343,179)	
<b>Net book amount</b>	<b>7,237,666</b>	<b>370,394</b>	<b>1,862,882</b>	<b>14,116</b>	<b>6,096,080</b>	<b>1,653,669</b>	<b>4,977,348</b>	<b>22,212,155</b>	
<b>(Unaudited)</b>									
<b>Six months ended June 30, 2024</b>									
Opening net book amount	3,274,440	38,937	1,075,874	16,184	4,572,973	515,446	4,226,971	13,720,825	
Additions	619,813	96,325	407,732	1,786	2,110	508,232	1,367,013	3,003,011	
Transfers	1,598,980	—	9,281	—	1,114,284	—	(2,722,545)	—	
Disposals	(40,980)	(5,175)	(3,335)	(29)	(2,602)	(57,417)	(139,106)	(248,644)	
Depreciation charge	(113,661)	(22,002)	(233,551)	(2,059)	(63,417)	(259,035)	—	(693,725)	
Currency translation differences	—	—	(437)	(148)	—	(971)	—	(1,556)	
<b>Closing net book amount</b>	<b>5,338,592</b>	<b>108,085</b>	<b>1,255,564</b>	<b>15,734</b>	<b>5,623,348</b>	<b>706,255</b>	<b>2,732,333</b>	<b>15,779,911</b>	
<b>At June 30, 2024</b>									
Cost	5,550,562	154,501	3,076,456	44,346	6,124,105	2,543,359	2,732,333	20,225,662	
Accumulated depreciation	(211,970)	(46,416)	(1,820,892)	(28,612)	(500,757)	(1,837,104)	—	(4,445,751)	
<b>Net book amount</b>	<b>5,338,592</b>	<b>108,085</b>	<b>1,255,564</b>	<b>15,734</b>	<b>5,623,348</b>	<b>706,255</b>	<b>2,732,333</b>	<b>15,779,911</b>	

Construction in progress as of June 30, 2025 and 2024 mainly comprises new office buildings, factories and production equipment being constructed in mainland China.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

## 15 Intangible assets

	Goodwill	License	Trademarks, patents and domain name	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>(Unaudited)</b>					
<b>Six months ended June 30, 2025</b>					
Opening net book amount	1,696,639	4,985,163	753,502	717,417	8,152,721
Additions	—	1,176,268	4,839	123,382	1,304,489
Disposals	—	—	(2,080)	(5,808)	(7,888)
Amortization charge	—	(1,225,820)	(116,602)	(168,094)	(1,510,516)
Currency translation differences	—	164	(229)	(754)	(819)
<b>Closing net book amount</b>	<b>1,696,639</b>	<b>4,935,775</b>	<b>639,430</b>	<b>666,143</b>	<b>7,937,987</b>
<b>At June 30, 2025</b>					
Cost	1,696,639	14,161,332	2,250,238	1,769,495	19,877,704
Accumulated amortization	—	(9,225,557)	(1,610,808)	(1,103,352)	(11,939,717)
<b>Net book amount</b>	<b>1,696,639</b>	<b>4,935,775</b>	<b>639,430</b>	<b>666,143</b>	<b>7,937,987</b>
<b>(Unaudited)</b>					
<b>Six months ended June 30, 2024</b>					
Opening net book amount	1,696,639	5,315,821	983,087	633,192	8,628,739
Additions	—	185,957	933	92,916	279,806
Disposals	—	—	—	(3,718)	(3,718)
Amortization charge	—	(937,665)	(115,446)	(133,536)	(1,186,647)
Currency translation differences	—	—	479	591	1,070
<b>Closing net book amount</b>	<b>1,696,639</b>	<b>4,564,113</b>	<b>869,053</b>	<b>589,445</b>	<b>7,719,250</b>
<b>At June 30, 2024</b>					
Cost	1,696,639	11,345,426	2,249,556	1,353,930	16,645,551
Accumulated amortization	—	(6,781,313)	(1,380,503)	(764,485)	(8,926,301)
<b>Net book amount</b>	<b>1,696,639</b>	<b>4,564,113</b>	<b>869,053</b>	<b>589,445</b>	<b>7,719,250</b>

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

## 16 Investments

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

Notes:

- (a) Short-term investments measured at fair value through other comprehensive income and long-term investments measured at amortized cost

Short-term investments measured at fair value through other comprehensive income and long-term investments measured at amortized cost are mainly debt securities, denominated in HK\$, US\$ and RMB, where the contractual cash flows are solely principal and interest. Debt securities that are only held for collection of contractual cash flows are measured at amortized cost, and that are held for both collection of contractual cash flows and for selling are measured at fair value through other comprehensive income. The securities are mainly issued by corporates and banks and the fair value of such debt securities was determined based on quoted price on bond market. None of these investments are past due.

- (b) Short-term investments measured at fair value through profit or loss

The short-term investments measured at fair value through profit or loss are wealth management products, denominated in RMB, with expected rates of return ranging from 0.65% to 2.52% per annum for the six months ended June 30, 2025. None of these investments are past due.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

### 16 Investments (continued)

Notes (continued):

(c) Ordinary shares investments

The fair values of the listed securities are determined based on the closing prices quoted in active markets (level 1: quoted price (unadjusted) in active markets). For certain listed securities which are restricted for sale in a specified period, their fair values are determined based on quoted market prices and unobservable inputs (i.e. discount rate for lack of marketability) and hence classified as level 3 of the fair value hierarchy.

The fair values of unlisted securities are measured using a valuation technique with unobservable inputs and hence classified as level 3 of the fair value hierarchy. Refer to Note 5.3 for the major assumptions used in the valuation for investment in private companies.

(d) Preferred shares investments — unlisted

The preferred shares investments in these investees are convertible redeemable preferred shares or ordinary shares with preferential rights. The Group has the right to require and demand the investees to redeem all of the shares held by the Group at guaranteed predetermined fixed amount upon redemption events which are out of control of issuers. As the Group doesn't bear substantially the risk and reward of ordinary shares, these investments are measured as financial assets at fair value through profit or loss. Refer to Note 5.3 for the major assumptions used in the valuation for investment in private companies.

(e) Treasury investments

Treasury investments mainly represent investments in the debt instruments issued by certain reputable banks or non-bank financial institutions or entities purchased in the secondary market. As these investments were classified as debt investments and returns are not solely payments of principal and interest, they are measured at fair value through profit or loss.

(f) Other investments

Other investments primarily consist of investments in private equity investment funds. As fund investments were classified as debt investments and returns are not solely payments of principal and interest, they are measured at fair value through profit or loss.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

### 16 Investments (continued)

Notes (continued):

(g) Amounts recognized in profit or loss of financial investments measured at fair value through profit or loss

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(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)

### 17 Loan receivables

	As of June 30,	As of December 31,
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Unsecured loan	11,179,218	12,338,748
Less: credit loss allowance	(67,371)	(77,258)
	11,111,847	12,261,490

Loan receivables are loans mainly derived from subsidiaries of the Group which engage in the factoring business. Such amounts are recorded at the principal amount less expected credit loss. Loan receivables are denominated in RMB and US\$.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

**18 Trade and notes receivables**

Details of trade and notes receivables are as follows:

	As of June 30, 2025 RMB'000 (Unaudited)	As of December 31, 2024 RMB'000 (Audited)
Trade receivables	18,184,621	12,662,060
Notes receivables	1,190,416	2,468,572
	<b>19,375,037</b>	15,130,632
Less: credit loss allowance	<b>(529,777)</b>	(542,053)
	<b>18,845,260</b>	14,588,579

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)
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
	<b>19,375,037</b>	15,130,632

Majority of the Group's trade and notes receivables were denominated in RMB and US\$.

As of June 30, 2025 and December 31, 2024, the majority of the balance of trade receivables are due from certain channel distributors and customers in mainland China, India and Europe who usually settle the amounts due by them within 180 days.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

### 18 Trade and notes receivables (continued)

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics. The Group's expected loss rates are mainly determined based on the corresponding historical credit loss rates which are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has considered the expected changes in macroeconomic factors, such as Consumer Price Index ("CPI"), Gross Domestic Product ("GDP") and Retail Sales of Consumer Goods, etc., and accordingly adjusts the historical loss rates based on expected changes in all factors identified.

### 19 Prepayments and other receivables

	As of June 30, 2025 RMB'000 (Unaudited)	As of December 31, 2024 RMB'000 (Audited)
Receivables from subcontractors for outsourcing of raw materials	9,878,474	9,883,334
Recoverable value-added tax and other taxes	8,068,772	9,852,853
Prepayments to suppliers	4,757,462	3,599,583
Deposits to suppliers	768,949	863,613
Receivables from market development fund	758,264	665,967
Prepaid fees for patent expenses and other prepaid expenses	2,986,282	1,629,608
Receivables related to share options and RSUs	1,386,645	605,693
Others	1,913,156	2,207,872
	<b>30,518,004</b>	29,308,523
Less: credit loss allowance	<b>(211,462)</b>	(208,407)
	<b>30,306,542</b>	29,100,116

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

## 20 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
	<b>68,446,307</b>	64,985,811
Less: provision for impairment (Note (a))	<b>(2,620,832)</b>	(2,476,129)
	<b>65,825,475</b>	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).

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

### 21 Cash and bank balances

#### (a) Cash and cash equivalents

	As of June 30, 2025 RMB'000 (Unaudited)	As of December 31, 2024 RMB'000 (Audited)
Cash at bank and in hand	24,899,417	29,150,161
Term bank deposits with initial terms within three months	11,108,613	4,511,281
	<b>36,008,030</b>	33,661,442

#### (b) Restricted cash

As of June 30, 2025, among the restricted cash, India Rupees (“INR”) 47,876,962,000 (equivalent to RMB4,020,707,000) was restricted by India authorities due to the in-progress investigation described in Note 31.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

## 22 Leases

(i) The interim condensed consolidated balance sheet includes the following amounts relating to leases:

	As of June 30, 2025 RMB'000 (Unaudited)	As of December 31, 2024 RMB'000 (Audited)
<b>Right-of-use assets (Note (a))</b>		
Land use rights	8,423,200	7,818,616
Servers and other equipment	1,540,253	2,358,316
Properties	4,326,744	3,238,992
	<b>14,290,197</b>	13,415,924
<b>Lease liabilities (Note (b))</b>		
Current	(2,450,739)	(2,238,842)
Non-current	(3,326,559)	(3,169,514)
	<b>(5,777,298)</b>	(5,408,356)

Notes:

- (a) Right-of-use assets are included in the line item 'Other non-current assets' in the interim condensed consolidated balance sheet. The addition of right-of-use assets for the six months ended June 30, 2025 was RMB2,444,090,000 (2024: RMB3,270,404,000).
- (b) Current lease liabilities and non-current lease liabilities are included in the line item 'Other payables and accruals' and 'Other non-current liabilities' in the interim condensed consolidated balance sheet, respectively.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

**22 Leases (continued)**

(ii) The interim condensed consolidated income statements include the following amounts relating to leases:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Depreciation charge of right-of-use assets (Note (a))	593,548	441,605	1,171,520	897,949
Interest expense (included in finance costs)	48,901	39,564	96,791	75,507
Expense relating to short-term leases not included in lease liabilities (included in cost of sales and research and development expenses)	112,783	—	112,783	—
Expense relating to variable lease payments not included in lease liabilities (included in selling and marketing expenses)	150,076	73,970	250,102	135,516
	905,308	555,139	1,631,196	1,108,972

The total cash outflow in financing activities for leases during the six months ended June 30, 2025 was RMB1,254,754,000 (2024: RMB698,802,000), including principal elements of lease payments of approximately RMB1,157,963,000 (2024: RMB623,295,000) and related interest paid of approximately RMB96,791,000 (2024: RMB75,507,000), respectively.

Note:

(a) The depreciation charge of land use rights, servers and other equipment and properties for the three months ended June 30, 2025 were RMB27,379,000 (2024: RMB19,371,000), RMB286,411,000 (2024: RMB241,109,000) and RMB279,758,000 (2024: RMB181,125,000), respectively.

The depreciation charge of land use rights, servers and other equipment and properties for the six months ended June 30, 2025 were RMB51,238,000 (2024: RMB41,057,000), RMB612,340,000 (2024: RMB494,540,000) and RMB507,942,000 (2024: RMB362,352,000), respectively.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

**23 Other non-current assets**

	As of June 30, 2025 RMB'000 (Unaudited)	As of December 31, 2024 RMB'000 (Audited)
Right-of-use assets (Note 22)	14,290,197	13,415,924
Investment properties	2,542,873	2,254,160
Long-term deposits to suppliers	1,010,862	1,014,972
Prepayments for property, plant and equipment	1,166,003	903,370
Others	858,029	832,801
	<b>19,867,964</b>	<b>18,421,227</b>

**24 Share capital and treasury shares****(a) Share capital****Authorized:**

As of December 31, 2024 and June 30, 2025, the total authorized number of ordinary shares is 270,000,000,000 shares with par value of US\$0.0000025 per share.

**Issued:**

As of June 30, 2025, the number of issued Class A ordinary shares was 4,516,281,809 while the number of Class B ordinary shares was 21,436,609,193. Each Class A ordinary share will entitle the holder to exercise 10 votes, and each Class B ordinary share will entitle the holder to exercise one vote, on any resolution tabled at the Company's general meetings, except for resolution with respect to a limited number of reserved matters, in relation to which each ordinary share is entitled to one vote.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

## 24 Share capital and treasury shares (continued)

## (a) Share capital (continued)

## Issued (continued):

	Number of ordinary shares '000	Nominal value of ordinary shares US\$'000	Equivalent nominal value of ordinary shares RMB'000	Share premium RMB'000
<b>As of January 1, 2025</b>	<b>25,099,152</b>	<b>62</b>	<b>407</b>	<b>60,117,658</b>
Exercise of share options	32,459	—	4	322,381
Shares repurchased and cancelled	(6,830)	—	—	(207,072)
Issuance of ordinary shares to Share Scheme Trusts (i)	28,110	—	—	—
Release of ordinary shares from Share Scheme Trusts (i)	—	—	—	1,487,537
Issuance of shares upon placement	800,000	2	14	39,225,977
Conversion of convertible bonds	—	—	—	54,520
<b>As of June 30, 2025 (unaudited)</b>	<b>25,952,891</b>	<b>64</b>	<b>425</b>	<b>101,001,001</b>
<b>As of January 1, 2024</b>	<b>25,073,427</b>	<b>62</b>	<b>407</b>	<b>60,778,287</b>
Exercise of share options	16,442	—	—	188,223
Shares repurchased and cancelled	(161,500)	—	(3)	(2,004,353)
Issuance of ordinary shares to Share Scheme Trusts (i)	95,278	—	—	—
Release of ordinary shares from Share Scheme Trusts (i)	—	—	3	1,709,409
<b>As of June 30, 2024 (unaudited)</b>	<b>25,023,647</b>	<b>62</b>	<b>407</b>	<b>60,671,566</b>

Note:

- (i) The Company issued ordinary shares to trusts with respect to the share options and RSUs under the employees share-based compensation scheme to be exercised by certain grantees of the Company, which were established to hold the shares for and on behalf of the grantees (collectively, "Share Scheme Trusts").

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

## 24 Share capital and treasury shares (continued)

## (b) Treasury shares

	Number of shares '000	Amounts RMB'000
<b>As of January 1, 2025</b>	<b>4,213</b>	<b>34,678</b>
Shares repurchased	19,427	599,317
Shares cancelled	(6,830)	(207,072)
Release of ordinary shares from Share Scheme Trusts	(12,259)	(382,850)
<b>As of June 30, 2025 (unaudited)</b>	<b>4,551</b>	<b>44,073</b>
<b>As of January 1, 2024</b>	<b>32,828</b>	<b>438,291</b>
Shares repurchased	219,175	2,903,979
Shares cancelled	(161,500)	(2,004,356)
Release of ordinary shares from Share Scheme Trusts	(13,369)	(186,090)
<b>As of June 30, 2024 (unaudited)</b>	<b>77,134</b>	<b>1,151,824</b>

During the six months ended June 30, 2025, the Company repurchased its own ordinary shares on The Stock Exchange of Hong Kong Limited as follows:

Month/year	Number of shares '000	Highest price paid per share HK\$	Lowest price paid per share HK\$	Aggregate price paid HK\$'000
January 2025	19,427	34.00	32.60	651,042
	19,427			651,042

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

## 25 Borrowings

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

Notes:

- (a) As of June 30, 2025, RMB1,863,911,000 (December 31, 2024: RMB1,900,459,000) of borrowings were secured by buildings and land use rights amounting to approximately RMB2,488,368,000 (December 31, 2024: RMB2,619,484,000). The interest rate of these borrowings was 2.90% (December 31, 2024: 2.90%) per annum.
- (b) As of June 30, 2025, other than the interest rate of 57.00% (December 31, 2024: 53.00%) for unsecured borrowings in Turkish Lira ("TRY") 500,000,000 (December 31, 2024: TRY500,000,000) which was equivalent to RMB89,830,000 (December 31, 2024: RMB102,555,000), and the interest rate of 11.50% (December 31, 2024: 14.00%) for unsecured borrowings in Bangladeshi Taka ("BDT") 1,450,000,000 (December 31, 2024: BDT280,000,000) which was equivalent to RMB84,709,000 (December 31, 2024: RMB16,848,000), and the interest rate of 14.81% for corporate overdraft loan in Pakistani Rupee 4,633,952,000 (December 31, 2024: Nil) which was equivalent to RMB117,239,000 (December 31, 2024: Nil), the interest rate of the remaining unsecured borrowings was 2.12% to 4.96% (December 31, 2024: 2.22% to 5.22%) per annum.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

## 25 Borrowings (continued)

Notes (continued):

- (c) On December 17, 2020, the Group completed the issuance of 7-Year US\$855,000,000 zero coupon guaranteed convertible bonds due on December 17, 2027 (the “Bonds”) to third party professional investors (the “bondholders”). The bondholders have the right, at any time on or after January 27, 2021 up to the 10 days prior to the maturity date, to convert part or all of the outstanding principal amount of the Bonds into ordinary shares of the Group at a conversion price of HK\$36.74 per share, subject to adjustments. The bondholders also have the right to require the Group to redeem all or some of the bond on December 17, 2025; and to require the Group to redeem all or some Bonds on some specified events. The outstanding principal amount of the Bonds is repayable by the Group upon the maturity of the Bonds on December 17, 2027, if not previously redeemed, converted or purchased and cancelled.

The specified redeem events has not incurred, however, as the bondholders has the right to require the Group to redeem the bond within 12 months as of June 30, 2025 and December 31, 2024, the Bonds is classified as current liabilities as of June 30, 2025 and December 31, 2024.

The liability component of the Bonds recognized in the interim condensed consolidated balance sheet are calculated as follows:

	RMB'000
<b>Liability component as of January 1, 2025</b>	<b>5,360,358</b>
Interest accrued	125,226
Conversion	(41,516)
Effect of foreign currency translation	(21,337)
<b>Liability component as of June 30, 2025</b>	<b>5,422,731</b>

	RMB'000
<b>Liability component as of January 1, 2024</b>	5,042,891
Interest accrued	118,294
Effect of foreign currency translation	31,785
<b>Liability component as of June 30, 2024</b>	<b>5,192,970</b>

The equity component of the Bonds of RMB1,751,795,000 was included in “Reserves” of the Group as of June 30, 2025 (December 31, 2024: RMB1,764,799,000).

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

**26 Deferred income tax**

The amount of offsetting deferred income tax assets and liabilities is RMB1,262,370,000 as of June 30, 2025 [December 31, 2024: RMB1,224,886,000].

The gross movement on the deferred income tax assets is as follows:

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>At the beginning of the period</b>	<b>4,006,868</b>	2,658,573
(Debited)/credited to the interim condensed consolidated income statements	(63,628)	560,895
Currency translation differences	29,713	—
<b>At the end of the period</b>	<b>3,972,953</b>	3,219,468

The gross movement on the deferred income tax liabilities is as follows:

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>At the beginning of the period</b>	<b>(2,507,082)</b>	(1,992,110)
Debited to the interim condensed consolidated income statements	(689,025)	(196,645)
<b>At the end of the period</b>	<b>(3,196,107)</b>	(2,188,755)

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

### 27 Share-based payments

On May 5, 2011, the Board of Directors of the Company approved the establishment of the “Xiaomi Corporation 2011 Employee Stock Option Plan” (“**2011 Plan**”) with the purpose of attracting, motivating, retaining and rewarding certain employees and directors. The 2011 Plan was valid and effective for 10 years from the approval of the Board of Directors. The maximum number of shares that may be issued under 2011 Plan shall be 35,905,172 Class B ordinary shares (which were adjusted to 1,436,206,880 shares after the 1 to 4 share split on March 14, 2014 and further 1 to 10 Share Subdivision on June 17, 2018). The 2011 Plan permits the awards of options and RSUs.

Subsequently in August 2012, the 2011 Plan was superseded in its entirety as the “2012 Employee Stock Incentive Plan” (“**Pre-IPO ESOP**”). The purpose of Pre-IPO ESOP is same as the 2011 Plan. The Pre-IPO ESOP was valid and effective for 10 years from the approval of the Board of Directors. Through Pre-IPO ESOP, the Company may grant equity-based incentive up to 45,905,172 Class B ordinary shares initially (which were adjusted to 1,836,206,880 shares after the 1 to 4 share split on March 14, 2014 and further 1 to 10 Share Subdivision on June 17, 2018). The aggregate number of reserved Class B ordinary shares approved was 2,512,694,900. The Pre-IPO ESOP permits the awards of options and RSUs.

On June 17, 2018, the Board of Directors of the Company adopted the establishment of the 2018 Share Option Scheme. The purpose of 2018 Share Option Scheme is to provide selected participants with the opportunity to acquire proprietary interests in the Company and to encourage selected participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole. The total number of Class B ordinary shares available for grant under 2018 Share Option Scheme was 1,568,094,311 shares.

On June 17, 2018, the Board of Directors of the Company adopted the establishment of the 2018 Share Award Scheme. The purposes of the 2018 Share Award Scheme are (1) to align the interests of eligible persons with those of the Group through ownership of Class B ordinary shares, dividends and other distributions paid on shares and/or the increase in value of the Class B ordinary shares, and (2) to encourage and retain eligible persons to make contributions to the long-term growth and profits of the Group. The aggregate number of Class B ordinary shares underlying all grants made pursuant to the 2018 Share Award Scheme will not exceed 1,118,806,541 shares without shareholders’ approval.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

### 27 Share-based payments (continued)

On June 8, 2023, the Board of Directors of the Company adopted the establishment of the 2023 Share Scheme. The purposes of the 2023 Share Scheme are (1) to align the interests of eligible persons with those of the Group through ownership of Class B ordinary shares, dividends and other distributions paid on shares and/or the increase in value of the Class B ordinary shares, and (2) to encourage and retain eligible persons to make contributions to the long-term growth and profits of the Group. The aggregate number of Class B ordinary shares underlying all grants made pursuant to the 2023 Share Scheme will not exceed 2,503,959,565 shares without shareholder's approval.

On June 6, 2024, the Group approved the establishment of the 2024 Xiaomi HK Share Scheme. The purposes of the 2024 Xiaomi HK Share Scheme are to encourage and retain eligible persons to make contributions to the long-term growth and profits of the Group.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

**27 Share-based payments (continued)****Pre-IPO ESOP****Share options granted**

Movements in the number of share options granted under Pre-IPO ESOP and their related weighted average exercise prices are as below:

	Number of share options	Average exercise price per share option (US\$)
Outstanding as of January 1, 2025	210,497,124	0.21
Forfeited during the period	(5,639,521)	0.20
Transferred to Share Scheme Trusts	(7,280,000)	0.10
Exercised during the period	(30,859,126)	0.26
Outstanding as of June 30, 2025 (unaudited)	166,718,477	0.21
Exercisable as of June 30, 2025 (unaudited)	145,717,380	0.23
Outstanding as of January 1, 2024	270,705,124	0.02
Forfeited during the period	(5,363,472)	0.12
Transferred to Share Scheme Trusts	(8,992,348)	0.10
Exercised during the period	(16,442,700)	0.30
Outstanding as of June 30, 2024 (unaudited)	239,906,604	0.22
Exercisable as of June 30, 2024 (unaudited)	210,050,925	0.26

The weighted average remaining contract life for outstanding share options was 1.22 years and 2.01 years as of June 30, 2025 and December 31, 2024, respectively.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

**27 Share-based payments (continued)****2018 Share Option Scheme****Share options granted**

Movements in the number of share options granted under 2018 Share Option Scheme and their related weighted average exercise prices are as below:

	Number of share options	Average exercise price per share option (HK\$)
Outstanding as of January 1, 2025	117,700,000	24.82
Forfeited during the period	—	—
Exercised during the period	(1,600,000)	24.50
Outstanding as of June 30, 2025 (unaudited)	116,100,000	24.82
Exercisable as of June 30, 2025 (unaudited)	15,300,000	26.93
Outstanding as of January 1, 2024	120,700,000	24.53
Forfeited during the period	—	—
Exercised during the period	—	—
Outstanding as of June 30, 2024 (unaudited)	120,700,000	24.53
Exercisable as of June 30, 2024 (unaudited)	12,100,000	24.01

The weighted average remaining contract life for outstanding share options was 5.20 years and 5.70 years as of June 30, 2025 and December 31, 2024, respectively.

***Fair value of share options***

The Group has used the Binomial option-pricing model to determine the fair value of the share option as of the grant date.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

**27 Share-based payments (continued)****2018 Share Award Scheme****RSUs granted**

Movements in the number of RSUs granted under 2018 Share Award Scheme and the respective weighted average grant date fair value are as below:

	Number of RSUs	Weighted average grant date fair value per RSU (HK\$)
Outstanding as of January 1, 2025	394,947,373	14.90
Forfeited during the period	(12,143,950)	15.96
Transferred to Share Scheme Trusts	(98,908,000)	14.37
Outstanding as of June 30, 2025 (unaudited)	283,895,423	15.03
Outstanding as of January 1, 2024	614,195,710	15.24
Forfeited during the period	(21,673,907)	16.22
Transferred to Share Scheme Trusts	(126,697,633)	15.49
Outstanding as of June 30, 2024 (unaudited)	465,824,170	15.13

The weighted average remaining contract life for outstanding RSUs was 7.02 years and 7.63 years as of June 30, 2025 and December 31, 2024, respectively.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

**27 Share-based payments (continued)****2023 Share Scheme****RSUs granted**

Movements in the number of RSUs granted under 2023 Share Scheme and the respective weighted average grant date fair value are as below:

	Number of RSUs	Weighted average grant date fair value per RSU (HK\$)
Outstanding as of January 1, 2025	364,566,631	16.84
Granted during the period	114,270,734	56.46
Forfeited during the period	(13,251,141)	21.85
Transferred to Share Scheme Trusts	(44,791,299)	17.46
Outstanding as of June 30, 2025 (unaudited)	420,794,925	27.38
Outstanding as of January 1, 2024	145,582,239	13.39
Granted during the period	187,654,266	15.19
Forfeited during the period	(9,755,477)	14.05
Transferred to Share Scheme Trusts	(2,825,382)	14.08
Outstanding as of June 30, 2024 (unaudited)	320,655,646	14.42

The weighted-average remaining contract life for outstanding RSUs was 9.00 years and 7.85 years as of June 30, 2025 and December 31, 2024, respectively.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

**27 Share-based payments (continued)****2024 Xiaomi HK Share Scheme****Share options granted**

Movements in the number of share options granted under 2024 Xiaomi HK Share Scheme and their related weighted average exercise prices are as below:

	Number of share options	Average exercise price per share option (US\$)
Outstanding as of January 1, 2025	483,035,294	0.10
Granted during the period	11,668,084	0.10
Forfeited during the period	(14,572,855)	0.10
Outstanding as of June 30, 2025 (unaudited)	480,130,523	0.10

The weighted average remaining contract life for outstanding share options was 9.40 years and 9.89 years as of June 30, 2025 and December 31, 2024, respectively.

***Fair value of share options***

The Group has used Binomial Option-pricing model to determine the fair value of the share options as of the grant date. Key assumptions are set as below:

	Six months ended June 30, 2025
Exercise price	US\$0.10
Risk-free interest rate	4.58%
Dividend yield	—
Expected volatility	47.87%
Expected terms	10 years

The total expenses recognized in the interim condensed consolidated income statements in connection with share-based payments schemes described above are RMB2,363,735,000 and RMB1,799,516,000 for the six months ended June 30, 2025 and 2024, respectively.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

### 27 Share-based payments (continued)

#### Share based awards granted to Lei Jun

On June 17, 2018, Lei Jun was granted 42,070,000 share options in Xiaomi Finance Inc. (“Xiaomi Finance”) pursuant to the first share option scheme adopted by Xiaomi Finance. Such share options were vested immediately and Lei Jun can exercise these share options with exercise price of RMB3.8325 for each share option for the following 20 years commencing on June 17, 2018. No share option was exercised for the six months ended June 30, 2025 and 2024, respectively.

### 28 Other non-current liabilities

	As of June 30, 2025 RMB'000 (Unaudited)	As of December 31, 2024 RMB'000 (Audited)
Liabilities to investors (Note (a))	11,396,871	11,529,232
Lease liabilities (Note 22)	3,326,559	3,169,514
Payables for purchase of intangible assets	1,147,614	1,478,840
Deferred income	2,017,715	2,073,346
Others	46,501	61,268
	<b>17,935,260</b>	<b>18,312,200</b>

Note:

- (a) It mainly represents the funds injected by the third party investors of Hubei Xiaomi Yangtze River Industry Investment Fund Partners (Limited Partnership) (湖北小米長江產業基金合夥企業 (有限合夥)) (the “Hubei Fund”) and Beijing Xiaomi Zhizao Equity Investment Fund Partners (Limited Partnership) (北京小米智造股權投資基金合夥企業 (有限合夥)) (the “Beijing Fund”). The Group controls the Hubei Fund and the Beijing Fund as the Group is exposed to and has rights to variable returns from its involvement with the Hubei Fund and the Beijing Fund, and has the ability to affect those returns through its power over the Hubei Fund and the Beijing Fund.

For the amount raised from limited partners of the Hubei Fund, the Group has contractual obligation to settle the liability with the limited partners and therefore is classified as a financial liability measured at amortized cost in the interim condensed consolidated financial statements. The carrying amount of this financial liability approximates to its fair value.

For the amount raised from limited partners of the Beijing Fund, the Group has contractual obligation to settle the liability with the limited partners and the management designates it as a financial liability measured at fair value through profit or loss in the interim condensed consolidated financial statements.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

**29 Trade payables**

Trade payables primarily include payables for inventories. As of June 30, 2025 and December 31, 2024, the carrying amounts of trade payables were primarily denominated in RMB, US\$ and INR.

Trade payables and their aging analysis based on invoice date are as follows:

	<b>As of June 30, 2025 RMB'000 (Unaudited)</b>	<b>As of December 31, 2024 RMB'000 (Audited)</b>
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
	<b>108,393,324</b>	<b>98,280,585</b>

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

## 30 Other payables and accruals

	As of June 30, 2025 RMB'000 (Unaudited)	As of December 31, 2024 RMB'000 (Audited)
Amounts collected for third parties	823,852	1,111,377
Payroll and welfare payables	3,426,313	4,397,878
Deposits payable	9,236,366	7,897,341
Accrual expenses	3,980,526	3,670,402
Payables for construction cost	2,840,074	2,145,851
Other taxes payables	2,012,032	2,101,538
Lease liabilities (Note 22)	2,450,739	2,238,842
Deposits from customers	2,162,861	2,222,025
Refundable liabilities	4,108,236	3,949,644
Payables for purchase of intangible assets	1,981,075	2,381,930
Payables related to share options and RSUs	1,197,747	557,382
Others	4,237,771	3,697,825
	<b>38,457,592</b>	<b>36,372,035</b>

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

### 31 Contingencies

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

In this connection, Xiaomi India received orders alleging that it has inappropriately deducted certain costs and expenses, including purchase costs of mobile phones and royalty fees paid to overseas third parties as well as companies within the Group. As a result, certain of its bank accounts have been attached and thereby INR47,876,962,000 (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.

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

**32 Commitments****(a) Capital commitments**

Capital expenditure contracted for at the end of the period/year but not yet incurred is as follows:

	As of June 30, 2025 RMB'000 (Unaudited)	As of December 31, 2024 RMB'000 (Audited)
Property, plant and equipment	578,054	1,358,296
Intangible assets	6,365	6,390
Investments	1,508,874	1,193,692
	<b>2,093,293</b>	<b>2,558,378</b>

**(b) Lease commitments**

The Group leases offices, warehouses, retail stores and servers under non-cancellable lease agreements. The Group has recognized right-of-use assets and lease liabilities for these leases, except for certain short-term leases, variable lease payments and leases contracted but before the commencement date as shown in the table below. Other than those lease contract recognized and disclosed in Note 22, the Group's future aggregate minimum lease payments under non-cancellable leases are as follows:

	As of June 30, 2025 RMB'000 (Unaudited)	As of December 31, 2024 RMB'000 (Audited)
Not later than 1 year	306,556	9,046
Later than 1 year and not later than 5 years	68,667	36,556
Later than 5 years	1,286	388
	<b>376,509</b>	<b>45,990</b>

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

**33 Related party transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions. Parties are also considered to be related if they are subject to common control. Members of key management of the Group and their close family members are also considered as related parties.

The following significant transactions were carried out between the Group and its related parties during the periods presented. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

**(a) Significant transactions with related parties**

	<b>Six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>(i) Sales of goods and services to</b>		
Associates of the Group	<b>76,903</b>	330,383
<b>(ii) Purchases of goods and services from</b>		
Associates of the Group	<b>21,806,280</b>	19,291,976

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

**33 Related party transactions (continued)****(b) Significant period/year end balances with related parties**

	As of June 30, 2025 RMB'000 (Unaudited)	As of December 31, 2024 RMB'000 (Audited)
<b>(i) Trade receivables from related parties</b>		
Associates of the Group	778,807	95,156
<b>(ii) Trade payables to related parties</b>		
Associates of the Group	6,021,229	10,418,355
<b>(iii) Prepayments and other receivables from related parties</b>		
Associates of the Group	2,300,788	442,112
<b>(iv) Other payables and accruals to related parties</b>		
Associates of the Group	236,953	116,504

All the balances with related parties above were unsecured, non-interest bearing and repayable within one year.

**(c) Key management compensation**

	Six months ended June 30, 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Wages and salaries	10,787	9,678
Discretionary bonuses	11,375	21,400
Share-based compensation expenses	205,568	225,697
Contributions to pension plans and other employee benefits	856	844
	228,586	257,619

## NOTES TO THE INTERIM FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

### 34 Dividends

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

### 35 Events after the reporting period

There were no material subsequent events during the period from July 1, 2025 to the approval date of the Interim Financial Information by the Board on August 19, 2025.

# DEFINITIONS

“affiliate”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“Airstar Digital Technology”	Airstar Digital Technology Co., Ltd.* (天星數科科技有限公司), formerly known as Xiaomi Digital Technology Co., Ltd. and Beijing Xiaomi Payment Technology Co., Ltd., a limited liability company established under the laws of mainland China on December 26, 2013 and our indirect wholly-owned subsidiary
“Articles” or “Articles of Association”	the articles of association of the Company adopted on June 17, 2018 with effect from Listing, as amended from time to time
“Beijing Digital Technology”	Beijing Xiaomi Digital Technology Co. Ltd.* (北京小米數碼科技有限公司), a limited liability company established under the laws of mainland China on December 21, 2010 and our indirect wholly-owned subsidiary
“Beijing Duokan”	Beijing Duokan Technology Co., Ltd.* (北京多看科技有限公司), a limited liability company established under the laws of mainland China on February 10, 2010 and our Consolidated Affiliated Entity
“Beijing Electronic Software”	Beijing Xiaomi Electronic Software Co., Ltd.* (北京小米電子軟件技術有限公司), a limited liability company established under the laws of mainland China on July 1, 2014 and our Consolidated Affiliated Entity
“Beijing Wali”	Wali Information Technologies (Beijing) Ltd.* (瓦力信息技術(北京)有限公司), a limited liability company established under the laws of mainland China on February 22, 2010 and our indirect wholly-owned subsidiary
“Beijing Wali Culture”	Beijing Wali Culture Communication Co., Ltd.* (北京瓦力文化傳播有限公司), a limited liability company established under the laws of mainland China on May 8, 2014 and our Consolidated Affiliated Entity
“Beijing Wali Internet”	Beijing Wali Internet Technologies Co., Ltd.* (北京瓦力網絡科技有限公司), a limited liability company established under the laws of mainland China on June 1, 2009 and our Consolidated Affiliated Entity
“Board”	our board of Directors

## DEFINITIONS

“CG Code”	the Corporate Governance Code and Corporate Governance Report set out in Appendix C1 of the Listing Rules
“Class A Shares”	class A ordinary shares of the share capital of the Company with a par value of US\$0.0000025 each, conferring weighted voting rights in the Company such that a holder of a Class A Share is entitled to ten votes per share on any resolution tabled at the Company’s general meetings, save for resolutions with respect to any Reserved Matters, in which case they shall be entitled to one vote per share
“Class B Shares”	class B ordinary shares of the share capital of the Company with a par value of US\$0.0000025 each, conferring a holder of a Class B Share one vote per share on any resolution tabled at the Company’s general meetings (save for any treasury Shares, the holders of which shall abstain from voting at the Company’s general meeting)
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”, “our Company”, or “the Company”	Xiaomi Corporation 小米集团 (formerly known as Top Elite Limited), a company with limited liability incorporated under the laws of the Cayman Islands on January 5, 2010
“Compliance Advisor”	Guotai Junan Capital Limited, being the compliance advisor of the Company
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Consolidated Affiliated Entities”, each a “Consolidated Affiliated Entity”	the entities we control through the Contractual Arrangements, namely the Onshore Holdcos and their respective subsidiaries
“Contractual Arrangements”	the set of agreements entered into by each of the WFOEs and the Onshore Holdcos for the purpose of operations of the Restricted Business of the Group in the PRC
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Lei Jun and the directly and indirectly held companies through which Lei Jun has an interested in the Company, namely, Smart Mobile Holdings Limited and Smart Player Limited

“Director(s)”	the director(s) of the Company
“Group”, “our Group”, or “the Group”	the Company, its subsidiaries and the PRC Operating Entities (the financial results of which have been consolidated and accounted for as a subsidiary of the Company by virtue of the Contractual Arrangements) from time to time
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong dollars” or “HK dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Latest Practicable Date”	September 8, 2025, being the latest practicable date prior to the bulk printing and publication of this interim report
“Listing”	the listing of the Class B Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules
“Onshore Holdcos” each a “Onshore Holdco”	Beijing Wali Culture, Xiaomi Inc., Rigo Design, Beijing Duokan, Beijing Wali Internet, Beijing Electronic Software and Youpin Information Technology
“PRC”	the People’s Republic of China
“PRC Legal Advisor”	JunHe LLP
“Pre-IPO ESOP”	the pre-IPO employee stock incentive scheme adopted by the Company dated May 5, 2011 and superseded on August 24, 2012, as amended from time to time
“Prospectus”	the prospectus of the Company dated June 25, 2018

## DEFINITIONS

“Registered Shareholders”	the registered shareholders of the Onshore Holdcos
“Reporting Period”	the six months ended June 30, 2025
“Reserved Matters”	those matters resolutions with respect to which each Share is entitled to one vote at general meetings of the Company pursuant to the Articles of Association, being (i) any amendment to the Memorandum or Articles, including the variation of the rights attached to any class of shares, (ii) the appointment, election or removal of any independent non-executive Director, (iii) the appointment or removal of the Company’s auditors, and (iv) the voluntary liquidation or winding-up of the Company
“Rigo Design”	Rigo Design (Beijing) Co., Ltd.* (美卓軟件設計(北京)有限公司), a limited liability company established under the laws of mainland China on April 24, 2012 and our Consolidated Affiliated Entity
“RMB” or “Renminbi”	Renminbi, the lawful currency of mainland China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	the Class A Shares and/or Class B Shares in the share capital of the Company, as the context so requires
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under section 15 of the Companies Ordinance
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“treasury Shares”	has the meaning ascribed to it under the Listing Rules which came into effect on June 11, 2024, which, in the Company’s case, refers to the Class B Shares
“United States” or “US”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction

“US\$”	United States dollars, the lawful currency of the United States
“weighted voting rights” or “WVR”	has the meaning ascribed to it under the Listing Rules
“WFOEs”, each a “WFOE”	Xiaomi Communications, Xiaomi Mobile Software, Beijing Digital Technology, Beijing Wali, Airstar Digital Technology, and Xiaomi Youpin Technology
“WVR Beneficiary”	has the meaning ascribed to it under the Listing Rules
“Xiaomi Communications”	Xiaomi Communications Co., Ltd* (小米通訊技術有限公司), a limited liability company established under the laws of mainland China on August 25, 2010 and our indirect wholly-owned subsidiary
“Xiaomi EV”	Xiaomi EV, Inc., an exempted company incorporated under the laws of the Cayman Islands on August 5, 2021 with limited liability and a direct wholly-owned subsidiary of the Company
“Xiaomi Finance”	Xiaomi Finance Inc., an exempted company with limited liability incorporated under the laws of the Cayman Islands on February 15, 2018 and our direct wholly-owned subsidiary
“Xiaomi HK”	Xiaomi H.K. Limited, a limited liability company incorporated under the laws of Hong Kong on April 7, 2010 and our direct wholly-owned subsidiary of the Company
“Xiaomi HK Shares”	ordinary share(s) in the share capital of Xiaomi HK
“Xiaomi Inc.”	Xiaomi Inc.* (小米科技有限責任公司), a limited liability company established under the laws of mainland China on March 3, 2010 and our Consolidated Affiliated Entity
“Xiaomi Mobile Software”	Beijing Xiaomi Mobile Software Co., Ltd.* (北京小米移動軟件有限公司), a limited liability company established under the laws of mainland China on May 8, 2012 and our indirect wholly-owned subsidiary
“Xiaomi Youpin Technology”	Xiaomi Youpin Technology Co. Ltd.* (小米有品科技有限責任公司), a limited liability company established under the laws of mainland China on May 8, 2018 and our indirect wholly-owned subsidiary

## DEFINITIONS

“XMF Share Option Scheme I”	the first share option scheme adopted by Xiaomi Finance on June 17, 2018, as amended from time to time
“Youpin Information Technology”	Youpin Information Technology Co., Ltd.* (有品信息科技有限公司), a limited liability company established under the laws of mainland China on April 4, 2018 and our Consolidated Affiliated Entity
“%”	per cent
“2018 Share Award Scheme”	the share award scheme adopted by the Company on June 17, 2018, as amended from time to time
“2018 Share Option Scheme”	the share option scheme adopted by the Company on June 17, 2018, as amended from time to time
“2023 Share Scheme”	the share scheme adopted by the Company on June 8, 2023, as amended from time to time
“2024 Xiaomi HK Share Scheme”	the share scheme adopted by Xiaomi HK on June 6, 2024, as amended from time to time

\* For identification purposes only.

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



XIAOMI CORPORATION 2024 ANNUAL REPORT



# XIAOMI CORPORATION

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

## 2024 ANNUAL REPORT

**ISSUER'S PRINCIPAL PLACE OF BUSINESS**

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