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XIAOMI CORPORATION

小米集团

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

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

RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED MARCH 31, 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Xiaomi Corporation 小米集团 (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the three months ended March 31, 2025. These interim results have been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting”, and reviewed by PricewaterhouseCoopers, the independent auditor of the Company, in accordance with International Standard on Review Engagements 2410, “Review of interim financial information performed by the independent auditor of the entity”, issued by the International Auditing and Assurance Standards Board. The interim results have also been reviewed by the audit committee of the Company (the “**Audit Committee**”).

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

KEY HIGHLIGHTS

	Unaudited Three months ended				
	March 31, 2025	March 31, 2024	Year- over-year change	December 31, 2024	Quarter- over-quarter change
	(Renminbi (“ RMB ”) in millions, unless specified)				
Revenue	111,293.3	75,506.8	47.4%	109,005.2	2.1%
Gross profit	25,405.9	16,829.7	51.0%	22,454.9	13.1%
Operating profit	13,125.4	3,683.0	256.4%	8,889.9	47.6%
Profit before income tax	13,168.0	5,222.4	152.1%	9,407.7	40.0%
Profit for the period	10,892.7	4,173.2	161.0%	8,995.3	21.1%
Non-IFRS measure:					
Adjusted Net Profit ¹	10,675.6	6,490.9	64.5%	8,316.2	28.4%

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

BUSINESS REVIEW AND OUTLOOK

1. Overall Performance

In the first quarter of 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 quarter of 2025 reached a record high of RMB111.3 billion, representing an increase of 47.4% year-over-year. Segment-wise, in the first quarter of 2025, revenue of our smartphone × AIoT segment reached RMB92.7 billion, up 22.8% year-over-year; revenue of our smart Electric Vehicle (“EV”), AI and other new initiatives² segment reached RMB18.6 billion. In this quarter, our adjusted net profit hit a record high of RMB10.7 billion, up 64.5% year-over-year.

We continued to advance our corporate strategy of “Human × Car × Home”. In the first quarter of 2025, our global smartphone shipments reached 41.8 million units, up 3.0% year-over-year, and achieved year-over-year growth for 7 consecutive quarters. According to Canalys³, in the first quarter of 2025, we maintained Top 3 global smartphone shipment ranking for the nineteenth consecutive quarter, with a market share of 14.1%, up 0.3 percentage points year-over-year. Meanwhile, we continued to expand our user ecosystem. In March 2025, our global monthly active users (“MAU”)⁴ reached another record high of 718.8 million, up 9.2% year-over-year. As of March 31, 2025, the number of connected IoT devices on our AIoT platform (excluding smartphones, tablets and laptops) increased to 943.7 million, up 20.1% year-over-year. In the first quarter of 2025, deliveries of the *Xiaomi SU7 Series* reached 75,869 vehicles. In May 2025, we launched our high-performance luxury SUV *Xiaomi YU7 Series*.

We continued to execute our 2020–2030 goals to invest in foundational core technologies and to become a global leader in the evolving realm of cutting-edge technologies. In the first quarter of 2025, our research and development expenses increased by 30.1% year-over-year to RMB6.7 billion. As of March 31, 2025, our research and development personnel hit a record high of 21,731, accounting for 47.7% of our total employees. In addition, we continued to extend our intellectual property capabilities. As of March 31, 2025, we had obtained over 43,000 patents worldwide.

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 O1*. Building on the cutting-edge second-gen 3nm process, *Xiaomi XRING O1* 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 O1*. 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

² 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.

³ Canalys (now part of Omdia).

⁴ Including smartphones and tablets.

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 has achieved significant improvements in reasoning capability. Moreover, on public evaluation sets for mathematical reasoning and coding competitions⁵, Xiaomi MiMo achieved outstanding results among large language models with 7 billion parameter size.

We achieved significant breakthroughs in our premiumization strategy, and continued to enhance our products' capabilities. According to third-party data, in the first quarter of 2025, our premium smartphone⁶ units sold accounted for 25.0% of our total smartphone units sold in mainland China, representing an increase of 3.3 percentage points year-over-year. According to third-party data, in the first quarter of 2025, our smartphone units sold in the RMB4,000 and above segment in mainland China garnered a market share of 9.6%, a year-over-year increase of 2.9 percentage points. Moreover, 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 24.4%, a increase of 4.6 percentage points year-over-year. We launched *Xiaomi 15 Ultra* in February 2025, with shipments increasing over 90% compared with last year model, *Xiaomi 14 Ultra* in the first month of sales launch⁷ in mainland China.

The year 2025 marks the balanced expansion of our new retail strategy in mainland China. During the first quarter of 2025, we opened over 1,000 new offline retail stores quarter-over-quarter in mainland China, and the total number of offline retail stores reached nearly 16,000. The number of offline retail stores in mainland China is expected to reach approximately 20,000 by the end of 2025. According to third-party data, in the first quarter of 2025, our market share of smartphone units sold through offline channels in mainland China was 12.1%, up 3.2 percentage points year-over-year. Meanwhile, we are actively promoting the global expansion of the Mi Home stores. We expect to open approximately 10,000 new Mi Home stores overseas in the next five years.

In the first quarter of 2025, our gross profit margin reached a record high of 22.8%, up 0.5 percentage points year-over-year. By segment, our gross profit margin reached 22.8% for our smartphone × AIoT segment and 23.2% for our smart EV, AI and other new initiatives segment. Owing to our relentless efforts in cost saving and efficiency enhancements, the Group's overall operating expense ratio reached 13.9% in the first quarter of 2025, a decrease of 2.2 percentage points year-over-year. The operating expense ratio of our smartphone × AIoT segment reached 11.4%, a decrease of 1.4 percentage points year-over-year. In this quarter, our adjusted net profit hit a record high of RMB10.7 billion, up 64.5% year-over-year.

2. Smartphone × AIoT

In the first quarter of 2025, revenue from our smartphone × AIoT segment reached RMB92.7 billion, up 22.8% year-over-year. The gross profit margin of our smartphone × AIoT segment was 22.8%, up 0.5 percentage points year-over-year. In the first quarter of 2025, the average selling price (“ASP”) of our smartphones reached RMB1,211, up 5.8% year-over-year, hitting a record high.

⁵ Refer to public evaluation sets for mathematical reasoning (AIME 24-25) and coding competitions (LiveCodeBench v5).

⁶ Premium smartphones in mainland China are models with retail prices at or above RMB3,000.

⁷ Based on internal source. Sales volume of *Xiaomi 15 Ultra* is based on sales data recorded from 20:00:00 February 27, 2025 to 23:59:59 April 2, 2025. Sales volume of *Xiaomi 14 Ultra* is based on sales data recorded from 21:00:00 February 22, 2024 to 23:59:59 March 28, 2024.

Smartphones

In the first quarter of 2025, our smartphone revenue reached RMB50.6 billion, up 8.9% year-over-year, with a gross profit margin of 12.4%. Our global smartphone shipments reached 41.8 million units, up 3.0% year-over-year, and achieved year-over-year growth for 7 consecutive quarters. According to Canalys, in the first quarter of 2025, we maintained Top 3 global smartphone shipments ranking for the nineteenth consecutive quarter with 14.1% market share. Our smartphone shipments ranked among the top three across 58 countries and regions globally and ranked among the top five across 68 countries and regions globally. In particular, we achieved exceptional results in mainland China. Our smartphone market share in mainland China increased by 4.7 percentage points year-over-year to 18.8%, marking the fifth consecutive quarter of year-over-year market share growth, and enabling us to reclaim the No. 1 smartphone shipment ranking after 10 years.

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 O1*, 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 triple Leica Summilux triple-lens system, and the *Xiaomi XRING O1* integrates Xiaomi's fourth-generation ISP, offering a significantly upgraded imaging experience.

Under the Redmi brand, in April 2025, we unveiled the *Redmi Turbo 4 Pro Series* in mainland China. Positioned as a high-performance quasi-flagship product, the *Redmi Turbo 4 Pro* globally debuted the Snapdragon 8s Gen 4, featuring the 7,660mAh Xiaomi Surge battery, which supports 90W fast charging⁸, and 22.5W wired reverse charging⁹. The initial sales volume of *Redmi Turbo 4 Pro Series* reached a record high across all price ranges in 2025¹⁰.

IoT and lifestyle products

In the first quarter of 2025, our IoT and lifestyle products hit record highs in both revenue and gross profit margin again. Revenue of our IoT and lifestyle products reached RMB32.3 billion, up 58.7% year-over-year, and gross profit margin reached 25.2%, up 5.4 percentage points year-over-year.

⁸ 90W refers to the charger's output power. Actual charging power may vary depending on environmental factors. Use with the Xiaomi 90W wired charger is required.

⁹ 22.5W wired reverse charging is the maximum output power, and the actual performance may slightly vary depending on conditions. It supports reverse charging for devices that have passed testing by Xiaomi Internal Labs.

¹⁰ According to data provided by Xiaomi's data center and third-party industry reports. Sales volume is based on sales data recorded from 19:40:00 April 24, 2025 to 23:40:00 April 25, 2025. Data collected on sales figures within 28 hours of the launch of smartphone products released between January 1, 2025 and April 25, 2025. Data collected as of 23:40:00 April 25, 2025, according to data provided by third-party research institutions.

As of March 31, 2025, the number of connected IoT devices (excluding smartphones, tablets and laptops) on our AIoT platform increased to 943.7 million, up 20.1% year-over-year; the number of users with five or more devices connected to our AIoT platform (excluding smartphones, tablets and laptops) reached 19.3 million, up 26.5% year-over-year. In March 2025, the MAU of our Mi Home App grew to 106.4 million, up 19.5% year-over-year. The MAU of our AI Assistant (“小愛同學”)¹¹ grew to 146.7 million, up 17.5% year-over-year.

In terms of smart large home appliances, we continued to invest in core technologies, redefining the standards of smart large home appliances. In the first quarter of 2025, our smart large home appliances revenue grew by 113.8% year-over-year. Meanwhile, our air conditioner shipments exceeded 1.1 million units, up over 65% year-over-year; our refrigerator shipments exceeded 880,000 units, up over 65% year-over-year; and our washing machine shipments exceeded 740,000 units, up over 100% year-over-year. In particular, the shipments of washing machines and refrigerators both reached record highs. In May 2025, we officially launched a series of smart large home appliances, including *Mijia Air Conditioner Pro Human-Perception SkyFlow 1.5HP Level1+ Energy Efficiency*, *Mijia Fresh Air Conditioner Pro Human-Perception Dual-Outlet Vertical 3HP Level1+ Energy Efficiency*, *Mijia Refrigerator Pro Dual-System French Door Built-In 508L*, and *Mijia Dual-Drum Washer Dryer Pro 10kg*.

We continued to enhance our tablet product line-up to better serve diverse user needs. According to Canalys, in the first quarter of 2025, our global tablet shipments grew by 56.1% year-over-year. We achieved first-ever entry into the Top 3 globally, and ranked No. 3 in mainland China in terms of shipment. In May 2025, we unveiled *Xiaomi Pad 7 Ultra*. Equipped with our self-developed processor *Xiaomi XRING O1*, and a 14-inch OLED display, the *Xiaomi Pad 7 Ultra* is designed to support professional productivity experience.

In the first quarter of 2025, we continued to maintain our leading edge in wearables. According to Canalys, in the first quarter of 2025, our wearable bands¹² 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 May 2025, we officially launched *Xiaomi Watch S4 15th Anniversary Version*. Powered by *Xiaomi XRING T1*, the *Xiaomi Watch S4 eSIM 15th Anniversary Version* supports independent eSIM connectivity.

Internet services

In the first quarter of 2025, our internet services revenue reached RMB9.1 billion, up 12.8% year-over-year. The gross profit margin of our internet services reached 76.9%, up 2.7 percentage points year-over-year.

Our internet user base continued to expand. The MAU globally and in mainland China both hit record highs. In March 2025, our global MAU reached 718.8 million, up 9.2% year-over-year, and our MAU in mainland China reached 181.1 million, up 12.9% year-over-year. In March 2025, the global MAU of our smart TV¹³ reached 73.0 million, up 7.9% year-over-year.

¹¹ Including smart EV.

¹² Including basic bands, basic watches and smart watches.

¹³ Including *Xiaomi Box* and *Xiaomi TV Stick*.

In the first quarter of 2025, our advertising revenue reached RMB6.6 billion, an increase of 19.7% year-over-year. In the first quarter of 2025, our gaming revenue reached RMB1.2 billion.

In the first quarter of 2025, internet services revenue in mainland China hit a record high of RMB6.4 billion, up 14.8% year-over-year.

3. Smart EV, AI and Other New Initiatives

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. In the first quarter of 2025, revenue from our smart EV, AI and other new initiatives segment reached RMB18.6 billion, which consisted of RMB18.1 billion from smart EV and RMB0.5 billion from other related businesses. In the first quarter of 2025, the gross profit margin of our smart EV, AI and other new initiatives segment reached 23.2%. In the first quarter of 2025, the loss from operations¹⁴ related to our smart EV, AI and other new initiatives segment was RMB0.5 billion.

In the first quarter of 2025, deliveries of the *Xiaomi SU7 Series* reached 75,869 vehicles. We will continue to ramp up production and ensure delivery, and the cumulative deliveries of the *Xiaomi SU7 Series* have reached over 258,000 vehicles¹⁵.

In May 2025, we officially launched *Xiaomi YU7 Series*. Positioned as high-performance luxury SUV, *Xiaomi YU7 Series* retains the family design language of *Xiaomi SU7 Series*. From the technical perspective, *Xiaomi YU7 Series* features the armor-cage steel-aluminum hybrid framework, which is engineered on the Xiaomi Modena platform. It also introduces the application of 2,200 MPa Xiaomi ultra-high strength steel, significantly enhancing body rigidity and safety. In terms of performance, *Xiaomi YU7 Series* is powered by Xiaomi HyperEngine V6s Plus, which has a maximum horsepower of 690 PS¹⁶, and is able to accelerate from 0 to 100km/h in just 3.23s¹⁶. Combined with the chassis configuration, *Xiaomi YU7 Series* offers a refined balance between sports and comfort. On the battery front, the *Xiaomi YU7 Series* offers long-range capability, and is equipped with an 800V silicon carbide high-voltage platform. Inside the cabin, the *Xiaomi YU7 Series* introduces Xiaomi HyperVision Panoramic Display, providing a tech-enhanced experience.

We continued to expand our sales and service network. As of March 31, 2025, we had opened 235 smart EV sales centers¹⁷ across 65 cities in mainland China.

We are committed to building smart EV products and services with high quality and safety. In March 2025, *Xiaomi SU7*¹⁸ received the top safety rating under the 2024 testing protocols of the China New Car Assessment Program (C-NCAP), achieving an overall score rate of 93.5% — the highest among all tested models, and fully demonstrating the outstanding safety performance of the *Xiaomi SU7 Series*. In addition to the driving safety design of products, we continue

¹⁴ Defined as gross profit minus operating expenses.

¹⁵ Based on internal source, as of May 21 23:59:59, 2025.

¹⁶ Data obtained from Xiaomi internal EV Lab, the configuration parameters may vary depending on the vehicle model.

¹⁷ The sales network of Xiaomi EV includes Xiaomi EV delivery centers, Xiaomi EV sales and service centers and Mi Home stores.

¹⁸ The safety rating evaluation results is based on *Xiaomi SU7 Max*.

to conduct driving training. In May 2025, we launched advance driving training to provide education from theoretical knowledge to practical applications for users, helping them enhance their safe driving capabilities.

4. Corporate Social Responsibility (CSR)

We actively fulfill our corporate social responsibility and are deeply committed to driving low-carbon development. 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 transitions, thereby continuously reducing Scope 3 emissions. We require that: 1) By 2030, suppliers in the smartphone business achieve an annual average carbon reduction¹⁹ 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.

In January 2025, we received further authoritative recognition for our efforts in promoting the green transformation of the industrial supply chain and contributing to the achievement of “dual carbon” goals. We were recognized as a “Green Supply Chain Management Enterprise” in the Ministry of Industry and Information Technology’s “2024 Green Manufacturing List”.

¹⁹ The base year for suppliers’ carbon targets is 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

First Quarter of 2025 Compared with First Quarter of 2024

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

	Unaudited	
	Three months ended	
	March 31,	March 31,
	2025	2024
	(RMB in millions)	
Revenue	111,293.3	75,506.8
Cost of sales	(85,887.4)	(58,677.1)
Gross profit	25,405.9	16,829.7
Research and development expenses	(6,711.7)	(5,159.4)
Selling and marketing expenses	(7,199.8)	(5,481.0)
Administrative expenses	(1,530.1)	(1,523.0)
Fair value changes on financial instruments measured at fair value through profit or loss	2,827.0	(1,226.6)
Share of net profits of investments accounted for using the equity method	63.5	155.4
Other income	161.8	157.4
Other gains/(losses), net	108.8	(69.5)
Operating profit	13,125.4	3,683.0
Finance income, net	42.6	1,539.4
Profit before income tax	13,168.0	5,222.4
Income tax expenses	(2,275.3)	(1,049.2)
Profit for the period	10,892.7	4,173.2
Non-IFRS measure: Adjusted Net Profit	10,675.6	6,490.9

Revenue

As we further increased our investments in the AI business, our 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.

Revenue increased by 47.4% to RMB111.3 billion in the first quarter of 2025 from RMB75.5 billion in the first quarter of 2024. The following table sets forth our revenue by segment in the first quarter of 2025 and the first quarter of 2024:

	Unaudited			
	Three months ended			
	March 31, 2025		March 31, 2024	
	% of total		% of total	
	Amount	revenue	Amount	revenue
(RMB in millions, unless specified)				
Smartphone × AIoT	92,713.2	83.3%	75,480.8	100.0%
Smart EV, AI and other new initiatives	18,580.1	16.7%	26.0	0.0%
Total revenue	<u>111,293.3</u>	<u>100.0%</u>	<u>75,506.8</u>	<u>100.0%</u>

Smartphone × AIoT

Revenue from our smartphone × AIoT segment increased by 22.8% from RMB75.5 billion in the first quarter of 2024 to RMB92.7 billion in the first quarter of 2025. The following table sets forth our revenue by line of our smartphone × AIoT segment in the first quarter of 2025 and the first quarter of 2024:

	Unaudited			
	Three months ended			
	March 31, 2025		March 31, 2024	
	% of total		% of total	
	Amount	revenue	Amount	revenue
(RMB in millions, unless specified)				
Smartphone × AIoT				
Smartphones	50,612.0	45.5%	46,479.7	61.6%
IoT and lifestyle products	32,339.2	29.1%	20,373.5	27.0%
Internet services	9,076.1	8.2%	8,048.4	10.7%
Other related businesses	685.9	0.5%	579.2	0.7%
Total revenue of smartphone × AIoT segment	<u>92,713.2</u>	<u>83.3%</u>	<u>75,480.8</u>	<u>100.0%</u>

(i) Smartphones

Revenue from our smartphones increased by 8.9% from RMB46.5 billion in the first quarter of 2024 to RMB50.6 billion in the first quarter of 2025, primarily due to the increase in both our smartphone ASP and shipments. The ASP of our smartphones increased by 5.8% from RMB1,144.7 per unit in the first quarter of 2024 to RMB1,210.6 per unit in the first quarter of 2025, primarily due to the higher contribution of smartphone shipments in mainland China which carry higher ASP. Our smartphone shipments increased by 3.0% from 40.6 million units in the first quarter of 2024 to 41.8 million units in the first quarter of 2025, primarily due to the increased shipments in mainland China, partially offset by the decreased shipments of overseas markets such as India. In the first quarter of 2025, our market share in mainland China ranked No. 1, reaching 18.8% with an increase of 4.7 percentage points year-over-year, according to Canalys.

(ii) IoT and lifestyle products

Revenue from our IoT and lifestyle products increased by 58.7% from RMB20.4 billion in the first quarter of 2024 to RMB32.3 billion in the first quarter of 2025, primarily due to the increased revenue from smart large home appliances, wearables and certain lifestyle products in mainland China and tablets in the global market. The increased revenue from our IoT and lifestyle products in mainland China was driven by our enhanced industrial capabilities and brand image, expanded retail channels, as well as the national subsidies in mainland China.

Revenue from our smart large home appliances increased by 113.8% year-over-year, primarily due to the increased shipments and ASP in mainland China.

Revenue from our wearables increased by 56.5% year-over-year, primarily due to the increased shipments and ASP in mainland China.

Revenue from our tablets increased by 72.7% year-over-year, primarily due to the increased shipments of our newly launched *Xiaomi Pad 7 Series*. Our global tablet shipments achieved first-ever entry into the Top 3 globally in the first quarter of 2025, according to Canalys.

(iii) Internet services

Revenue from our internet services increased by 12.8% from RMB8.0 billion in the first quarter of 2024 to RMB9.1 billion in the first quarter of 2025, primarily due to the increased revenue of our advertising business.

(iv) Other related businesses

Revenue from our other related businesses increased by 18.4% from RMB0.6 billion in the first quarter of 2024 to RMB0.7 billion in the first quarter 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 RMB26.0 million in the first quarter of 2024 to RMB18.6 billion in the first quarter of 2025.

Revenue from our smart EV increased from RMB18.4 million in the first quarter of 2024 to RMB18.1 billion in the first quarter of 2025. In the first quarter of 2025, we have delivered 75,869 *Xiaomi SU7 Series* vehicles. The ASP of our smart EV was RMB238,301 per unit.

Revenue from our other related businesses increased from RMB7.6 million in the first quarter of 2024 to RMB0.5 billion in the first quarter of 2025.

Cost of Sales

Our cost of sales increased by 46.4% from RMB58.7 billion in the first quarter of 2024 to RMB85.9 billion in the first quarter of 2025. The following table sets forth our cost of sales by segment in the first quarter of 2025 and the first quarter of 2024:

	Unaudited			
	Three months ended			
	March 31, 2025		March 31, 2024	
	% of total	% of total	% of total	% of total
	Amount	revenue	Amount	revenue
	(RMB in millions, unless specified)			
Smartphone × AIoT	71,612.7	64.4%	58,654.3	77.7%
Smart EV, AI and other new initiatives	14,274.7	12.8%	22.8	0.0%
Total cost of sales	85,887.4	77.2%	58,677.1	77.7%

Smartphone × AIoT

Cost of sales related to our smartphone × AIoT segment increased by 22.1% from RMB58.7 billion in the first quarter of 2024 to RMB71.6 billion in the first quarter of 2025. The following table sets forth our cost of sales by line of our smartphone × AIoT segment in the first quarter of 2025 and the first quarter of 2024:

	Unaudited			
	Three months ended			
	March 31, 2025		March 31, 2024	
	Amount	% of total revenue	Amount	% of total revenue
	(RMB in millions, unless specified)			
Smartphone × AIoT				
Smartphones	44,329.3	39.8%	39,600.5	52.4%
IoT and lifestyle products	24,184.4	21.7%	16,326.1	21.6%
Internet services	2,094.3	1.9%	2,073.0	2.8%
Other related businesses	1,004.7	1.0%	654.7	0.9%
Total cost of sales of smartphone × AIoT segment	71,612.7	64.4%	58,654.3	77.7%

(i) Smartphones

Cost of sales related to our smartphones increased by 11.9% from RMB39.6 billion in the first quarter of 2024 to RMB44.3 billion in the first quarter 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 48.1% from RMB16.3 billion in the first quarter of 2024 to RMB24.2 billion in the first quarter of 2025, primarily due to the increased sales of our IoT and lifestyle products.

(iii) Internet services

Cost of sales related to our internet services remained stable at RMB2.1 billion in the first quarter of 2025 compared to the first quarter of 2024, primarily due to the increased cost of advertising business, partially offset by the decreased cost of other value-added services.

(iv) *Other related businesses*

Cost of sales related to our other related businesses increased by 53.5% from RMB0.7 billion in the first quarter of 2024 to RMB1.0 billion in the first quarter of 2025, primarily due to the increased cost from sales of materials and the 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 RMB22.8 million in the first quarter of 2024 to RMB14.3 billion in the first quarter of 2025.

Gross Profit and Margin

As a result of the foregoing, our gross profit increased by 51.0% from RMB16.8 billion in the first quarter of 2024 to RMB25.4 billion in the first quarter of 2025. Our gross profit margin increased from 22.3% in the first quarter of 2024 to 22.8% in the first quarter of 2025.

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

	Unaudited			
	Three months ended			
	March 31, 2025		March 31, 2024	
	Gross profit	Gross margin %	Gross profit	Gross margin %
	(RMB in millions, unless specified)			
Smartphone × AIoT	21,100.5	22.8%	16,826.5	22.3%
Smart EV, AI and other new initiatives	4,305.4	23.2%	3.2	12.6%
Total gross profit and gross margin	<u>25,405.9</u>	<u>22.8%</u>	<u>16,829.7</u>	<u>22.3%</u>

Smartphone × AIoT

The gross profit from our smartphone × AIoT segment increased by 25.4% from RMB16.8 billion in the first quarter of 2024 to RMB21.1 billion in the first quarter of 2025. The following table sets forth our gross profit and margin by line of our smartphone × AIoT segment in the first quarter of 2025 and the first quarter of 2024:

	Unaudited			
	Three months ended			
	March 31, 2025		March 31, 2024	
	Gross profit	Gross margin %	Gross profit	Gross margin %
	(RMB in millions, unless specified)			
Smartphone × AIoT				
Smartphones	6,282.7	12.4%	6,879.2	14.8%
IoT and lifestyle products	8,154.8	25.2%	4,047.4	19.9%
Internet services	6,981.8	76.9%	5,975.4	74.2%
Other related businesses	(318.8)	(46.5%)	(75.5)	(13.1%)
Total gross profit and margin of smartphone × AIoT segment	21,100.5	22.8%	16,826.5	22.3%

The gross profit margin from our smartphones decreased from 14.8% in the first quarter of 2024 to 12.4% in the first quarter of 2025, mainly due to the increased price of key components.

The gross profit margin from our IoT and lifestyle products increased from 19.9% in the first quarter of 2024 to 25.2% in the first quarter of 2025, mainly due to the increased gross profit margin and higher revenue contribution of smart large home appliances and certain lifestyle products.

The gross profit margin from our internet services increased from 74.2% in the first quarter of 2024 to 76.9% in the first quarter of 2025, mainly due to the increased gross profit margin and higher revenue contribution of our advertising business.

Smart EV, AI and Other New Initiatives

The gross profit margin from our smart EV, AI and other new initiatives segment increased from 12.6% in the first quarter of 2024 to 23.2% in the first quarter of 2025.

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 RMB4.8 billion in the first quarter of 2025²⁰.

²⁰ Including share-based compensation expenses of RMB0.3 billion related to our smart EV, AI and other new initiatives segment for the quarter.

Research and Development Expenses

Our research and development expenses increased by 30.1% from RMB5.2 billion in the first quarter of 2024 to RMB6.7 billion in the first quarter of 2025, primarily due to the increase in research and development expenses related to our smart EV, AI and other new initiatives.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 31.4% from RMB5.5 billion in the first quarter of 2024 to RMB7.2 billion in the first quarter of 2025, primarily due to the increase in the logistic expenses driven by the increased sales related to smartphone × AIoT and the compensation for selling and marketing personnel.

Administrative Expenses

Our administrative expenses remained stable at RMB1.5 billion in the first quarter of 2025 compared to the first quarter of 2024.

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 RMB1.2 billion in the first quarter of 2024 to a gain of RMB2.8 billion in the first quarter of 2025, primarily due to the fair value gains of listed equity investments in the first quarter of 2025, compared to the fair value losses of listed equity investments in the first quarter of 2024.

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 RMB155.4 million in the first quarter of 2024 to RMB63.5 million in the first quarter of 2025.

Other Income

Our other income remained stable at RMB0.2 billion in the first quarter of 2025 compared to the first quarter of 2024.

Other Gains/(Losses), Net

Our net other gains/(losses) changed from a net loss of RMB69.5 million in the first quarter of 2024 to a net gain of RMB108.8 million in the first quarter of 2025.

Finance Income, Net

Our net finance income decreased from RMB1.5 billion in the first quarter of 2024 to RMB42.6 million in the first quarter of 2025, primarily due to the change of value of financial liabilities payable to fund investors.

Income Tax Expenses

Our income tax expenses increased by 116.9% from RMB1.0 billion in the first quarter of 2024 to RMB2.3 billion in the first quarter of 2025, primarily due to the increase of operating profit in the first quarter of 2025.

Profit for the Period

As a result of the foregoing, our profit for the period increased by 161.0% from RMB4.2 billion in the first quarter of 2024 to RMB10.9 billion in the first quarter of 2025.

Adjusted Net Profit

Our adjusted net profit increased by 64.5% from RMB6.5 billion in the first quarter of 2024 to RMB10.7 billion in the first quarter of 2025.

First Quarter of 2025 Compared with Fourth Quarter of 2024

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

	Unaudited	
	Three months ended	
	March 31,	December 31,
	2025	2024
	(RMB in millions)	
Revenue	111,293.3	109,005.2
Cost of sales	(85,887.4)	(86,550.3)
Gross profit	25,405.9	22,454.9
Research and development expenses	(6,711.7)	(7,436.6)
Selling and marketing expenses	(7,199.8)	(7,729.4)
Administrative expenses	(1,530.1)	(1,480.3)
Fair value changes on financial instruments measured at fair value through profit or loss	2,827.0	2,578.2
Share of net profits/(losses) of investments accounted for using the equity method	63.5	(2.7)
Other income	161.8	946.2
Other gains/(losses), net	108.8	(440.4)
Operating profit	13,125.4	8,889.9
Finance income, net	42.6	517.8
Profit before income tax	13,168.0	9,407.7
Income tax expenses	(2,275.3)	(412.4)
Profit for the period	10,892.7	8,995.3
Non-IFRS measure: Adjusted Net Profit	10,675.6	8,316.2

Revenue

Revenue increased by 2.1% from RMB109.0 billion in the fourth quarter of 2024 to RMB111.3 billion in the first quarter of 2025. The following table sets forth our revenue by segment in the first quarter of 2025 and the fourth quarter of 2024:

	Unaudited			
	Three months ended			
	March 31, 2025		December 31, 2024	
	Amount	% of total revenue	Amount	% of total revenue
(RMB in millions, unless specified)				
Smartphone × AIoT	92,713.2	83.3%	92,343.5	84.7%
Smart EV, AI and other new initiatives	18,580.1	16.7%	16,661.7	15.3%
Total revenue	111,293.3	100.0%	109,005.2	100.0%

Smartphone × AIoT

Revenue from our smartphone × AIoT segment increased by 0.4% from RMB92.3 billion in the fourth quarter of 2024 to RMB92.7 billion in the first quarter of 2025. The following table sets forth our revenue by line of our smartphone × AIoT segment in the first quarter of 2025 and the fourth quarter of 2024:

	Unaudited			
	Three months ended			
	March 31, 2025		December 31, 2024	
	Amount	% of total revenue	Amount	% of total revenue
(RMB in millions, unless specified)				
Smartphone × AIoT				
Smartphones	50,612.0	45.5%	51,310.8	47.1%
IoT and lifestyle products	32,339.2	29.1%	30,867.9	28.3%
Internet services	9,076.1	8.2%	9,338.6	8.6%
Others	685.9	0.5%	826.2	0.7%
Total revenue of smartphone × AIoT segment	92,713.2	83.3%	92,343.5	84.7%

(i) *Smartphones*

Revenue from our smartphones decreased by 1.4% from RMB51.3 billion in the fourth quarter of 2024 to RMB50.6 billion in the first quarter of 2025, primarily due to the decrease in our smartphone shipments, partially offset by the increase in our smartphone ASP. Our smartphone shipments decreased by 2.0% from 42.7 million units in the fourth quarter of 2024 to 41.8 million units in the first quarter of 2025, primarily due to the decreased shipments of overseas markets such as India resulting from the weakened demand, partially offset by the increased shipments in mainland China. In the first quarter of 2025, our market share in mainland China reached 18.8% with an increase of 3.0 percentage points quarter-over-quarter, according to Canalys. The ASP of our smartphones increased by 0.7% from RMB1,202.4 per unit in the fourth quarter of 2024 to RMB1,210.6 per unit in the first quarter of 2025, primarily due to the higher contribution of smartphone shipments in mainland China which carry higher ASP, and the increased ASP in the overseas markets driven by the successful launch of *Redmi Note 14 Series* with higher ASP.

(ii) *IoT and lifestyle products*

Revenue from our IoT and lifestyle products increased by 4.8% from RMB30.9 billion in the fourth quarter of 2024 to RMB32.3 billion in the first quarter of 2025, primarily due to the increased revenue from tablets in the global market and certain lifestyle products in the overseas market, partially offset by the decreased revenue from smart TVs and laptops in mainland China.

Revenue from tablets increased by 39.8% quarter-over-quarter, primarily due to the increased shipments of our newly launched *Xiaomi Pad 7 Series*.

Revenue from smart TVs and laptops decreased by 19.8% quarter-over-quarter, primarily due to the decreased shipments in mainland China.

(iii) *Internet services*

Revenue from our internet services decreased by 2.8% from RMB9.3 billion in the fourth quarter of 2024 to RMB9.1 billion in the first quarter of 2025, primarily due to the decreased revenue of our advertising business, partially offset by the increased revenue of our gaming business.

(iv) *Other related businesses*

Revenue from our other related businesses decreased by 17.0% from RMB0.8 billion in the fourth quarter of 2024 to RMB0.7 billion in the first quarter of 2025, primarily due to the decreased revenue from the sales of materials.

Smart EV, AI and Other New Initiatives

Revenue from our smart EV, AI and other new initiatives segment increased by 11.5% from RMB16.7 billion in the fourth quarter of 2024 to RMB18.6 billion in the first quarter of 2025.

Revenue from our smart EV increased by 10.7% from RMB16.3 billion in the fourth quarter of 2024 to RMB18.1 billion in the first quarter of 2025, primarily due to the increase in vehicle deliveries. Our vehicle deliveries increased by 8.9% from 69,697 units in the fourth quarter of 2024 to 75,869 units in the first quarter of 2025, primarily due to the continuous increase of our production capacity. The ASP of our smart EV increased slightly by 1.7% from RMB234,322 per unit in the fourth quarter of 2024 to RMB238,301 per unit in the first quarter of 2025, primarily due to the launch of *Xiaomi SU7 Ultra* with higher ASP in February 2025 and the different product mix of other *Xiaomi SU7* models delivered in this quarter.

Revenue from our other related businesses increased by 51.6% from RMB0.3 billion in the fourth quarter of 2024 to RMB0.5 billion in the first quarter of 2025, primarily due to the increased services and sales of accessories.

Cost of Sales

Our cost of sales decreased by 0.8% from RMB86.6 billion in the fourth quarter of 2024 to RMB85.9 billion in the first quarter of 2025. The following table sets forth our cost of sales by segment in the first quarter of 2025 and the fourth quarter of 2024:

	Unaudited			
	Three months ended			
	March 31, 2025		December 31, 2024	
	Amount	% of total revenue	Amount	% of total revenue
	(RMB in millions, unless specified)			
Smartphone × AIoT	71,612.7	64.4%	73,295.5	67.2%
Smart EV, AI and other new initiatives	14,274.7	12.8%	13,254.8	12.2%
Total cost of sales	85,887.4	77.2%	86,550.3	79.4%

Smartphone × AIoT

Cost of sales related to our smartphone × AIoT segment decreased by 2.3% from RMB73.3 billion in the fourth quarter of 2024 to RMB71.6 billion in the first quarter of 2025. The following table sets forth our cost of sales by line of our smartphone × AIoT segment in the fourth quarter of 2024 and the first quarter of 2025:

	Unaudited			
	Three months ended			
	March 31, 2025		December 31, 2024	
	% of total		% of total	
	Amount	revenue	Amount	revenue
	(RMB in millions, unless specified)			
Smartphone × AIoT				
Smartphones	44,329.3	39.8%	45,133.2	41.4%
IoT and lifestyle products	24,184.4	21.7%	24,525.0	22.5%
Internet services	2,094.3	1.9%	2,194.4	2.0%
Other related businesses	1,004.7	1.0%	1,442.9	1.3%
Total cost of sales of smartphone × AIoT segment	71,612.7	64.4%	73,295.5	67.2%

(i) Smartphones

Cost of sales related to our smartphones decreased by 1.8% from RMB45.1 billion in the fourth quarter of 2024 to RMB44.3 billion in the first quarter of 2025, primarily due to the decreased sales of our smartphones.

(ii) IoT and lifestyle products

Cost of sales related to our IoT and lifestyle products decreased by 1.4% from RMB24.5 billion in the fourth quarter of 2024 to RMB24.2 billion in the first quarter of 2025, primarily due to the decreased sales of our smart TVs and laptops, partially offset by the increased sales of our tablets.

(iii) Internet services

Cost of sales related to our internet services decreased by 4.6% from RMB2.2 billion in the fourth quarter of 2024 to RMB2.1 billion in the first quarter of 2025, primarily due to the decreased cost of our advertising business and other value-added services.

(iv) Other related businesses

Cost of sales related to our other related businesses decreased by 30.4% from RMB1.4 billion in the fourth quarter of 2024 to RMB1.0 billion in the first quarter of 2025, primarily due to the decreased cost from sales of materials.

Smart EV, AI and Other New Initiatives

Cost of sales related to our smart EV, AI and other new initiatives segment increased by 7.7% from RMB13.3 billion in the fourth quarter of 2024 to RMB14.3 billion in the first quarter of 2025, primarily due to the increased sales of our smart EV.

Gross Profit and Margin

As a result of the foregoing, our gross profit increased by 13.1% from RMB22.5 billion in the fourth quarter of 2024 to RMB25.4 billion in the first quarter of 2025. Our gross profit margin increased from 20.6% in the fourth quarter of 2024 to 22.8% in the first quarter of 2025.

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

	Unaudited			
	Three months ended			
	March 31, 2025		December 31, 2024	
	Gross profit	Gross margin %	Gross profit	Gross margin %
	(RMB in millions, unless specified)			
Smartphone × AIoT	21,100.5	22.8%	19,048.0	20.6%
Smart EV, AI and other new initiatives	4,305.4	23.2%	3,406.9	20.4%
Total gross profit and gross margin	<u>25,405.9</u>	<u>22.8%</u>	<u>22,454.9</u>	<u>20.6%</u>

Smartphone × AIoT

The gross profit from our smartphone × AIoT segment increased by 10.8% from RMB19.0 billion in the fourth quarter of 2024 to RMB21.1 billion in the first quarter of 2025. The following table sets forth our gross profit and margin by line of our smartphone × AIoT segment in the first quarter of 2025 and the fourth quarter of 2024:

	Unaudited			
	Three months ended		December 31, 2024	
	March 31, 2025			
	Gross profit	Gross margin %	Gross profit	Gross margin %
	(RMB in millions, unless specified)			
Smartphone × AIoT				
Smartphones	6,282.7	12.4%	6,177.6	12.0%
IoT and lifestyle products	8,154.8	25.2%	6,342.9	20.5%
Internet services	6,981.8	76.9%	7,144.2	76.5%
Other related businesses	(318.8)	(46.5%)	(616.7)	(74.6%)
Total gross profit and margin of smartphone × AIoT segment	21,100.5	22.8%	19,048.0	20.6%

The gross profit margin from our smartphones increased from 12.0% in the fourth quarter of 2024 to 12.4% in the first quarter of 2025, mainly due to the improved product mix in the overseas markets.

The gross profit margin from our IoT and lifestyle products increased from 20.5% in the fourth quarter of 2024 to 25.2% in the first quarter of 2025, mainly due to the increased gross profit margin and higher revenue contribution of wearables and certain lifestyle products.

The gross profit margin from our internet services increased from 76.5% in the fourth quarter of 2024 to 76.9% in the first quarter of 2025, mainly due to the increased gross profit margin of our gaming business, partially offset by the lower revenue contribution from advertising business with higher gross profit margin.

Smart EV, AI and Other New Initiatives

The gross profit margin from our smart EV, AI and other new initiatives segment increased from 20.4% in the fourth quarter of 2024 to 23.2% in the first quarter of 2025, primarily due to the different product mix of *Xiaomi SU7 Series* delivered in this quarter and 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 RMB4.8 billion in the first quarter of 2025²¹.

²¹ Including share-based compensation expenses of RMB0.3 billion related to smart EV, AI and other new initiatives for the quarter.

Research and Development Expenses

Our research and development expenses decreased by 9.7% from RMB7.4 billion in the fourth quarter of 2024 to RMB6.7 billion in the first quarter of 2025, primarily due to the pace of our research projects related to smartphone × AIoT, partially offset by the increase of our research and development expenses related to smart EV, AI and other new initiatives.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 6.9% from RMB7.7 billion in the fourth quarter of 2024 to RMB7.2 billion in the first quarter of 2025, primarily due to the decrease in promotion and advertising expenses.

Promotion and advertising expenses decreased by 16.5% from RMB2.4 billion in the fourth quarter of 2024 to RMB2.0 billion in the first quarter of 2025, primarily due to less promotional events of our products and brand marketing during this quarter.

Administrative Expenses

Our administrative expenses remained stable at RMB1.5 billion in the first quarter of 2025 compared to the fourth quarter of 2024.

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

Our fair value changes on financial instruments measured at fair value through profit or loss increased by 9.7% from a gain of RMB2.6 billion in the fourth quarter of 2024 to a gain of RMB2.8 billion in the first quarter of 2025, primarily due to the higher fair value gains of listed equity investments in the first quarter of 2025 compared to the fourth quarter of 2024.

Share of Net Profits/(Losses) of Investments Accounted for Using the Equity Method

Our share of net profits/(losses) of investments accounted for using the equity method changed from net losses of RMB2.7 million in the fourth quarter of 2024 to net profits of RMB63.5 million in the first quarter of 2025.

Other Income

Our other income decreased by 82.9% from RMB0.9 billion in the fourth quarter of 2024 to RMB0.2 billion in the first quarter of 2025, primarily due to the decrease of government grants.

Other Gains/(Losses), Net

Our net other gains/(losses) changed from a net loss of RMB0.4 billion in the fourth quarter of 2024 to a net gain of RMB0.1 billion in the first quarter of 2025, mainly due to the change from foreign exchange losses to gains, as well as less impairment of investments accounted for using the equity method.

Finance Income, Net

Our net finance income decreased from RMB517.8 million in the fourth quarter of 2024 to RMB42.6 million in the first quarter of 2025, primarily due to the change of value of financial liabilities payable to fund investors.

Income Tax Expenses

Our income tax expenses increased from RMB0.4 billion in the fourth quarter of 2024 to RMB2.3 billion in the first quarter of 2025, primarily due to the increase of taxable profit in the first quarter of 2025.

Profit for the Period

As a result of the foregoing, our profit for the period increased by 21.1% from RMB9.0 billion in the fourth quarter of 2024 to RMB10.9 billion in the first quarter of 2025.

Adjusted Net Profit

Our adjusted net profit increased by 28.4% from RMB8.3 billion in the fourth quarter of 2024 to RMB10.7 billion in the first quarter of 2025.

Non-IFRS Measure: Adjusted Net Profit

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

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

The following tables set forth reconciliations of the Group's non-IFRS measures for the first quarters of 2025 and 2024, respectively, and the fourth quarter of 2024 to the nearest measures prepared in accordance with IFRS Accounting Standards.

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

Unaudited Three Months Ended March 31, 2024							
Adjustments							
Amortization of intangible assets							
Changes of value of financial liabilities to investors ⁽⁴⁾							
Income tax effects ⁽⁵⁾							
As reported	Share-based compensation ⁽¹⁾	Net fair value changes on investments ⁽²⁾	resulting from acquisitions ⁽³⁾				Non-IFRS
(RMB in thousand, unless specified)							
Profit for the period	4,173,212	950,246	2,223,661	36,002	(764,513)	(127,677)	6,490,931
Net margin	5.5%						8.6%

Unaudited Three Months Ended December 31, 2024							
Adjustments							
Amortization of intangible assets							
Changes of value of financial liabilities to investors ⁽⁴⁾							
Income tax effects ⁽⁵⁾							
As reported	Share-based compensation ⁽¹⁾	Net fair value changes on investments ⁽²⁾	resulting from acquisitions ⁽³⁾				Non-IFRS
(RMB in thousand, unless specified)							
Profit for the period	8,995,276	993,303	(1,835,533)	36,002	19,999	107,164	8,316,211
Net margin	8.3%						7.6%

Notes:

- (1) Represents the expenses related to share-based payments granted to employees of the Group.
- (2) Primarily includes fair value changes on equity investments and preferred shares investments deducting the cumulative 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 of loss of significant influence in an associate and re-measurement of investments transferring from FAFVPL to investments using the equity method.
- (3) Represents amortization of intangible assets resulting from acquisitions.
- (4) Represent the change of value of the financial liabilities payable to the investors.
- (5) Income tax effects of non-IFRS adjustments.

Liquidity and Financial Resources

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

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

Other than the funds raised through our Global Offering in July 2018, the 2020 Placing and Subscription, the 2025 Placing and Subscription and the issuance of debt securities as described in “Issuance of Debt Securities” below, we have historically funded our cash requirements principally from cash generated from our operations and bank borrowings. We had cash and cash equivalents of RMB86.2 billion and cash resources²² of RMB216.8 billion as of March 31, 2025.

²² 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.

Issuance of Debt Securities

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

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

As at March 31, 2025, no 2027 Bonds had been converted into new shares.

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

Consolidated Statement of Cash Flows

	Unaudited	
	Three months ended	
	March 31,	December 31,
	2025	2024
	(in millions of RMB)	
Net cash generated from operating activities ⁽¹⁾	4,509.5	23,906.8
Net cash generated from/(used in) investing activities	9,920.8	(29,067.1)
Net cash generated from/(used in) financing activities ⁽¹⁾	38,077.4	(899.9)
Net increase/(decrease) in cash and cash equivalents	52,507.7	(6,060.2)
Cash and cash equivalents at the beginning of the period	33,661.4	39,655.4
Effects of exchange rate changes on cash and cash equivalents	2.8	66.2
Cash and cash equivalents at the end of the period	86,171.9	33,661.4

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 RMB2.2 billion and RMB26.1 billion in the first quarter of 2025 and in the fourth quarter of 2024, respectively. Excluding the change of borrowings for the finance factoring business, the net cash generated from financing activities was RMB38.1 billion in the first quarter of 2025 and the net cash used in financing activities was RMB3.0 billion in fourth quarter of 2024, respectively. The information in this footnote is based on the management accounts of the Group, which have not been audited or reviewed by the Group's auditor. The accounting policies applied in the preparation of the management accounts are consistent with those used for other figures in this announcement.
- (2) The cash resources which the Group considered in cash management include but not limited to cash and cash equivalents, restricted cash, term bank deposits, short-term investments measured at fair value through profit or loss, short-term investments measured at amortized cost, long-term investments measured at amortized cost and treasury investments included in long-term investments measured at fair value through profit or loss. As of March 31, 2025, the aggregate amount of cash resources of the Group was RMB216.8 billion.

Net Cash Generated From Operating Activities

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

In the first quarter of 2025, net cash generated from our operating activities amounted to RMB4.5 billion, representing cash generated from operations of RMB6.7 billion minus income tax paid of RMB2.2 billion. Cash generated from operations was primarily due to our profit before income tax of RMB13.2 billion, mainly adjusted by a decrease in trade payables of RMB4.7 billion and an increase of trade and notes receivables of RMB3.9 billion.

Net Cash Generated From Investing Activities

For the first quarter of 2025, our net cash generated from investing activities was RMB9.9 billion, which was primarily due to the net decrease of term bank deposits of RMB4.6 billion, the net decrease of long-term investments measured at fair value through profit or loss of RMB3.1 billion and the net decrease of short-term investments measured at fair value through profit or loss of RMB2.8 billion.

Net Cash Generated From Financing Activities

For the first quarter of 2025, our net cash generated from financing activities was RMB38.1 billion, which was primarily due to the proceeds from issuance of shares upon placement of RMB39.2 billion, partially offset by the distribution to fund investors of RMB0.9 billion.

Borrowings

As of March 31, 2025, we had total borrowings of RMB30.9 billion.

Capital Expenditure

	Three months ended	
	March 31, 2025	December 31, 2024
	(in millions of RMB)	
Capital expenditures		
Smartphone × AIoT	1,617.3	2,160.9
Smart EV, AI and other new initiatives	1,111.7	1,368.0
Total	<u>2,729.0</u>	<u>3,528.9</u>

Off-Balance Sheet Commitments and Arrangements

As of March 31, 2025, we had not entered into any significant off-balance sheet commitments or arrangements.

Investments Held

As of March 31, 2025, we had invested in about 420 companies with an aggregate book value of RMB67.8 billion. In the first quarter of 2025, we recorded a net gain on disposal of investments (after tax) of RMB0.5 billion. The total amount of these investments (including (i) fair value of our stakes in listed investee companies accounted for using the equity method based on the stock price on March 31, 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 RMB71.7 billion as of March 31, 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 March 31, 2025) during the three months ended March 31, 2025.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

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

Employee and Remuneration Policy

As of March 31, 2025, we had 45,527 full-time employees, 43,229 of whom were based in mainland China, primarily at our headquarters in Beijing. As of March 31, 2025, our research and development personnel, totaling 21,731 employees, were staffed across our various departments.

Our success depends on our ability to attract, retain and motivate qualified personnel. As part of our human resources strategy, we offer employees competitive compensation packages. As of March 31, 2025, 14,201 employees held share-based awards. The total remuneration expenses, including share-based compensation expenses, in the first quarter of 2025 were RMB6.5 billion, representing a decrease of 2.2% from the fourth quarter of 2024.

Foreign Exchange Risk

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

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

Pledge of Assets

As of March 31, 2025, we had a restricted deposit of RMB5.3 billion. We also had pledged certain buildings and land use right for borrowings.

Contingent Liabilities

We did not have any material contingent liabilities as of March 31, 2025. Further details of the contingencies are set out in Note 12 to the financial information.

FINANCIAL INFORMATION

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months ended March 31, 2025

(Expressed in Renminbi (“RMB”))

		Unaudited Three months ended March 31,	
	Note	2025 RMB'000	2024 RMB'000
Revenue	2	111,293,337	75,506,822
Cost of sales	2, 3	(85,887,427)	(58,677,105)
Gross profit		25,405,910	16,829,717
Research and development expenses	3	(6,711,708)	(5,159,387)
Selling and marketing expenses	3	(7,199,817)	(5,481,047)
Administrative expenses	3	(1,530,094)	(1,523,007)
Fair value changes on financial instruments measured at fair value through profit or loss		2,827,022	(1,226,492)
Share of net profits of investments accounted for using the equity method		63,531	155,391
Other income		161,766	157,407
Other gains/(losses), net		108,797	(69,544)
Operating profit		13,125,407	3,683,038
Finance income		1,003,965	1,019,435
Finance costs		(961,404)	519,905
Profit before income tax		13,167,968	5,222,378
Income tax expenses	4	(2,275,222)	(1,049,166)
Profit for the period		10,892,746	4,173,212
Attributable to:			
— Owners of the Company		10,924,321	4,182,061
— Non-controlling interests		(31,575)	(8,849)
		10,892,746	4,173,212
Earnings per share (expressed in RMB per share):	5		
Basic		0.44	0.17
Diluted		0.42	0.16

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended March 31, 2025

(Expressed in RMB)

	Note	Unaudited Three months ended March 31, 2025 RMB'000	2024 RMB'000
Profit for the period		10,892,746	4,173,212
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Share of other comprehensive income/(loss) of investments accounted for using the equity method		8,729	(13,265)
Net gains/(losses) from changes in fair value of financial assets at fair value through other comprehensive income		32,502	(4,928)
Currency translation differences		41,854	33,240
<i>Item that will not be reclassified subsequently to profit or loss</i>			
Currency translation differences		(63,588)	74,189
Other comprehensive income for the period, net of tax		19,497	89,236
Total comprehensive income for the period		10,912,243	4,262,448
Attributable to:			
— Owners of the Company		10,946,363	4,271,146
— Non-controlling interests		(34,120)	(8,698)
		10,912,243	4,262,448

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

As of March 31, 2025

(Expressed in RMB)

	Note	Unaudited As of March 31, 2025 RMB'000	Audited As of December 31, 2024 RMB'000
Assets			
Non-current assets			
Property, plant and equipment		19,585,867	18,087,583
Intangible assets		8,138,204	8,152,721
Investments accounted for using the equity method		6,222,997	6,151,055
Long-term investments measured at fair value			
through profit or loss	6	61,563,538	62,112,188
Deferred income tax assets		3,037,605	2,781,982
Term bank deposits		73,265,512	58,520,305
Long-term investments measured at amortized cost	6	3,477,489	3,219,462
Other non-current assets		18,927,984	18,421,227
		<u>194,219,196</u>	<u>177,446,523</u>
Current assets			
Inventories	8	61,416,913	62,509,682
Trade and notes receivables	7	17,285,786	14,588,579
Loan receivables		9,989,781	12,261,490
Prepayments and other receivables		29,280,684	29,100,116
Bills receivables measured at fair value			
through other comprehensive income		2,371,833	1,255,767
Short-term investments measured at fair value			
through other comprehensive income	6	1,631,382	1,681,062
Short-term investments measured at amortized cost	6	403,430	700,163
Short-term investments measured at fair value			
through profit or loss	6	25,312,478	28,123,777
Term bank deposits		16,717,922	36,350,271
Restricted cash		5,315,030	5,476,417
Cash and cash equivalents		86,171,927	33,661,442
		<u>255,897,166</u>	<u>225,708,766</u>
Total assets		<u><u>450,116,362</u></u>	<u><u>403,155,289</u></u>

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

As of March 31, 2025

(Expressed in RMB)

	Note	Unaudited As of March 31, 2025 RMB'000	Audited As of December 31, 2024 RMB'000
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital		424	407
Reserves		239,498,135	188,737,370
		<u>239,498,559</u>	<u>188,737,777</u>
Non-controlling interests		<u>433,222</u>	<u>467,342</u>
Total equity		<u>239,931,781</u>	<u>189,205,119</u>
Liabilities			
Non-current liabilities			
Borrowings	9	18,230,916	17,275,721
Deferred income tax liabilities		1,644,527	1,282,196
Provisions		1,811,678	1,695,063
Other non-current liabilities		18,300,716	18,312,200
		<u>39,987,837</u>	<u>38,565,180</u>
Current liabilities			
Trade payables	10	93,753,960	98,280,585
Other payables and accruals		35,975,107	36,372,035
Advance from customers		16,260,249	16,581,252
Borrowings	9	12,713,769	13,327,297
Income tax liabilities		3,816,651	3,822,134
Provisions		7,677,008	7,001,687
		<u>170,196,744</u>	<u>175,384,990</u>
Total liabilities		<u>210,184,581</u>	<u>213,950,170</u>
Total equity and liabilities		<u>450,116,362</u>	<u>403,155,289</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS*For the three months ended March 31, 2025**(Expressed in RMB)*

	Unaudited	
	Three months ended	
	March 31,	
	2025	2024
	RMB'000	RMB'000
Net cash generated from/(used in) operating activities	4,509,497	(9,287,058)
Net cash generated from investing activities	9,920,811	10,710,999
Net cash generated from/(used in) financing activities	38,077,395	(111,044)
Net increase in cash and cash equivalents	52,507,703	1,312,897
Cash and cash equivalents at the beginning of the period	33,661,442	33,631,313
Effects of exchange rate changes on cash and cash equivalents	2,782	(47,999)
Cash and cash equivalents at the end of the period	86,171,927	34,896,211

1 Basis of preparation

The condensed consolidated interim financial information comprises the interim condensed consolidated balance sheet as of March 31, 2025, the interim condensed consolidated income statement, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the three-month period then ended, and selected explanatory notes (the “**Interim Financial Information**”). The Interim Financial Information is presented in RMB, unless otherwise stated.

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

The Interim Financial Information does not include all the notes of the type normally included in annual financial statements. The Interim Financial Information should be read in conjunction with the annual audited consolidated financial statements of the Group for the year ended December 31, 2024 which have been prepared in accordance with all applicable IFRS Accounting Standards (“**IFRS Accounting Standards**”) issued by the IASB 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 three months ended March 31, 2025 (the “**Interim Report Period**”) and up to date of approval of this unaudited Interim Financial Information.

The accounting policies and methods of computations used in the preparation of the Interim Financial Information are consistent with those used in the preparation of the 2024 Financial Statements, except for the adoption of certain new and amended standards which has had no significant impact on the Group’s results for the Interim Report Period and the Group’s financial position as of March 31, 2025.

2 Segment information

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

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

The CODM assesses the performance of the operating segments mainly based on segment revenue and gross profit of each operating segment. There were no material inter-segment sales during the three months ended March 31, 2025 and 2024. The revenues from external customers reported to the CODM are measured in a manner consistent with that applied in the interim condensed consolidated income statement.

The segment results for the three months ended March 31, 2025 and 2024 are as follows:

	Three months ended March 31, 2025						
	Smartphones × AIoT					Smart EV, AI and other new initiatives	Total
	Smartphones	IoT and lifestyle products	Internet services	Others	Subtotal		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
(Unaudited)							
Segment revenues	50,611,952	32,339,234	9,076,097	685,989	92,713,272	18,580,065	111,293,337
Cost of sales	(44,329,301)	(24,184,366)	(2,094,257)	(1,004,771)	(71,612,695)	(14,274,732)	(85,887,427)
Gross profit/(loss)	6,282,651	8,154,868	6,981,840	(318,782)	21,100,577	4,305,333	25,405,910

	Three months ended March 31, 2024						
	Smartphones × AIoT					Smart EV, AI and other new initiatives	Total
	Smartphones	IoT and lifestyle products	Internet services	Others	Subtotal		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
(Unaudited)							
Segment revenues	46,479,748	20,373,489	8,048,383	579,170	75,480,790	26,032	75,506,822
Cost of sales	(39,600,525)	(16,326,052)	(2,073,018)	(654,753)	(58,654,348)	(22,757)	(58,677,105)
Gross profit/(loss)	6,879,223	4,047,437	5,975,365	(75,583)	16,826,442	3,275	16,829,717

For the three months ended March 31, 2025 and 2024, the geographical information on the total revenues is as follows:

	Three months ended March 31,			
	2025		2024	
	RMB'000	%	RMB'000	%
	(Unaudited)		(Unaudited)	
Mainland China	73,068,671	65.7	37,634,073	49.8
Rest of the world (Note(a))	38,224,666	34.3	37,872,749	50.2
	<u>111,293,337</u>		<u>75,506,822</u>	

Note:

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

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

	As of March 31, 2025 RMB'000	As of December 31, 2024 RMB'000
Smartphone × AIoT	59,832,004	60,905,907
Smart EV, AI and other new initiatives	1,584,909	1,603,775
	<u>61,416,913</u>	<u>62,509,682</u>

3 Expenses by nature

	Three months ended March 31,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of inventories sold and royalty fees	79,719,068	53,763,945
Provision for impairment of inventories	1,329,972	1,241,490
Employee benefit expenses	6,529,713	5,190,377
Depreciation of property, plant and equipment, right-of-use assets and investment properties	1,059,920	803,713
Amortization of intangible assets	722,942	590,610
Promotion and advertising expenses	1,999,872	2,109,809
Warranty expenses	1,436,440	1,037,167

4 Income tax expenses

The income tax expenses of the Group during the three months ended March 31, 2025 and 2024 are analyzed as follows:

	Three months ended March 31,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax	2,168,514	1,396,964
Deferred income tax	106,708	(347,798)
Income tax expenses	2,275,222	1,049,166

5 Earnings per share

(a) Basic

Basic earnings per share for the three months ended March 31, 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 March 31,	
	2025	2024
	(Unaudited)	(Unaudited)
Net profit attributable to the owners of the Company (RMB'000)	10,924,321	4,182,061
Weighted average number of ordinary shares in issue (thousand shares)	24,962,488	25,037,673
Basic earnings per share (expressed in RMB per share)	0.44	0.17

(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 March 31,	
	2025	2024
	(Unaudited)	(Unaudited)
Net profit attributable to the owners of the Company (RMB'000)	10,924,321	4,182,061
Add: Interest expenses on convertible bonds (RMB'000)	62,211	—
Net profit attributable to the owners of the Company for calculation of diluted earnings per share (RMB'000)	10,986,532	4,182,061
Weighted average number of ordinary shares in issue (thousand shares)	24,962,488	25,037,673
Adjustments for restricted shares units and share options granted (thousand shares)	866,211	443,382
Adjustments for convertible bonds (thousand shares)	180,447	—
Weighted average number of ordinary shares for calculation of diluted earnings per share (thousand shares)	26,009,146	25,481,055
Diluted earnings per share (expressed in RMB per share)	0.42	0.16

6 Investments

	As of	As of
	March 31,	December 31,
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Current assets		
Short-term investments measured at		
— Amortized cost	403,430	700,163
— Fair value through other comprehensive income	1,631,382	1,681,062
— Fair value through profit or loss	25,312,478	28,123,777
	27,347,290	30,505,002
Non-current assets		
Long-term investments measured at amortized cost	3,477,489	3,219,462
Long-term investments measured at fair value through profit or loss		
— Ordinary shares investments	14,435,620	14,401,979
— Preferred shares investments	33,303,675	33,537,891
— Treasury investments	9,935,185	10,339,549
— Other investments	3,889,058	3,832,769
	65,041,027	65,331,650

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

	Three months ended March 31,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Long-term investments measured at fair value through profit or loss		
— Ordinary shares investments	2,481,305	(1,591,554)
— Preferred shares investments	(17,743)	198,087
— Treasury and other investments	175,751	90,190
Short-term investments measured at fair value through profit or loss	140,160	122,384
	2,779,473	(1,180,893)

7 Trade and notes receivables

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

	As of	As of
	March 31,	December 31,
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Trade and notes receivables		
Up to 3 months	14,746,136	12,652,651
3 to 6 months	1,380,031	851,454
6 months to 1 year	522,958	526,725
1 to 2 years	262,326	224,018
Over 2 years	917,605	875,784
	17,829,056	15,130,632
Less: credit loss allowance	(543,270)	(542,053)
	17,285,786	14,588,579

8 Inventories

	As of March 31, 2025 RMB'000 (Unaudited)	As of December 31, 2024 RMB'000 (Audited)
Raw materials	14,062,725	14,321,504
Finished goods	41,221,937	40,837,606
Work in progress	4,557,061	5,446,620
Spare parts	3,965,924	3,800,223
Others	515,600	579,858
	<u>64,323,247</u>	<u>64,985,811</u>
Less: provision for impairment (Note (a))	<u>(2,906,334)</u>	<u>(2,476,129)</u>
	<u><u>61,416,913</u></u>	<u><u>62,509,682</u></u>

Note:

- (a) During three months ended March 31, 2025, the Group incurred inventory impairment provision approximately RMB1,329,972,000 (RMB1,241,490,000 for the three months ended March 31, 2024) and transferred out of such provision upon the sales of inventories approximately RMB899,767,000 (RMB952,959,000 for the three months ended March 31, 2024).

9 Borrowings

	As of March 31, 2025 RMB'000 (Unaudited)	As of December 31, 2024 RMB'000 (Audited)
Included in non-current liabilities		
Secured borrowings	1,790,817	1,827,365
Unsecured borrowings	16,440,099	15,448,356
	<u>18,230,916</u>	<u>17,275,721</u>
Included in current liabilities		
Secured borrowings	73,094	73,094
Unsecured borrowings	7,225,690	7,893,845
Convertible bonds	5,414,985	5,360,358
	<u>12,713,769</u>	<u>13,327,297</u>

10 Trade payables

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

	As of March 31, 2025 RMB'000 (Unaudited)	As of December 31, 2024 RMB'000 (Audited)
Up to 3 months	78,723,836	68,064,824
3 to 6 months	7,477,010	18,694,125
6 months to 1 year	4,966,010	9,035,928
1 to 2 years	1,414,917	1,626,560
Over 2 years	1,172,187	859,148
	<u>93,753,960</u>	<u>98,280,585</u>

11 Dividends

No dividends have been paid or declared by the Company during the three months ended March 31, 2025 and 2024.

12 Contingencies

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

In this connection, Xiaomi India received orders alleging that it has inappropriately deducted certain costs and expenses, including purchase costs of mobile phones and royalty fees paid to overseas third parties as well as companies within the Group. As a result, certain of its bank accounts have been attached and thereby India Rupees (“**INR**”) 47,468,934,000 (equivalent to RMB4,031,537,000) has been considered as restrictive as of March 31, 2025. The cases are currently in the hearing stages and not yet concluded.

Management assessed the aforesaid matters related to Xiaomi India, after taking into considerations of opinions from professional advisors, it is concluded that Xiaomi India has valid grounds to respond to the relevant Indian authorities. The Group, hence, has not made any material provision as of March 31, 2025 pertaining to these matters.

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

OTHER INFORMATION

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

During the three months ended March 31, 2025 and up to the date of this announcement, the Company repurchased a total of 6,829,800 Class B ordinary shares of the Company (the “**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
Total	<u>6,829,800</u>			<u>224,943,300</u>

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

As at the date of this announcement, the number of Class B Shares in issue (excluding treasury shares) was reduced by 6,829,800 shares as a result of the repurchase of 6,829,800 Class B Shares in January 2025, which were subsequently cancelled on March 6, 2025. A total of 1,228,325 Class A Shares were converted into Class B Shares on a one-to-one ratio on March 6, 2025, of which Mr. Lei Jun, through Smart Mobile Holdings Limited, converted 1,106,241 Class A Shares and Mr. Lin Bin, through Apex Star LLC, converted 122,084 Class A Shares.

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

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange (including sale of treasury shares) during the three months ended March 31, 2025 and up to the date of this announcement.

Compliance with the Corporate Governance Code

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

Save for code provision C.2.1 of the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules, the Company has complied with all the code provisions set out in the CG Code during the three months ended March 31, 2025.

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

Audit Committee

The Audit Committee (comprising one non-executive Director and two independent non-executive Directors, namely, Mr. Liu Qin, Dr. Chen Dongsheng and Mr. Wong Shun Tak) has reviewed the unaudited interim results of the Group for the three months ended March 31, 2025. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members and the external auditor of the Company, PricewaterhouseCoopers.

Material Litigation

As of March 31, 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 March 31, 2025

Save as disclosed in this announcement, there have been no other significant events that might affect the Group after March 31, 2025 and up to the date of this announcement.

By order of the Board
Xiaomi Corporation
Lei Jun
Chairman

Hong Kong, May 27, 2025

As at the date of this announcement, the Board comprises Mr. Lei Jun as Chairman and Executive Director, Mr. Lin Bin as Vice-Chairman and Executive Director, Mr. Liu De as Executive Director, Mr. Liu Qin as Non-executive Director, and Dr. Chen Dongsheng, Mr. Wong Shun Tak and Ms. Cai Jinqing as Independent Non-executive Directors.