美的集團股份有限公司
Midea Group Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 0300

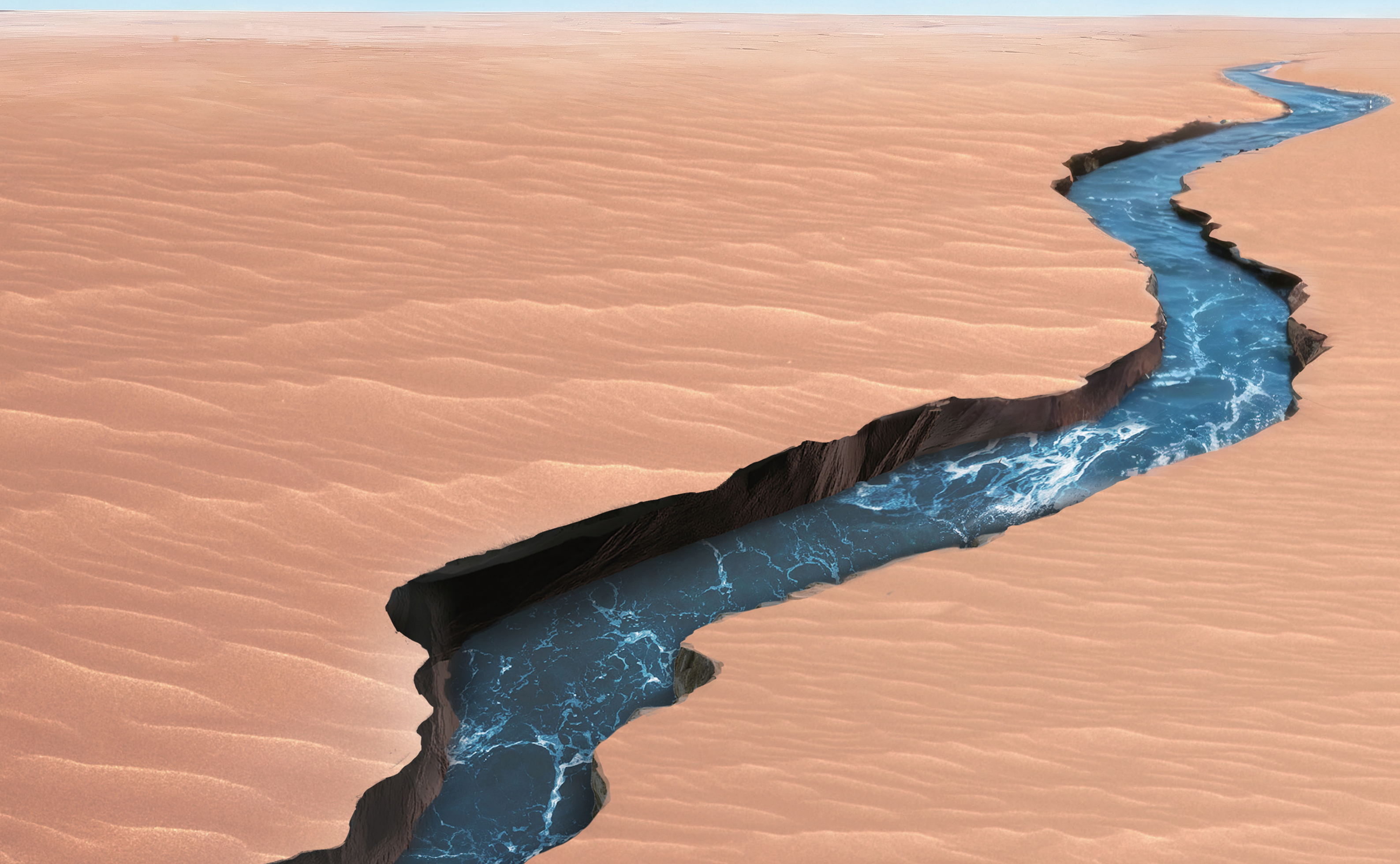
Light Always Finds Its Way

我們總有道路

2026 INTERIM REPORT

CONTENTS

Definitions	2
Business Overview	6
Corporate Information	10
Management Discussion and Analysis	12
Financial Review	80
Report of the Directors	92
Changes in Shares and Information on Shareholders	117
Report on Review of Interim Financial Information	123
Interim Condensed Consolidated Statement of Profit or Loss	124
Interim Condensed Consolidated Statement of Comprehensive Income	125
Interim Condensed Consolidated Statement of Financial Position	126
Interim Condensed Consolidated Statement of Changes in Equity	129
Interim Condensed Consolidated Statement of Cash Flows	131
Notes to the Interim Financial Information	133



DEFINITIONS

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

Terms	Definition
"A Shares"	domestic shares with a nominal value of RMB1.00 each, which are listed on the Shenzhen Stock Exchange and traded in Renminbi
"Annto Smart Logistics"	Annto Logistics Supply Chain Technology Co., Ltd. (安得智聯供應鏈科技股份有限公司), a PRC subsidiary of the Company established on 24 February 2011
"Articles of Association"	the articles of association of Midea Group Co., Ltd., as amended from time to time
"associate(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Board" or "Board of Directors"	the Board of Directors of the Company
"BRL"	Brazilian real, the lawful currency of Brazil
"CG Code"	the Corporate Governance Code in Appendix C1 of the Hong Kong Listing Rules
"China" or the "PRC"	the People's Republic of China
"CLOU Electronics"	Shenzhen CLOU Electronics Co. Ltd (深圳市科陸電子科技股份有限公司), a PRC company established on 12 August 1996 and acquired by us in 2023, the shares of which have been listed on the Shenzhen Stock Exchange (stock code: 002121)
"Code Provisions"	the code provisions in Part II of the Corporate Governance Code
"Company Law"	the Company Law of the People's Republic of China
"Company", "the Company", "we", "us" or "our"	Midea Group Co., Ltd. (美的集團股份有限公司), a PRC company established on 7 April 2000, the A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 000333), and the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 0300)

Terms	Definition
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of the Company
"Chinese Mainland"	the Chinese Mainland, for the purpose of this report only, excluding Hong Kong, Macau and Taiwan
"H Shares"	foreign shares with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
"Hiconics Eco-energy" or "Hiconics"	Hiconics Eco-energy Technology Co., Ltd. (北京合康新能科技股份有限公司), a PRC company established on 11 June 2003 and acquired by us in 2020, the shares of which have been listed on the Shenzhen Stock Exchange (stock code: 300048)
"HK" or "Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HK$" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"KUKA China"	the subsidiaries of KUKA Group in China
"KUKA Group" or "KUKA"	KUKA Aktiengesellschaft, a stock corporation incorporated under the laws of the Federal Republic of Germany and one of our subsidiaries
"Latest Practicable Date"	18 August 2026, being the latest practicable date for ascertaining certain data in this interim report before its publication

Terms	Definition
"Little Swan"	Wuxi Little Swan Co., Ltd. (無錫小天鵝股份有限公司), a PRC company established on 29 November 1993 that we acquired along with its subsidiaries in 2008
"Midea", "Midea Group", "the Group" or "our Group"	the Company and its consolidated subsidiaries
"Midea Holding"	Midea Holding Co., Ltd. (美的控股有限公司), a PRC company established on 5 August 2002 and a member of the largest group of Shareholders of the Company
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules
"M-Smart"	our app and mini-program for consumers to manage our smart home appliances and enjoy additional benefits and services
"Reporting Period"	1 January 2026 to 30 June 2026
"RMB" or "Renminbi"	Renminbi, the lawful currency of Chinese Mainland
"Securities Law"	the Securities Law of the People's Republic of China
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising A Shares and H Shares
"Shareholder(s)"	holder(s) of the Share(s) of the Company
"substantial shareholder(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"SZSE"	the Shenzhen Stock Exchange

Terms	Definition
"treasury shares"	has the meaning ascribed to it under the Hong Kong Listing Rules
"WAHIN"	Guangzhou Hualing Refrigerating Equipment Co., Ltd. (廣州華凌製冷設備有限公司), a PRC subsidiary of the Company established on 13 June 2010
"Wandong Medical"	Beijing Wandong Medical Technology Co., Ltd. (北京萬東醫療科技股份有限公司), a PRC company established on 12 May 1997 and acquired by us in 2021, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600055)
"Winone" or "Winone Elevator"	WINONE Elevator Company Limited (菱王電梯有限公司), a company established on 8 February 2002 that we acquired along with its subsidiaries in 2020
"year-on-year"	compared with the same period last year
"%"	percent

BUSINESS OVERVIEW

I. SUMMARY OF MAIN PRODUCTS AND BUSINESSES

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

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

Midea Industrial Technology focuses on HVAC & home appliances, data center/energy storage and thermal management, new energy vehicles and robotics, etc. It operates brands including GMCC, Welling and MR, with its products covering compressors, valves, motors/fans, pumps/fluorine pumps, chips, new energy vehicle components and robotic components, aiming to provide green, efficient and intelligent products and technology solutions for customers with advanced technologies, quality and services.

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

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

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

Midea Healthcare is committed to becoming a world-leading supplier of medical imaging equipment and solutions in the field of healthcare. It includes Wandong Medical and business of Carestream Health, Inc. outside the United States, offering customers a wide range of products and solutions covering X-ray, CT, MR, DSA and other categories.

Annto Smart Logistics is the Smart Logistics segment of Midea Group, which is committed to providing customers with end-to-end digital and intelligent supply chain solutions. It externally outputs its unique "1+3" supply chain logistics model, combining "end-to-end logistics capabilities" with "production logistics", "unified warehousing and distribution of a consolidated inventory" and "last-mile integrated delivery and installation", providing customers with full-chain, integrated professional supply chain services.

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

Midea, a global operating company, has established global presence and served customers all over the world. To date, Midea has over 600 subsidiaries, 41 R&D centers, 68 major manufacturing bases, and more than 190,000 employees worldwide. Its business covers more than 200 countries and regions. Overseas, Midea has 29 R&D centers and 45 major manufacturing bases in more than twenty countries and regions.

II. INDUSTRY STATUS

Midea Group ranked No. 231 on the Fortune Global 500 list officially unveiled in July 2026, a leap of 15 places compared with last year, marking its eleventh consecutive year on the list. It also rose to No. 57 on the 2026 Fortune China 500 list released during the same period. In June 2026, Forbes magazine released the Global 2000 list of the world's largest public companies, and Midea Group ranked No. 190 globally, leading other brands globally within the same industry. According to the "Global 500 2026" list and the "Technology 100 2026" list released by the UK-based brand valuation institution Brand Finance, Midea rose 43 places and 7 places respectively, ranking No. 228 and No. 39.

In May 2026, guided by its global breakthrough strategy and leveraging its full value chain layout in overseas markets, digital marketing innovation and localized service system construction, Midea was successfully selected as a "2026 Forbes China DTC Cross-border Influential Brand", marking the authoritative recognition of Midea's strategic leap from "manufacturing going global" to "brand going global", and confirming its solid progress in upgrading from product export to brand export in global markets. Midea also received the "Vendor of the Year – Appliance Category" award from Canada's leading home appliance retailer The Brick, becoming the only brand to receive this honor in the appliance category this year. In June 2026, by integrating 72 digital and artificial intelligence solutions, 13 intelligent agents and 25 application scenarios, Midea launched the Midea Overseas Partner Program in Thailand. The program aims to provide digital, automation, logistics, energy and related services for Chinese manufacturing enterprises building factories overseas, covering multiple processes of overseas factory construction and involving overseas factory construction projects in new energy, photovoltaics, automotive electronics and other industries.

In April 2026, at the official exhibition hall of WRCAC World Record Certification in Xiamen, Midea refrigerators, with the independently developed Full-Clean PST+ intelligent purification technology, successfully obtained the world record certification for "Purification Technology with the Most Types of Harmful Substances Effectively Purified in Refrigerator Air". This technology applies the cutting-edge SAC (single-atom catalysis) technology from the catalytic field to refrigerator products for the first time, capable of achieving 3-minute rapid odor removal and 90-second elimination of airborne floating bacteria, efficiently purifying and removing more than 200 types of harmful substances. In July of the same year, the project "Key Technologies and Applications of Multi-scenario Food Microwave Processing" completed with the participation of Midea Group was awarded the Second Prize of the 2025 National Science and Technology Progress Award. Having been authoritatively assessed as having reached an international leading level, it has driven the iteration upgrading of product positioning from single-purpose reheating equipment to all-in-one nutritional cooking equipment capable of microwaving, steaming, baking, frying and stewing. At the MCE 2026 exhibition in Milan, Italy, Midea demonstrated its latest sustainable HVAC solutions, among which multiple products including the H-Pack indoor hybrid heat pump, V9 R32 VRF, Nature Plus R290 heat pump, Mars Large R290 heat pump and Arctic S4 R454C heat pump received the MCE Excellence Award.

In May 2026, pursuant to the deployment by the State Administration for Market Regulation on the pilot program for product carbon footprint labeling certification, Midea successfully obtained the first batch of product carbon footprint labeling certificates in China, becoming the only enterprise in the home appliance industry to receive this national-level carbon labeling certification. Midea also led the compilation of the home appliance industry's first national standard on product carbon footprint, Greenhouse Gases – Quantification Method and Requirements for Product Carbon Footprint – Room Air Conditioners (GB/T 46027-2025). Through continuous technological innovation, Midea has effectively reduced product carbon footprints. In 2025, the carbon footprint per unit of room air conditioners during the use phase decreased by 8.59% year-on-year; cumulative sales of R290 environmentally friendly refrigerant air conditioner products exceeded 10 million units/sets; and refrigerant substitution achieved greenhouse gas emission reductions of approximately 5.21 million tonnes of CO_2 equivalent. In January 2026, Midea's Kitchen & Water Heating Wuhu factory was selected as a Supply Chain Resilience Lighthouse Factory by the World Economic Forum (WEF), becoming the eighth lighthouse factory of Midea Group and the world's first full-process AI-empowered water heater factory. As of June 2026, Midea Group has 39 national-level green factories, 13 green supply chain factories, 10 5G factories, 3 excellence-level intelligent factories and 8 world-class lighthouse factories, fully demonstrating Midea's leading intelligent manufacturing capabilities and digitalization level in the global manufacturing industry.

In addition, Midea was rated by the three major international credit rating agencies, Standard & Poor's, Fitch Ratings and Moody's. The rating results place Midea in a leading position among its peers worldwide as well as among Chinese non-state-owned enterprises.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Fang Hongbo (方洪波先生) (Executive Director, chairman of the Board and chief executive officer)
Mr. Wang Jianguo (王建國先生) (Executive Director and executive president)
Dr. Gu Yanmin (顧炎民博士) (Executive Director and vice president)
Mr. Guan Jinwei (管金偉先生) (Executive Director and vice president)
Dr. Zhang Tian (張添博士) (Executive Director and employee representative Director)
Mr. Zhao Jun (趙軍先生) (Non-executive Director)
Dr. Xu Dingbo (許定波博士) (Lead independent non-executive Director)
Dr. Xiao Geng (肖耿博士) (Independent non-executive Director)
Dr. Liu Qiao (劉俏博士) (Independent non-executive Director)
Dr. Zhang Ya (張婭博士) (Independent non-executive Director) (Appointed on 5 June 2026)
Dr. Qiu Lili (邱鋰力博士) (Independent non-executive Director) (Resigned on 5 June 2026)

SPECIAL COMMITTEES UNDER THE BOARD

Audit Committee

Dr. Xu Dingbo (許定波博士) (Chairman)
Dr. Xiao Geng (肖耿博士)
Dr. Liu Qiao (劉俏博士)
Dr. Zhang Ya (張婭博士) (Appointed on 5 June 2026)
Dr. Qiu Lili (邱鋰力博士) (Resigned on 5 June 2026)

Remuneration and Evaluation Committee

Dr. Xiao Geng (肖耿博士) (Chairman)
Dr. Xu Dingbo (許定波博士)
Dr. Liu Qiao (劉俏博士)
Dr. Zhang Ya (張婭博士) (Appointed on 5 June 2026)
Dr. Qiu Lili (邱鋰力博士) (Resigned on 5 June 2026)

Nomination Committee

Dr. Liu Qiao (劉俏博士) (Chairman)
Dr. Xu Dingbo (許定波博士)
Dr. Xiao Geng (肖耿博士)
Dr. Zhang Ya (張婭博士) (Appointed on 5 June 2026)
Dr. Qiu Lili (邱鋰力博士) (Resigned on 5 June 2026)

Strategy Committee

Mr. Fang Hongbo (方洪波先生) (Chairman)
Dr. Xu Dingbo (許定波博士)
Dr. Xiao Geng (肖耿博士)
Dr. Liu Qiao (劉俏博士)
Dr. Zhang Ya (張婭博士) (Appointed on 5 June 2026)
Dr. Qiu Lili (邱鋰力博士) (Resigned on 5 June 2026)

JOINT COMPANY SECRETARIES

Ms. Gao Shu (高書女士)
Ms. Lai Siu Kuen (黎少娟女士)

AUTHORIZED REPRESENTATIVES

Mr. Fang Hongbo (方洪波先生)
Ms. Lai Siu Kuen (黎少娟女士)

AUDITORS

PricewaterhouseCoopers
Certified Public Accountant
Registered Public Interest Entity Auditor

REGISTERED OFFICE AND HEADQUARTERS IN CHINESE MAINLAND

Midea Headquarters Building
No. 6 Midea Avenue, Beijiao Town
Shunde District
Foshan, Guangdong Province
China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1918, 19F
Lee Garden One
33 Hysan Avenue, Causeway Bay
Hong Kong

COMPANY WEBSITE

www.midea.com.cn

COMPANY TELEPHONE

+86 757 2260 7708
+86 757 2663 7438

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

STOCK CODE

SZSE: 000333.SZ
HKEX: 0300.HK

MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY OVERVIEW FOR THE REPORTING PERIOD

(I) Home Appliance Industry

In the first half of 2026, amid ongoing geopolitical conflicts, continuously rising raw material costs and rising trade protectionism, data from the General Administration of Customs showed that China's home appliance exports still reached RMB360.96 billion in the first half of 2026, representing a year-on-year increase of 2.4%. Although the domestic trade-in policy continued, the domestic home appliance market had begun to show "immunity", with significant pressure on the demand side. According to aggregated data from All View Cloud (AVC), the domestic home appliance retail market size in the first half of 2026 was RMB425.0 billion, down 9.9% year-on-year. Retail sales of all major categories showed a declining trend, with air conditioners and kitchen and bathroom appliances experiencing the largest declines.

From the performance of the domestic home appliance market in the first half of the year, first, "people" had insufficient consumption desire. This was primarily due to consumption differentiation leading to desire differentiation, including differentiation among the same type of people, differentiation of the same individual, and differentiation between physical goods and services; second, information overload complicated consumption decisions; and finally, previous competitive pricing marketing led to a lack of consumer trust. Second, "goods" growth originated from segmentation. Against the backdrop of a large existing stock, although most categories declined, certain segmented growth opportunities always existed. AVC monitoring data showed that in the first half of 2026, multi-drum washing machines saw year-on-year increases of 88% and 87% in online and offline retail sales respectively; coffee machines saw year-on-year increases of 6% and 65% in online and offline retail sales respectively; and during the "618" period, the retail sales proportion of refrigerators with ice-making functions climbed to over 20%.

Residential air conditioner market:

According to aggregated data from AVC, domestic air conditioner market retail sales in the first half of 2026 amounted to RMB122.1 billion, down 15.9% year-on-year. However, AVC predicted that the decline in industry retail sales in the second half of the year was expected to narrow marginally. On the product side, four major trends emerged: "green energy saving, comfortable airflow, healthy air and intelligent interaction". In the green energy-saving dimension, the sales volume structure proportion of high-performance parameter products across all channels continued to increase in the first half of the year. Among them, the sales volume proportion of wall-mounted air conditioners with an APF greater than 5.3 in online and offline markets rose to 58% and 49% respectively, while the sales volume proportion of floor-standing air conditioners with an APF greater than 4.5 in online and offline markets rose to 74% and 50% respectively. In the comfortable airflow dimension, on the basis of mechanical air deflectors and micro-perforated air diffusion technology, millimeter-wave radar and AI human-sensing technology drove airflow from "fixed direction" to "person-specific". The sales volume proportion of comfort floor-standing air conditioners in online and offline markets in the first half of the year rose to 37.4% and 27.8% respectively. In the healthy air dimension, air conditioners are transitioning toward full-dimensional air quality management of "temperature, humidity, airflow, purification and freshness". For example, HarmonyOS Smart Selection Midea intelligent air conditioners achieve integration of five major functions with the "Wanxiang Air Architecture". The sales volume proportion of wall-mounted air conditioners with purification functions in online and offline markets in the first half of the year rose to 5.2% and 10.8% respectively. In the intelligent interaction dimension, the intelligentisation of floor-standing air conditioner accelerated, with AI human sensing and voice control becoming important offline selling points. The sales volume proportion of voice-controlled floor-standing air conditioners in the offline market in the first half of the year rose to 6.4%.

Washing and drying appliance market:

According to aggregated data from AVC, domestic washing machine market retail sales in the first half of 2026 amounted to RMB36.5 billion, down 4.5% year-on-year; dryer market retail sales amounted to RMB4.46 billion, down 19.3% year-on-year. On the product side, the top-loading category with prominent rigid demand attributes recovered against the trend. AVC monitoring data showed that in the first half of 2026, top-loading washing machines sales volume increased by 1.7% and 2.3% year-on-year online and offline respectively. Consumers' demand for zoned washing of inner and outer garments and mother-and-baby isolation care continued to be released, and innovations in zoned laundry care product formats became a structural incremental growth driver. Heat pump washer-dryer combinations boosted their share in the segmented market and drove an upgrade in the product mix. AVC monitoring data showed that the market sales volume proportion of heat pump washer-dryer combos grew from 0.1% at the beginning of 2025 to 1.4%. From the capacity dimension, demand for capacity expansion continues to grow. AVC monitoring data showed that the sales volume proportion of 12KG large-capacity products in the first half of 2026 grew to 22.5%. Supported by rigid laundry care demand and the low base effect, AVC predicted that the overall laundry care industry in the second half of 2026 would remain flat with a slight decline.

Refrigerator Market:

According to aggregated data from AVC, domestic refrigerator market retail sales in the first half of 2026 amounted to RMB62.4 billion, down 7.2% year-on-year. In terms of energy efficiency, due to the implementation of the new national energy efficiency standard for refrigerators in June 2026, which significantly raised the overall energy consumption access threshold, the share of high-energy-efficiency products across all channels continued to climb. The sales penetration rate of Grade 1 energy-efficiency refrigerator products rose to 84% in May 2026, while energy efficiency upgrades also increased the share concentration of leading brands in the industry. On the functional side, ice-making, freshness preservation and AI modularization became the main upgrade lines. Among them, basic ice dispensing upgraded to compound clean functions such as ultra-fast ice-making, detachable ice storage structures and antibacterial self-cleaning, while freshness preservation and sterilization shifted toward full-scenario ingredient partition freshness and AI intelligent refined ingredient management, becoming important supports for the value premium of high-end models at the current stage.

Kitchen and bathroom appliance market:

According to aggregated data from AVC, overall retail sales of the domestic kitchen and bathroom appliance market in the first half of 2026 amounted to RMB69.6 billion, down 10.7% year-on-year. Among them, dishwasher retail sales amounted to RMB6.2 billion, up slightly by 0.6% year-on-year, with product iteration driven by the integration of drying, health and intelligent functions; built-in microwave steam ovens retail sales amounted to RMB3.5 billion, down 11.2% year-on-year; range hoods and gas stoves retail sales amounted to RMB14.8 billion and RMB7.9 billion respectively, down 11.5% and 15.1% year-on-year; electric water heaters and gas water heaters retail sales amounted to RMB10.4 billion and RMB11.9 billion respectively, down 2.0% and 8.9% year-on-year. In addition, end-point water purification (including water purifiers, water dispensers and drinking fountains) market retail sales amounted to RMB19.4 billion, up 2% year-on-year.

Small kitchen appliance and cleaning appliance market:

According to aggregated data from AVC, overall retail sales of domestic small kitchen appliances in the first half of 2026 amounted to RMB30.3 billion, down 4.8% year-on-year. Among them, categories related to health, mood-boosting small appliances and Western-style cooking such as electric steamer pots, coffee machines, air fryers and countertop single ovens continued to grow in scale, while traditional categories underperformed. In terms of product structure, the share of high-end price segments across all categories generally increased in the first half of the year, with the share of rice cookers priced above RMB1,000 reaching 18.7% and the share of pressure cookers priced above RMB600 reaching 20.0%. According to aggregated data from AVC, the domestic cleaning appliance industry in the first half of 2026 saw volume growth but value decline, with retail sales of RMB22.7 billion, down 0.7% year-on-year, and sales volume of 17.31 million units, up 3.7% year-on-year. Among the three core main categories, robot vacuum cleaner retail sales amounted to RMB9.81 billion, down 4.0% year-on-year, with average price basically flat; floor washer retail sales amounted to RMB8.18 billion, up slightly by 1.5%, with average price down 11.3% year-on-year; vacuum cleaners were under the most pressure, with retail sales of RMB2.39 billion, down 14.4% year-on-year, and average price slightly declining.

(II) Robotics and Automation Industry

According to the MIR Databank report, in the first half of 2026, China's industrial robot sales exceeded 188,000 units, representing a year-on-year increase of over 15%. MIR Databank expects that full-year 2026 industrial robot sales in China will continue to maintain double-digit growth. On the industry side, all downstream industries except the photovoltaic industry achieved positive growth, with electronics & semiconductors, lithium batteries, automotive electronics and auto parts growing above the market average. In the electronics industry, the iteration of new smartphone technologies generated substantial demand for new production line construction and renovation. At the same time, the application of industrial robots in sub-sectors such as the assembly of complete AI servers and components (such as optical modules, heat dissipation modules, printed circuit boards (PCBs), memory) increased, effectively supporting market growth. In the automotive industry, domestic automakers invested vigorously with significant demand for robot deployment. At the same time, the rapid iteration of new automotive components and electronic technologies, and the penetration of high-end vehicle model components (LiDAR, multi-link screens, and head-up displays (HUDs)) into mid- and low-end vehicle models, all brought new automation investments. In the lithium battery industry, substantial growth in consumer-grade battery demand, AIDC energy storage deployment policies driving energy storage battery demand, increased domestic and overseas investment in power batteries, and the implementation of the new national standard for two- and three-wheeled electric vehicles accelerating battery upgrades, continuously drove demand growth.

On the product side, benefiting from favourable conditions in the electronics and lithium battery industries, the launch of new smartphone products and robust investment in the AI industry, domestic SCARA robot shipments in the first half of 2026 increased by over 17% year-on-year. Due to the rapid increase in penetration rates in consumer electronics and AIDC fields and the launch of cleanroom models suitable for LCD, semiconductor, food & beverage, medical and PCB industries, domestic shipments of six-axis robots with payloads of 20 kg and below in the first half of 2026 increased by over 14% year-on-year. Benefiting from market demand growth in automotive, energy storage batteries and AI infrastructure, domestic shipments of six-axis robots with payloads of 20 kg and above in the first half of 2026 increased by 7% year-on-year, among which large-payload six-axis robots of 300 kg and above saw year-on-year shipment growth exceeding 12%, which is also one of KUKA's areas of greatest strength in the current competitive landscape. Cobots (collaborative robots) saw accelerated penetration rate increases in metal, AI server, automotive and other industries. At the same time, some manufacturers expanded into emerging industries such as AI servers, low-altitude aircraft and biopharmaceuticals. Domestic Cobots shipments in the first half of 2026 increased by over 40% year-on-year. Delta robot domestic shipments in the first half of 2026 increased by approximately 5% year-on-year, mainly due to stable demand from traditional industries such as food, pharmaceutical and daily chemicals, while applications continued to expand into incremental markets such as new energy, electronics and auto parts.

(III) Building Technology Industry

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

From the perspective of industry competition, the competitive landscapes for domestic HVAC, elevator, and building control sectors are quite similar and share two key characteristics: first, a high proportion of foreign and joint venture brands, and second, relatively low market concentration. According to the data from ChinaIOL.com, mainstream foreign brands accounted for nearly 30% of the central air conditioning market in the first half of 2026, with only three manufacturers across the entire market, including Midea, holding over 10% market share, indicating the long-tail effect remains relatively obvious. According to the "China Elevator Industry Business Yearbook", foreign and joint venture brands still dominate the elevator market, while leading domestic brands have relatively low revenue scales and market shares. The building controls market is primarily led by foreign brands such as Honeywell, Siemens, Johnson Controls, and Schneider Electric. From the perspective of market size and development prospects, according to the data from ChinaIOL.com, the total market size of domestic and export sales of central air conditioners in China was RMB68.43 billion in the first half of 2026, representing a 1.7% year-on-year decline, of which domestic sales amounted to RMB53.28 billion, representing a 5.7% year-on-year decrease. The application areas of central air conditioning include residential, commercial, industrial, and public buildings, with ToB sales accounting for over 70% of the total. From the perspective of industry development, the non-residential segment of central air conditioning exhibits less cyclicality than the residential segment and is more closely tied to infrastructure investment. Downstream sectors such as government public buildings, transportation, data centers, cultural and educational entertainment, and healthcare show significant growth potential, with a high likelihood of sustained long-term growth. According to the data from the National Bureau of Statistics, the production volume of domestic elevators, escalators, and lifting equipment reached 653,000 units in the first half of 2026, a 3.2% year-on-year increase, showing marginal recovery in the industry. Based on operational data from major manufacturers, while considering the average ex-factory price per elevator as combined with maintenance services, the production value per elevator is approximately RMB200,000, pushing the annual market size for domestic elevator equipment close to RMB300 billion. The demand for elevator installations and upgrades in old residential communities is steadily increasing. Additionally, the implementation of the "Policy on Large-Scale Equipment Upgrades and Trade-ins of Consumer Goods" starting in 2026 explicitly includes the renewal of old residential elevators and the installation of elevators in old residential communities within the scope of policy support. Furthermore, in January 2026, the Ministry of Housing and Urban-Rural Development and the State Administration for Market Regulation issued the "List of Replicable Policy Mechanisms for the Renewal of Old Residential Elevators", which is expected to further expand the industry's scale. According to the data from EqualOcean Intelligence, the current market size for intelligent building remains relatively modest. The equipment-based businesses such as central air conditioner and elevator are "organs" in building construction, whereas building control is the "nervous system" which connects and controls various equipment for the high-efficiency and low-carbon operation of buildings, and determines the overall quality of building solutions. In aggregate, the domestic industrial scale of the intelligent building technology industry has surpassed RMB400 billion. Additionally, with the ongoing implementation of the "Action Plan for Promoting Large-Scale Equipment Upgrades and Replacement of Consumer Goods" issued by the State Council of the People's Republic of China, industrial demand remains robustly supported.

The building technology industry is now presented with fresh opportunities, particularly "carbon peaking and carbon neutrality", "AI computing power and digital intelligence" and "domestic substitution". With the establishment of the "carbon peaking and carbon neutrality" strategic goals, a series of related policies have been progressively unveiled, as designed to bolster the framework for managing building energy consumption, enhance monitoring and management capabilities for energy efficiency in buildings and overall building energy performance, and promote the large-scale development of ultra-low energy consumption, near-zero energy consumption and low-carbon buildings. In April 2026, the General Office of the CPC Central Committee and the General Office of the State Council issued the Opinions on Doing a Better Job in Energy Conservation and Carbon Reduction at a Higher Level and with Higher Quality, requiring further promotion of large-scale development of ultra-low energy consumption buildings and energy-saving and carbon-reduction renovation of existing buildings, as well as advancement of energy-saving and carbon-reduction renovation of heating, cooling and other facilities and equipment in public institution buildings, providing structural opportunities for the HVAC industry. Since 2025, driven by the high-density heat dissipation demand generated by AI computing power, data center air conditioners have demonstrated strong growth vitality under the dual drive of policy and market. ChinaIOL data showed that the domestic sales scale of China's data center air conditioner industry in 2025 approached RMB20 billion, with a growth rate as high as 22.4%. In the first half of 2026, with the accelerated development of AI and the explosion of computing power demand, the market volume further expanded, becoming a powerful engine driving the scale of the central air conditioner market. Amidst the shift towards a digital economy, buildings, which currently lag in development despite being a pivotal component of "smart cities", are poised to witness a substantial increase in the demand for digitalization and intelligence. Meanwhile, continuous advancements in technologies are driving the industry's evolution from system-level control – including HVAC and elevators – to building-level control. This shift encompasses two pivotal dynamics: the expansive transition from "control" to "services" and the narrowing disparity with foreign firms that hold a first-mover advantage. An even more encouraging and unequivocal trend is the role that digitization is currently playing in catalyzing the transformation and upgrading of the elevator industry. The substitution of foreign brands by domestic counterparts in the central air-conditioning sector has progressed through three phases: unitary air conditioners, variable refrigerant flow (VRF) systems, and large chilled water units. In the first half of 2026, the overall market share of mainstream domestic brands has exceeded 45%. Notably, domestic manufacturers have made continuous breakthroughs in the large chilled water unit segment, which possesses higher entry barriers. The central air-conditioning industry has fully entered the phase of domestic substitution, with considerable potential for future growth. The pace of domestic substitution within the elevator industry has been relatively gradual; however, amid the waning real estate boom, evolving maintenance models, and the adoption of IoT technologies, the optimization of the market landscape is poised to gather pace.

II. ANALYSIS OF PRINCIPAL BUSINESSES

In the first half of 2026, although the "trade-in" subsidy policy continued, due to diminishing stimulus effects and high base effects, the demand side of the domestic home appliance market was under significant pressure. Midea's operations in overseas markets continued to face challenges from the ongoing escalation of geopolitical conflicts, exchange rate fluctuations and trade protectionism, while prices of raw materials such as copper and plastics further increased. Midea Group has consistently adhered to the annual operational principle of "focusing on core growth". With a continued emphasis on core businesses and products, the Group achieved significant results in the development of overseas OBM business, with its overall revenue and profit growing steadily. In the first half of 2026, the Company recorded total revenue of RMB261.05 billion, representing a year-on-year increase of 3.5%; and net profit attributable to owners of the parent company of RMB26.45 billion, representing a year-on-year increase of 1.7%. The revenue data and year-on-year changes by business segment in the first half of 2026 are as follows:

Unit: RMB'000	Smart Home Solutions	Building Technology	Robotics & Automation	Industrial Technology	Other Businesses
Revenue	174,340,606	21,625,109	16,620,817	13,137,739	15,282,454
Year-on-year changes	4.27%	10.84%	10.27%	-12.72%	2.55%

(I) Smart Home Solutions

1. China Region

Midea Group steadily carried forward the "Number One Engine" strategy in the domestic market. In new e-commerce channels, Midea continued to strengthen its deployment of brands, product categories and new capabilities, deepening full-chain operations in interest-based and social e-commerce. In traditional e-commerce channels, Midea continued to enhance its digital operation capabilities to drive efficiency breakthroughs and secure market share. In the first half of 2026, Midea continued to rank first in the industry in terms of sales of Midea-branded home appliances on major domestic online platforms including JD.com, Tmall, Douyin and Pinduoduo, and continued to rank first in the industry in terms of total online sales during the "618" shopping festival. Midea also ranked first in the industry in terms of home appliance product sales across major domestic offline channels including KA, distributors and e-commerce penetration into lower-tier markets.

(1) Firmly advancing DTC transformation to lead new growth, focusing on building retail capabilities, promoting digital business model innovation and achieving dual upgrades in operating efficiency and user experience

Through policy retailization to achieve retail-driven operations, Midea connected the full value chain to focus on retail and user services, simplified the application of digital tools and reduced customer usage costs; advanced intelligent transformation of production and sales planning, developed AI intelligent prediction and execution capabilities, enhanced intelligent replenishment capabilities centered on actual retail sales and continuously optimized omni-channel inventory turnover in the domestic market with a decrease in average daily owned inventory of 16% year-on-year in the first half of 2026; the cloud warehouse empowerment system was further improved as reflected by an increase in the offline channel coverage rate of cloud warehouses to over 94% as of the end of June 2026, effectively covering all flagship store and specialty store customers.

Midea developed differentiated competitiveness in offline channels around three core retail capabilities to establish competitive moats. Firstly, in respect of traffic acquisition and conversion, Midea promoted the efficient implementation of the business opportunity operation system, accurately identified potential customers and channelled them to stores, and achieved multi-platform traffic diversion to its stores. In the first half of 2026, Midea acquired over one million customer leads, with converted transaction value exceeding RMB4 billion. Secondly, Midea developed non-standard design and delivery capabilities, connected the full process from business opportunity to service, design, construction and acceptance, built the professionalism of offline store services and continuously improved terminal conversion rates and average order values, with user average order value increasing by 15%. Thirdly, Midea enhanced whole-home intelligent series-based capabilities, upgraded store displays to be series-based, scenario-based and intelligent, established tiered layouts around whole-home intelligence and user experience and cumulatively completed intelligent transformation of 1,700 stores, providing users with professional and comprehensive intelligent services.

In respect of channel transformation, Midea focused on comprehensive AI transformation. In online channels, Midea deeply applied new capabilities such as AI content generation, AI precise marketing, AI customer service and AI digital human livestreaming, further exploring full-chain AI application models to establish first-mover advantages. At the same time, on the basis of system digitalization and "unified inventory" of supply chain, Midea actively developed new "in-store + home delivery" business scenarios such as instant retail and new retail, creating a full-scenario service closed loop of "online shopping + offline experience" for consumers, thereby improving operating efficiency and expanding new growth.

In respect of user operations, in the first half of 2026, Midea continued to deepen its full-chain user operation system. Midea comprehensively upgraded the digital and AI capabilities of the Midea Mini Program by adding modules such as Xiaomei AI, home appliance intelligent control and exclusive brand content to create a one-stop personalized service experience integrating "brand, shopping, service, intelligent control, membership and activities". As of the end of June 2026, the number of users of the mini program exceeded 90 million, with average daily page views (PV) exceeding 5 million. The number of registered users of the Midea M-Smart platform exceeded 140 million, with monthly active users exceeding 24 million. Midea continued to iterate its membership benefits system, deepened the “fan-pampering” strategy and introduced the “Whole-home Protection, Worry-free after Warranty Expiry” benefits to effectively solve the problem of home appliance repair after warranty expiration, while optimizing the value of various benefits. Midea focused on building digital and systematic retail user operation capabilities centered on stores. Through Midea WeCom, Midea systematically accumulated user assets, created a precise reach system covering pre-sales, mid-sales and after-sales multi-scenarios, empowered stores to efficiently identify and convert business opportunities and drove dual improvement in user value and word-of-mouth.

In respect of user services, centered on user experience, Midea drove service model upgrades with AI technologies. In addition, Midea built an intelligent service network with a large model for service capacity as the cornerstone to ensure efficient and rapid service response. Furthermore, Midea integrated AI capabilities into the full process of after-sales service, systematically supporting service partners in improving efficiency and engineers in conducting intelligent diagnostics. Midea developed industry-leading whole-home intelligent service capabilities, achieving one-stop delivery of whole-home intelligent products. In addition, Midea comprehensively deployed end-to-end integrated applications of customer service robots, launched authorized AI agents to assist front-line personnel in rapid decision-making, encouraged engineers to proactively solve problems for users, reshaped the user service journey and provided attentive service experiences.

In respect of intelligence, centered on the "1+1+1" strategy, Midea comprehensively upgraded AI-based home intelligent capabilities. Through multi-brand collaboration, multi-access coexistence and multi-perception parallel deployment, Midea covered the needs of all users within the home. The Midea M-Smart APP, with the continuous evolution of Xiaomei AI, significantly improved user experience: through one-sentence multi-intent understanding and fuzzy instruction recognition capabilities, it covered the full home use journey of life, intelligent control, service, after-sales and knowledge Q&A. Midea upgraded the Scenario Master function, greatly simplifying the process for users to create intelligent scenarios, and built an all-scenario living platform for users based on whole-home intelligence. Midea continued to build a product matrix of "comprehensive appliance intelligence + high-frequency smart home products". Through more than 140 million whole-home networked devices, Midea focused on deep multi-category linkage, providing voice interaction scenarios covering all spaces through home appliances, mobile terminals, central control screens and APPs. At the same time, Midea comprehensively upgraded the intelligent scenario experience model of offline stores, integrating the design tool "Meizhai Master" with AI functions to quickly generate solutions and provide full-chain one-stop services. Furthermore, Midea continued to deepen AI technology applications. Based on self-developed and external third-party large models, advanced reasoning, persistent memory and other underlying technologies, Midea developed MevoX, the first AI agent deployed in the home appliance industry, creating an advanced intelligent agent for the home with strong cognitive capabilities, enabling diverse proactive intelligent applications in six major systems of air, water, cooking, etc., and has served more than 150 million users.

In addition, Midea continued to deepen the "human-vehicle-home open interconnection ecosystem" strategy and accelerated deep integration and standard-setting leadership across terminals and scenarios. Midea jointly built a vehicle-home interconnection standard system with ecosystem partners including BYD, Huawei, Changan, Geely and Chery, deeply participated in the formulation of the mandatory national standard of the Ministry of Industry and Information Technology entitled "Smart Home Interconnection and Interoperability (《智能家居互聯互通》)", and collaborated with the joint working group on smart home interconnection and interoperability (CHEAA/CCSA JWG1) jointly established by the China Household Electrical Appliances Association and the China Communications Standards Association to initiate five vehicle-home interconnection standards. Midea has cumulatively led or participated in more than 80 national standards and 43 international standards. In respect of underlying systems and ecosystem construction, based on the OpenHarmony foundation, Midea jointly created a HarmonyOS operating system for the home appliance industry with Huawei and the Institute of Software, Chinese Academy of Sciences to promote industrial open collaboration. At the same time, Midea deeply cooperated with leading platforms such as WeChat and Qwen to accelerate the innovative implementation of AI applications in full human-vehicle-home scenarios, creating a new seamless, proactive and responsive smart living experience for users.

(2) Dual High-End Brand Strategy

In the first half of 2026, Midea continued to advance its "COLMO + Toshiba" dual high-end brand strategy. The COLMO brand is positioned as AI-powered tech home appliances, promoting the deep integration of home appliance suites and whole-house intelligence to provide users with comprehensive high-end smart living solutions. In the first half of 2026, on the product front, it continued to improve the "COLMO Xinxiang Titanium Platinum Silver Space" kitchen suites and intelligent scenarios, to achieve deep voice intelligent control across all suite scenarios and enhance the full-space proactive intelligent service capabilities of the AI butler system. On the brand front, in March 2026, the new concept of "COLMO Butler, Bringing the Future Home (COLMO管家，未來到家)" was officially launched to reshape the perception of whole-house intelligence. To deepen the implementation of scenarios, COLMO collaborated with various renowned top-tier online key opinion leaders to co-create the "COLMO Future Home Series (COLMO未來家系列)", the content of which topped trending lists on multiple platforms such as Xiaohongshu, Douyin and Weibo. COLMO whole-house intelligence achieved total online exposure of over 2.5 billion, with its search volume on Xiaohongshu and Douyin recording a year-on-year increase of over 20%. On the channel front, COLMO persisted in building independent brand positions. COLMO brand stores had covered approximately 280 cities across the country by June 2026. Through channel short-chain reforms and simplified hierarchy, it continuously improved full-link retail efficiency. On the service front, by June 2026, COLMO had nearly 7 million registered members. It comprehensively upgraded the service system and launched COLMO butler services. By adopting a dual-core service model comprising "1V1 exclusive butler + high-end dedicated engineers (1V1專屬管家、高端專職工程師)", and centered around the core values of "hassle-free, reassuring and attentive (省心、放心、貼心)", it explored a companionship-style service covering the full lifecycle of home appliances, thereby redefining the service standards for high-end home appliances.

Toshiba continued to solidify its positioning as "artistic home appliances", becoming a new choice for domestic high-end consumer groups with its century-old heritage of craftsmanship quality. In the first half of 2026, on the product front, Toshiba launched the Juxindi 2.0 (居心地 2.0) home appliance suite, meeting the needs of lifestyle artists for "high-quality home appliances" with spatial utilization and storage art, ultimate detail experience and natural authentic aesthetics. On the brand front, Toshiba continued to deeply cultivate high-quality content on platforms such as Xiaohongshu and Douyin, and achieved a total exposure of nearly 600 million views in the first half of the year, ranking first among joint venture brands in comprehensive search rankings for core categories on Xiaohongshu. It conducted nearly 200 offline circle events of "Toshiba Life Art Festival (東芝生活藝術節)", reaching consumer groups pursuing a high-quality lifestyle. On the channel front, domestically, it collaborated with over 300 brand operators, establishing over 670 Toshiba brand stores and over 1,300 Toshiba brand showrooms. It promoted the implementation of the latest terminal standardization system and completed the construction of the domestic retail system. On the user front, through operations on multi-traffic platforms such as Douyin, Xiaohongshu, Meituan, and Gaode Maps, it achieved online-guided transaction value exceeding RMB100 million and added over 2.5 million new members.

2. **Overseas OBM Business**

Product and Market Breakthroughs

In alignment with the OBM priority strategy, Midea continued to advance its localization strategy, driving product innovation through in-depth market and user insights to empower local business expansion. In the first half of 2026, OBM business revenue accounted for over 50% of overseas revenue from the smart home solutions. According to internal and external agency statistics, in the first half of 2026, multiple home appliance categories under Midea's own brands achieved market breakthroughs in multiple overseas regional markets.

Following the full-value-chain integration of Midea and TEKA, it deeply built the localized strategy of "In Europe, for Europe", forming a closed-loop organization around sales, R&D and design in Europe to provide products closer to users and market needs. In the first half of 2026, revenue of the TEKA brand increased by over 20% year-on-year. By accurately identifying the local pain point of "difficult installation", Midea successfully broke through market barriers through localized product innovation. After three years of refinement, it launched the customized product PortaSplit portable split air conditioner that perfectly tailored to European market needs. The year-on-year growth in both sales volume and sales revenue of such product exceeded 200% in the first half of 2026, making it a phenomenal best-seller in Europe and successfully expanding its market reach.

In the Asia-Pacific region, in the first half of 2026, Midea brand refrigerator and microwave oven products both ranked first in the industry in terms of combined retail sales market share across the five Southeast Asian countries (Thailand, Vietnam, Malaysia, Singapore and Indonesia). Toshiba brand Topload washing machine products also ranked first in the industry in terms of combined retail sales market share across the five Southeast Asian countries. Toshiba's white goods continued to advance the "Japan No. 1" strategy. In the first half of 2026, sales revenue of Toshiba's white goods in Japan recorded a year-on-year increase of over 10%, while maintaining a combined retail sales market share of over 16% across six core categories, i.e., refrigerators, washing machines, air conditioners, microwave ovens, rice cookers and vacuum cleaners. Toshiba microwave ovens maintained the first place in market share in Japan for four consecutive years, continuously consolidating their competitive advantages. Toshiba's white goods persistently adhered to user-centric product innovation and leveraged after-sales services as a key driver to continuously enhance user satisfaction.

In the Americas region, the OBM business achieved further breakthroughs in the first half of 2026. Through coverage of new large home appliances and kitchen suite products, it achieved comprehensive entry into core retail customers, with revenue of the OBM business in the US market increasing by 24% year-on-year. Midea's fully automatic coffee machine made its debut in the US market and attracted widespread attention with its outstanding performance. In the first half of 2026, in the US market, the sales volume shares of Midea brand residential air conditioner complete machines and TMF two-door refrigerators reached 46% and 14.7%, respectively. In the Brazilian market, the sales volume share of Midea brand residential air conditioners continued to rank first in the industry. The sales volume shares of Midea brand refrigerators and front-loading washing machines were 13% and 23%, respectively, both ranking among the top three in the industry. In the Chilean market, the sales volume share of Midea brand refrigerators exceeded 26%, ranking first in the industry, while the sales volume shares of Midea brand large ovens and washing machines exceeded 22% and 21%, respectively, both ranking second in the industry.

In the Middle East and Africa region, in the first half of 2026, Midea brand dishwashers maintained the top position in both sales volume and revenue in Saudi Arabia. Sales volume of Midea brand microwave ovens and large ovens from January to March 2026 ranked first in the industry in Kazakhstan. In terms of new products, focusing on localized demands, continuous efforts have been made to advance the launch of new products, with the successive release and launch of the Midea Mega and Toshiba Lava series gas ovens, Toshiba Japandi and Samurai suites, as well as the Teka Infinity and Van Gogh series products, among others.

Midea continued to deeply cultivate its overseas smart home appliance market, comprehensively empowering scenarios such as energy, services, cooking and control through AIoT technology. By leveraging AI Assistant as its core capability to integrate across AI ECOMASTER smart energy solution and AI Diag smart service solution, it comprehensively enhances user experiences. As of the end of June 2026, the number of overseas cumulative registered users of Midea's smart home applications exceeded 15 million, with the average monthly active user count growing by over 80% year-on-year.

Overseas Supply Chain

In the first half of 2026, the Group continued to strengthen its overseas supply chain and manufacturing footprint, focusing on the construction of local delivery capabilities, optimization of capacity structure, integration of warehouse network resources and integration of logistics systems. First, it continued to advance the construction of core capabilities for overseas localized delivery, building a full-chain delivery system integrating central warehouse storage, yard turnover, local trucking and customs clearance operations and industrial supporting facilities to achieve centralized and efficient supply chain operations. It focused on advancing the preparation and construction of five major overseas supply chain delivery centers in Thailand, Egypt, Indonesia, Brazil and Vietnam, covering Southeast Asia, Middle East & Africa, Latin America and other regions. Second, through methods such as new construction and commissioning, capacity expansion and resource integration, it continued to optimize the global capacity structure and enhance localized production and market response capabilities in various regions. In Southeast Asia, it accelerated the expansion of the Thailand residential air conditioner factory, simultaneously optimized manufacturing capacity in Indonesia and Vietnam, and coordinated with delivery centers to achieve efficient coordination of production and logistics. In the Middle East & Africa, it completed the construction and commissioning of the Saudi residential air conditioner factory and the Egypt refrigerator and microwave-oven factory, effectively strengthening the capacity supply capability of core categories in the region. In the Americas, it started the construction of the Mexico washing machine factory, marking a breakthrough in its overseas manufacturing footprint. In Europe, it steadily progressed the integration of TEKA factories and optimized the layout of home appliance capacity. Third, it continued to advance the integration of global warehouse network resources and operational efficiency improvement, continuously optimizing the warehouse network systems in Europe and the Asia-Pacific region. Taking Thailand as a pilot, it advanced end-to-end integration and optimization across the entire process from procurement, ocean shipping, production, finished product warehousing, distribution to dealers and reverse logistics, exploring opportunities to improve efficiency and reduce costs through innovative models. It applied "AI + operations research algorithm models" to advance the integration of TEKA and Midea warehouse network resources to enhance fulfillment capabilities. Fourth, it integrated overseas logistics business and achieved phased progress, accelerating the establishment of standardized and digital operation systems. In April 2026, it completed the integration of TEKA logistics business in Spain, and simultaneously advanced the review and rationalization of operating procedure standards and the establishment of a standardized operation system.

Branding and Channels

Midea strengthened the development of its own brands overseas and accelerated their global expansion, and promoted brands, products and services in parallel. In front-end markets, it deepened user reach channels, expanded product-based brand promotion, and strengthened brand recognition based on cross-category whole-home appliances. Starting from the 2026/2027 season, Midea officially commenced a five-year strategic partnership with FC Barcelona. The Midea brand will appear for the first time on the sleeves of the team's match jerseys and training kits. Through sponsorship of regional leading sports organizations and events such as the Asian Football Confederation, Confederation of African Football and CONMEBOL, it effectively reached hundreds of millions of fans and potential home appliance consumers in different market regions worldwide, continuously enhancing brand value and expanding brand influence. Through investment from the OBM special fund, it strengthened the influence of own brands from multiple dimensions including offline terminal retail experience, professional channel expansion, social media matrix management system establishment and promotion of brand logos and product selling points worldwide. It established a social media matrix containing nearly 200 accounts, improved the multi-brand matrix, and comprehensively upgraded content planning, visual presentation and shopping experience. In the first half of 2026, it systematically advanced the visual image renewal of the "Midea" main brand in overseas markets, comprehensively upgrading core touchpoints such as brand content, advertising, official websites and product packaging boxes to unify brand recognition across the full chain. It upgraded the image of Toshiba-branded overseas retail stores to enhance brand recognition in premium settings.

It accelerated the expansion and improvement of overseas channel layout, continuously updated country channel maps and key customer lists, and continuously deepened collaboration with key customers in the Americas, Asia-Pacific, Europe, Middle East & Africa and other regions. It continued to promote terminal outlet construction and professional channel breakthroughs, carrying out comprehensive cooperation with channel customers in product entry, product upgrades, terminal construction, marketing promotion, user services and system docking to upgrade and improve channel structure. It empowered frontline sales personnel by combining consumer insights and product core selling points to provide more vivid, intuitive sales talking points aligned with local consumer market needs. It used digital tools to empower overseas terminal retail. In the first half of 2026, it completed more than 90,000 digital customer/store visits. It leveraged digital tools to promote traffic acquisition, conversion improvement and user retention. It used new media content marketing to strengthen product-user interaction and optimize the quality and efficiency of content placement at various touchpoints.

User Service and After-sales Support

It deeply cultivated the construction of the overseas after-sales service system, continuously consolidating the five core capabilities of spare parts delivery, customer contact, service network, service digitalization and service technology and engineering. Empowered by digital and intelligent technologies across the full service chain, it upgraded the global service operation model, focusing on building a standardized, intelligent and highly competitive overseas service support system to support the high-quality development of overseas business.

It continued to optimize the global spare parts supply chain system, building a four-tier spare parts supply network, relocating its warehousing network closer to overseas manufacturing bases, and improving spare parts response efficiency and supply stability. Currently, the Thailand, Vietnam and Brazil base warehouses have been put into operation, and the Europe and Egypt base warehouses are expected to be put into use in the second half of 2026. At the same time, the Company promoted innovation in the spare parts service model, establishing an intelligent spare parts prediction system to shift from passive supply to proactive demand forecasting and inventory preparation. In the first half of 2026, pilot deployment was completed at seven overseas branches.

Cloud-based upgrades to customer contact services were completed, significantly improving intelligent and compliant service capabilities. Based on the Amazon Connect cloud-based omni-channel contact system and localized adaptation solutions, it completed the digital iteration of global call centers, achieving standardized closed-loop management of the full user service process. Through cloud-based upgrades, it effectively reduced operating costs and improved service quality. Its cloud-based security framework meets the data compliance requirements of various countries and safeguards user information. Currently, the digital call system covers 23 countries and regions, and AIGC intelligent voice robots are being gradually deployed to achieve intelligent recognition and multi-channel access. In the first half of 2026, intelligent customer service, self-service and automated processes handled 25% of the customer service volume, effectively reducing manual service costs and improving service efficiency.

It advanced the digitalization of its services to improve operational control efficiency. Through the Digitalization 3.0 program, it upgraded and rolled out iService, its core overseas after-sales service system, standardized the master data management of global service outlets and engineers, achieving precise matching of service resources and efficient work order processing. As of June 2026, the iService system covered 22 overseas branches, building a globally linked digital service operation system.

It continued to expand the global service network, adopting diversified models comprising directly operated service centers, exclusive service centers and dedicated engineers to broaden the coverage of overseas services. At the same time, through systematic support for third-party service providers, it comprehensively improved the efficiency of terminal work order processing and fulfillment capabilities. In the first half of 2026, the Company added 35 directly operated and exclusive service centers, further strengthening overseas localized service delivery capabilities.

It improved the global new product service guarantee system. In the first half of 2026, the standardized process for new product introduction (NPI) service preparation covered 22 overseas branches and multiple core manufacturing bases, unifying new product service standards to ensure consistency in new product launch service quality and user experience. In the Southeast Asian market, Midea launched the innovative service of "365-day replacement instead of repair" for small home appliances, optimizing the return and exchange service process, promoting the transformation of after-sales service from basic service assurance to a quality-focused service experience, and enhancing customer satisfaction and brand trust.

3. Product Innovation

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

(1) Residential Air Conditioners

In the first half of 2026, Midea Group's air conditioner adopted a two-pronged approach in domestic and overseas markets, driving comprehensive upgrades of the product matrix with technological innovation. For overseas markets, Midea launched the H-PACK outdoor-unit-free hybrid heat pump product. To address the installation pain point caused by a lack of space for outdoor units in European townhouses and apartments, Midea pioneered an outdoor-unit-free indoor integrated hybrid heat pump system. Utilizing environmentally friendly R290 refrigerant, the system is capable of seamlessly hybrid operation with users' existing wall-hung boilers and achieves rapid water circuit connection through a quick-connect box, reducing installation time by more than 50% compared with traditional heat pumps. The system is capable of dynamically adjusting the hybrid heating strategy in response to electricity price fluctuations, precisely operating in the optimal cost mode. The product adopts a modular and easy-to-maintain architecture and is equipped with the Smart All Easy service system, which fully supports remote monitoring, fault diagnosis and rapid response, thereby significantly enhancing after-sales service efficiency and further strengthening core competitiveness in the European market. In February 2026, at the 2026 International Builders' Show (IBS), Midea's EVOX G³ heat pump product, as the only selected HVAC solution, was selected for use in "The New American Remodel® 2026", the official demonstration residential renovation project of the National Association of Home Builders (NAHB), and further won the industry Spark Award.

For the domestic market, Midea launched the Zhennuan MAX air-source heat pump central air conditioner, which has been comprehensively upgraded to address four core demands: powerful heating at low temperatures, energy and electricity saving, intelligent and worry-free operation, and convenient installation. It pioneered the dual enthalpy-increasing heating technology of continuous vapor injection enthalpy increase and phase-split enthalpy increase in collaboration in the industry, achieving stable operation at -42°C, no attenuation of heating capacity at -30°C, and maximum outlet water temperature of 52°C, thereby realizing powerful heating. Both the cooling and heating indicators of the product surpass the Grade 1 energy efficiency standard, achieving a substantial 28% saving in power consumption as compared to the previous generation model, and it supports direct photovoltaic power supply for self-generation and self-consumption, thereby facilitating energy conservation and zero-carbon operation. Equipped as standard with a 4G module and bundled with ten years of free data, it addresses the network connectivity pain points in remote areas. leveraging Warm Butler 2.0 to realize remote operation and maintenance as well as proactive services, users can conduct real-time control via the Midea Smart Home APP, which supports children to remotely configure devices for their parents, thereby achieving a balance between technological convenience and humanistic care. The tankless design facilitates easy upstairs transportation and rapid installation, supporting the parallel connection of 16 units to meet the heating requirements of large-scale buildings of 3,000 m^2. The world's first HarmonyOS Smart Selection Midea intelligent air conditioner was launched in May 2026, facilitating the transition of smart homes from "single-product intelligence" to "full-scenario ecological intelligence", and setting a benchmark for the implementation of new quality productive forces in the home appliance manufacturing industry. The HarmonyOS Smart Selection Midea Air Machine Pro focuses on the healthy air scenario, innovatively introducing the "Dual Fresh Air 37 Standard" within the industry, whereby the fresh air volume can still reach $37m^3/h$ in a quiet environment of 37dB. The product is equipped with a built-in sensor to control the CO_2 concentration, achieving quiet and highly efficient fresh air supply. It is also equipped with the industry-first "Wanxiang Air Architecture", which achieves five major functions in a single device, namely cooling and heating, fresh air supply, air purification, sterilization, and humidity control. Addressing the pain points of traditional air conditioners, such as direct cold air blowing, uneven air distribution, and the requirement for frequent manual adjustments, the HarmonyOS Select Midea All-Around Wind Pro further strengthens AI sensing and comfortable air supply experiences. It innovatively incorporates the "AI Human-sensing Intelligent Control" technology to accurately detect human positions and activity states, intelligently realizing personalised air supply experiences such as "air flow avoiding people" and "air flow tracking people".

(2) ***Washing, Drying, and Refrigerator Products***

Washing and Drying Products:

Focusing on six key technical directions of "zoned washing and care, healthy electrocatalysis, slow-release stain removal, efficient heat exchange, thorough cleaning, and intelligent sensing", Midea has comprehensively built its core competitiveness in the global washing and care industry. For the domestic market, Midea is expanding a portfolio of pure-flat, large-capacity products, while adhering to the main technological path of fast drying and quiet operation. It launched Little Swan heat pump washing and drying all-in-one machine K200, which is fully embedded with the industry's first ultra-thin and pure-flat model with a standard height of 850 mm. Adopting standard washing machine dimensions, it can be micro-seam embedded into conventional cabinets without renovation for "in-situ renewal". Equipped with a new generation of heat pump low-temperature gentle drying technology, combined with a full inverter system, it precisely controls temperature and humidity to achieve energy saving and clothing protection. Configured with a large-displacement compressor and a front air discharge featuring dual-cooling and powerful-heating capabilities, it is capable of washing and thoroughly drying three shirts within 43 minutes. It is also equipped with functions such as air duct self-cleaning, multiple filters, and evaporator flushing with running water, which can effectively prevent the accumulation of lint and dirt within the machine. In addition, it features a fresh-air care function and a pioneering patented "scrape-to-clean" lint filter box that is instantly cleaned upon extraction, thereby achieving a comprehensive washing, drying, and caring experience characterised by gentleness, rapidity, thoroughness, quietness, and cleanliness. In the partitioned washing and care segment, Midea has continued its product iterations and launched the Mini Plum second – generation product. This product features an industry-first maximum capacity within a mini size, whereby both the left and right drums are configured with a 2 kg washing capacity and a 1 kg drying capacity, doubling the capacity while the physical volume remains unchanged. Pure-flat versatile design with ultra-thin bracket combination stacking design facilitates installation across various scenarios. Left and right dual drums can wash, spin and dry simultaneously, achieving a healthy washing and drying experience with dedicated drum for specific washing purpose. It also pioneered high-pressure atomization uniform-cooling condensation technology, achieving the industry's fastest 59-minute rapid washing and drying of 7 pairs of underwear, and has air duct self-cleaning and atomization spray living water dust reduction functions, achieving system lint discharge rate as high as 99%. Equipped with six-dimensional dryness judgment NTC intelligent sensing for precise temperature control and stop when dry, it also has the first partition dual-drum triple auto-dosing and blue oxygen odor removal and color protection functions.

Refrigerator products:

Refrigerators continued to center on users, focusing on the technical layout of "intelligence, home-oriented, freshness preservation and basic performance" to build core competitiveness of intelligent healthy home appliances, and continuously launched differentiated leading products. In the first half of 2026, Midea refrigerators creatively proposed the brand positioning of original freshness for all ingredients and became the sole "partner of China Space" in the industry. In July 2026, the "Key Technologies of Original Freshness for All Ingredients" independently developed by Midea refrigerators formally passed the expert appraisal organized by the China National Light Industry Council and was rated at an "international leading" level. Midea established the technical approach of "original freshness for all ingredients", that is, systematically studying the biological characteristics of various ingredients, matching the optimal storage microenvironment for each category, and subsequently transforming them into technical achievements such as Microcrystal One-Week Fresh, Comprehensive-Clean PST+ Intelligent Purification 7.0, Low-Oxygen Cellar PRO and Top-Tier Dual System. Based on the above technologies, Midea refrigerators launched new product series including XiaoxiongDundun, Xiongdundun – Shanhai, Xiaobinggou, Ke'aiduo and Meixiangjia in 2026. Currently, the cumulative sales volume of the Xiongdundun series products has exceeded 300,000 units, while the Xiaobinggou series products have topped the rankings in terms of industry sales volume, sales, and traffic exposure on JD.com.

For the North American market, the Chill Master, the ice and water series products of the Midea's brand, tailored to local lifestyles and user needs are equipped with the AutoFill Pitcher and Dual Icemaker functions, and adopts technologies such as ultra-thin foam insulation to achieve the largest internal capacity for products of the same specifications in the industry, thereby precisely addressing users' pain points. Such products entered the mainstream channels in North America in the first quarter of 2026, with a view to achieving steady growth and realizing a market breakthrough.

(3) Kitchen Appliances and Other Home Appliance Products

Whole-House Water Solutions:

Designed for whole-home water use in China, the COLMO Xinxiang Gas Water Heater JSLQ27-X20 features an innovative condensate-free drain pipe design. By utilizing Grade 1 energy-efficient condensate-free platform technology, the product achieves a thermal efficiency of up to 107.2%, significantly reducing gas costs. Its baby-safe, all-around stainless steel tank design and waterfall wash technology gently care for skin health. Water flow for simultaneous use in two bathrooms increases by over 180%, water pressure rises by more than 130%, and hot water wait time is reduced by over 50%, with a powerful water flow creating an immersive shower experience. The Midea Polar Series Ice-making Countertop Water Purification Dispenser 3707, through the incorporation of a high-performance ice-making system and fresh-water ice-making technology, achieves a 50% improvement in ice-making performance, with highly transparent and melt-resistant ice cubes and single ice weight increased by 30%. The countertop design perfectly adapts to users' sideboard installation scenarios.

Range Hoods and Stoves:

Focusing on continuous improvement of kitchen environment comfort, the Midea AK11 Xiaoximei Range Hood features concealed, fully automatic steam cleaning technology. It intelligently detects grease buildup on the fan and uses high-temperature steam to thoroughly clean the internal fan, achieving a 99% cleaning rate and a 99.99% germ elimination rate. Equipped with "MAX dual air ducts + top-and-side dual suction" technology, it achieves a grease and smoke removal rate of 99.1%, setting the industry's top-tier smoke purification standard. Its slim, flush-with-cabinet design perfectly embodies home decor aesthetics, while innovative AI smoke sensor control technology intelligently adjusts airflow and pressure for precise regulation throughout the cooking process, truly eliminating the need for manual intervention. The Midea AK11 Xiaoximei Gas Stove pioneered "dual-burner fully concealed dry-burn protection technology," solving the pain points of traditional contact-type probes — such as easily pressing against pots or being incompatible. The intelligent temperature control system monitors the bottom of the pot in real time, automatically detects abnormally high temperatures, and intelligently shuts off the flame to prevent false alarms and misjudgments, ensuring ten years of long-term safety protection. Designed to meet the new Tier 1 energy efficiency standards and featuring dual-side cooking time presets, it delivers a powerful 5.2 kW flame and 72% thermal efficiency, with automatic shut-off at set times for more efficient, energy-saving, and gas-saving cooking. The glass panel features a dual-purpose design for both countertop and built-in installation, is easy to clean, and offers adjustable cutout dimensions to meet diverse home renovation needs.

Microwave and Oven Products:

The Midea "Zhiweigan 2.0" Series Built-in Micro-Steam-Oven Combo provides deep insights into and precisely meets Chinese households' demand for high-quality steam cooking. By integrating multiple levels of proprietary core steam cooking technologies, it systematically addresses industry pain points such as weak steam output, slow boiling, excessive water accumulation, undercooked food in multi-layer steaming, and uneven temperature control – delivering a comprehensively upgraded, efficient steaming experience that locks in freshness. Through innovative, in-house developed 2,600W "Boiling-Pot Instant-Penetration" steam technology and an eccentric spiral Dean vortex heat exchange coil, the appliance ensures a continuous and stable output of high-power steam. Through four-section partitioned temperature-controlled steam outlet pipelines, it achieves precise partitioned temperature control and balanced steam output in the cooking cavity. The steam output per unit time reaches 98.59 L/min, and the steam content in the cavity during cooking is as high as 78.8%, significantly reducing steaming time and greatly enhancing cooking efficiency while preserving the freshness and texture of ingredients. Its core single product, Midea Zhiweigan GR6S 2nd Generation Micro-Steam-Oven Combo, topped Tmall's new product chart just two months after its launch.

Small Kitchen Appliances:

Designed to meet users' cooking needs, the Midea "Dayali" Series Electric Pressure Cooker adopts the industry's first magnetic levitation precise control boiling technology, which enables stepless pressure adjustment during the cooking process, achieving 260 cycles of pressure increase and decrease and 130 cycles of vigorous boiling, enhancing soup richness by over 50%, protein content by over 50%, and aroma by 48%, thereby completely resolving the common issue of electric pressure cookers being "highly efficient but lacking in flavor". Its multi-stage cooking curve, modeled after an open flame, employs a "112 kPa high-pressure extraction – 90 kPa low-pressure sustained boiling to enhance richness and aroma" process. Combined with magnetic levitation's precise pressure regulation, it prepares a nutritious, richly flavored soup in just 25 minutes with the touch of a button. It also features the industry's only rich-aroma oil-filtering technology, where a dedicated oil-filtering pot works in tandem with a specialized oil-filtering program to achieve an oil-filtration efficiency exceeding 92%. Focusing on bedroom sleep scenarios, the Company has launched the "Lucky Clover" Quiet Sleep Fan Series. Featuring a biomimetic clover-inspired fan blade design, its pioneering vortex ring structure delivers an exceptionally gentle breeze while minimizing blade tip vibration, reducing sharp high-frequency noise by 53%. It pioneered the industry's first integrated mesh-cover-and-blade disassembly structure together with a magnetic-attraction blade design, solving the challenges of disassembly and cleaning. The series has also received one of the first Low-Noise Household Appliance Product Certifications issued by the China Quality Certification Center (CQC) in the fan industry.

(II) Commercial and Industrial Solutions

1. Industrial Technology

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

(1) HVAC Appliance and Data Center and Energy Storage Thermal Management Components

The Company continued to focus on the field of HVAC appliance components while expanding into the data center and energy storage thermal management components sector, thereby continuously solidifying its leading position in the industry. According to data from ChinaIOL.com, in the first half of 2026, GMCC maintained its top global market share in the sales of residential air conditioner compressors, with its domestic market share of scroll compressors exceeding 15%. GMCC's global market share in the sales of refrigerator compressors ranked among the top in the industry. Weiling also maintained the top position in global market share in the sales of both residential air conditioner motors and washing machine motors.

Furthermore, the Company continued to deepen its focus on chip product technology. MR has achieved cumulative shipments of over 10 million units for four chip models and over 100 million units for one chip model. Shipments in the first half of the year increased by more than 50% year-on-year, of which shipments to external customers increased by more than 100% year-on-year, further improving market coverage. Building on its R&D expertise and extensive project experience in the HVAC appliance field, Midea Industrial Technology has comprehensively laid out core components for data center and energy storage thermal management, covering core products such as fans, water pumps, scroll compressors, rotary compressors, refrigerant pumps and electronic expansion valves. The Company has established in-depth partnerships with several leading enterprises in the industry, and revenue from these related businesses grew by 66% year-over-year.

Midea Industrial Technology continues to invest globally to serve HVAC appliance customers worldwide, while firmly expanding into key overseas markets: construction of the factory building for the high-end smart manufacturing base project in Thailand is nearing completion; the Company continues to invest in its manufacturing base in India, where annual production capacity for air conditioner compressors has exceeded 5 million units and annual production capacity for motors has surpassed 1 million units; the air conditioner motor production line in Huai'an, Jiangsu was officially put into production, with a planned annual capacity of 20 million units; the motor factory in Brazil is steadily ramping up production and has already begun mass production of multiple motor models for more than 10 customers, with an expected annual production capacity of 3 million units.

In the first half of 2026, Midea Industrial Technology launched multiple products and solutions, winning widespread trust from global customers and high market recognition. These include GMCC's high-efficiency two-stage variable capacity scroll compressor, GMCC's new-generation inverter high-efficiency 30HP scroll compressor, GMCC's heat pump heating compressor equipped with ultra-wide frequency silent technology and adopting a 15-slot 10-pole motor platform; GMCC's low-height high-efficiency inverter A series, ultra-large cooling capacity high-efficiency A series, small cooling high-efficiency inverter T series and extreme economy high-efficiency inverter A2 series refrigerator compressors; Welling's new-generation platform motor applied in the drum washing machine field, Welling's thin silent duct unit motor, Welling's high-efficiency high-control-precision ECM motor, etc. Targeting the energy storage/battery thermal management field, it also released core products such as GMCC's scroll compressors suitable for energy storage liquid cooling scenarios, GMCC's rotary compressors suitable for energy storage liquid cooling/air cooling scenarios, electronic expansion valves, and Welling's EC/AC fans and DC shielded pumps.

The R&D achievements of Midea Industrial Technology repeatedly won industry honors. Among them, the project "High-Strength, High-Toughness Ultra-low Friction Carbon-based Protective Materials and Key Equipment and Industrialization" jointly submitted by GMCC and the Ningbo Institute of Materials Technology and Engineering of the Chinese Academy of Sciences (Ningbo Institute of Materials) won the "First Prize of Zhejiang Provincial Science and Technology Progress Award". Projects led by Midea including "Key Technologies and Industrialization of Full-frequency range High-efficiency Silent Compressor Products for Room Air Conditioners", "Key Technologies and Industrialization of R290 Single-cylinder Compressor" and "Key Technologies and Applications of High-efficiency Silent Permanent Magnet Motor Systems for Home Appliances" were appraised as reaching an "internationally leading" level. GMCC's silent wide-operating range rotary compressor, GMCC's high-efficiency inverter refrigerator compressor and Welling's ultra-high-efficiency silent high-reliability electronically commutated motor won the AWE Core Award. Guangdong Welling Motor Manufacturing Co., Ltd. won the Second Prize of the 2025 Guangdong Provincial Science and Technology Award with the project "Research and Industrialization of Key Technologies for Ultra-large-scale High-performance Electric Drive Systems and Lean Intelligent Manufacturing". GMCC's refrigerator compressor intelligent factory was selected as an Advanced Intelligent Factory of Anhui Province for 2026.

In the first half of 2026, it lodged more than 430 new patent applications, the cumulative number of granted invention patents exceeded 9,700, and it participated in the formulation of 4 additional national standards, including “Rolling Rotor Refrigerant Compressors” and “Small Power Motors – Part 23: Reliability Evaluation Methods”, among others. In April 2026, it successfully hosted the 15th Plenary Meeting of the Subcommittee on Testing and Rating of Refrigerant Compressors of the International Organization for Standardization Technical Committee 86 on Refrigeration and Air Conditioning (ISO/TC 86/SC 4). At the same time, Qiu Xiangwei, President of Midea Industrial Technology Business Group, was elected as Chairman of ISO/TC 86/SC 4, and GMCC and Welling became chair organisations and will contribute to improving the international standard system for compressors and assisting the sustainable development of the global industry. In addition, in June 2026, Guangdong GMCC Refrigeration Equipment Co., Ltd. was appointed as a Vice Chair organisation of the Third Air Conditioner Professional Committee of the China Household Electrical Appliances Association.

(2) New Energy Vehicle Components

In the field of new energy vehicle components, Welling Auto Parts under Midea Industrial Technology maintained high-quality growth in the first half of 2026, with sales revenue increasing by more than 90% year-on-year, and achieved half-year profitability for the first time. On the market side, the customer base covers emerging automakers and traditional mainstream automakers, with continuous increases in awarded projects for mainstream products such as thermal management. Among them, the total estimated aggregated output value of newly designated compressor projects by domestic and overseas automakers in the first half of 2026 will exceed RMB5 billion. On the product side, the new product in the new energy vehicle thermal management field “Welling Integrated Electric Heating Two-in-One Compressor” features more than 20 pioneering patented technologies. With heater efficiency reaching 99% or above as a result of the pioneering annular heating technology, it effectively assists new energy vehicles in vehicle weight reduction, increased range, improved interior space performance, enhanced NVH quietness and a high degree of system integration. On the manufacturing side, the production capacity at the overseas base in Mexico continued to ramp up, supplying European and North American customers on a mass production basis. The digital, flexible and low-failure-rate stator production line built for a new energy vehicle customer has passed the review, with an annual capacity of up to 200,000 sets. In addition, the “New Energy Vehicle Core Components Intelligent Factory” of Anqing Welling Automotive Components Co., Ltd. was included in both “Directory of Typical Application Practices for 5G Factories (2025)” issued by the Ministry of Industry and Information Technology and the “List of Advanced Intelligent Factories in Anhui Province for 2026” issued by the Anhui Provincial Department of Industry and Information Technology.

(3) Robot Components

In the field of robot components, Midea Industrial Technology continued to deepen its presence in the collaborative robotics segment while actively exploring the humanoid robot market, further improving delivery quality, shortening delivery cycles and optimising its product portfolio. In the first half of 2026, precision reducer shipments reached 26,000 units, and heavy-load servo motor shipments reached 58,000 units, with significant year-on-year increases. It is planning a new manufacturing base in Shunde. The project is planned to be constructed in two phases, and is expected to add 300,000 units to the annual production capacity of reducers in the future to meet the needs of industrial and humanoid robots. It continued to increase R&D investment in humanoid robot joint modules, releasing a new lightweight harmonic joint module that can be applied to humanoid/semi-humanoid robots, improving the high-end actuator product matrix, enhancing supply chain collaboration, and achieving independent control over core robot components.

2. Building Technology

As a provider of integrated smart ecological solutions for buildings, Midea Building Technology operates in the HVAC, elevator, building intelligence and energy management sectors. Leveraging the iBUILDING digital platform, it connects the hardware and software equipment and systems in building architecture, providing full-stack digital and intelligent building solutions. The expansion of AI computing power infrastructure has ushered in an explosion of the data center supporting market; the continuous implementation of dual-carbon policies has continuously increased demand for industrial green transformation; continuous advancement of urban renewal has opened up a vast stock market for energy-saving upgrades of old buildings. To seize the development opportunities of the times, Midea Building Technology continued to deeply cultivate product innovation, accelerated the iteration of core technologies, fully tackled the high-growth tracks of large industry and data centers, simultaneously innovated business models and comprehensive service solutions, and achieved dual breakthroughs in business scale and industry position. According to the data from ChinaIOL.com, in the first half of 2026, Midea's central air conditioners accounted for over 22% of the domestic market sales, continuing to rank first in the industry, further consolidating its leading position amid an overall challenging market environment. In segmented fields, Midea's commercial VRF grew against the trend, accounting for over 29% of the domestic market sales, continuing to firmly rank first in the industry. Midea's centrifugal chiller accounted for over 16% of the domestic market sales, also ranking first in the industry, among which Midea's magnetic levitation centrifugal chiller domestic market sales revenue share was as high as 29.7%, with scale year-on-year growth exceeding 30%, and ranking first in the industry. Domestic HVAC after-sales market business scale increased by 35% year-on-year, continuously unlocking the value potential of the existing market by leveraging full-life-cycle professional services; direct-contracting business increased by 48% year-on-year, demonstrating significant results from the implementation of its direct-operated service system. Through a multi-brand differentiated strategy, the elevator business achieved key breakthroughs in the three core tracks of villa private residences, urban renewal and industrial infrastructure. In the first half of 2026, Winone Elevator overall shipments increased by over 30% year-on-year, with freight elevator shipments over 6,000 units, and market share of freight elevators ranking among the top in the industry for consecutive years. Toshiba Elevator overall shipments increased by 85% year-on-year, among which old elevator renovation shipments increased by as high as 240% year-on-year.

(1) Strategic Business Breakthroughs

In the first half of 2026, Midea Building Technology's data center business achieved comprehensive breakthroughs in market expansion, product design and production capacity layout. Through securing project orders from operators, releasing proprietary liquid cooling solutions and initiating the construction of an intelligent manufacturing base, a complete industrial closed loop covering energy-saving solution design, core equipment R&D and full-stack system delivery has been established.

On the manufacturing front, Midea Building Technology officially commenced the construction of a liquid cooling intelligent manufacturing base in Shunde, Foshan. The total project investment exceeds RMB1 billion, aiming to promote the large-scale production of core products in the data center and energy storage industries, such as air-cooled magnetic levitation, CDU, and energy storage temperature control, enhancing R&D, manufacturing and delivery capabilities. It is expected to be put into production in 2027, injecting core momentum into the green and sustainable development of AI data centers. At the same time, an industry-leading comprehensive test platform for liquid cooling CDUs equipped with a 1,500-kW electric heating dummy load has also been built, which can complete the performance testing of individual CDUs and the verification of secondary side ring network group control function.

On the product technology front, Midea Building Technology has built a full-stack liquid cooling technology matrix covering cold sources, CDUs, liquid cooling terminals, and digital operation and maintenance, proposing an "air-liquid homologous" fusion architecture to achieve flexible collaboration of air cooling and liquid cooling in machine room. Leveraging its global manufacturing network, prefabricated delivery capabilities and full-lifecycle digital services of the iBUILDING platform, it provides customers with efficient, reliable and continuous data center temperature control solutions: first, it has launched the world's first magnetic levitation supplementary cooling CDU, integrating magnetic levitation cold source and cooling distribution unit, reducing floor space by more than 70%, significantly reducing delivery cycles and operating costs. This product has been deployed in batches in a hyper-scale data center project in Malaysia; second, it has introduced new-generation air-cooled magnetic levitation centrifugal chiller units, designed for complex environments such as water shortage and high temperature overseas. These chillers maintain high energy efficiency under high-temperature conditions, with advantages of stability and reliability and low performance degradation, improving the utilization rate of natural cooling sources and significantly reducing PUE, helping to achieve "generating more tokens per kWh".

In terms of energy storage liquid cooling, Midea Building Technology's 53 kW and 70 kW and other liquid cooling products achieved breakthroughs and production with global leading customers in the energy storage industry. With product advantages such as a wide application range of -40~55°C, IP67 protection rating, C5 salt spray resistance, and UL/CE certification, they effectively support the widespread application of 5 MWh-6 MWh large energy storage systems globally. Meanwhile, to meet the demands of next-generation large energy storage products, a new dual-loop, multi-mode platform product compatible with PCS liquid cooling, suitable for large energy storage of 6MWh and above, is planned for launch in the second half of 2026, further consolidating its leading product position. The cumulative installed capacity of energy storage equipment equipped with Midea's energy storage liquid cooling units is expected to exceed 100GWh by the end of 2026.

On the market expansion front, Midea Building Technology has established in-depth partnerships with the three major telecom operators, namely China Telecom, China Mobile, and China Unicom, in the data center sector, providing them with data center temperature control solutions such as chillers and machine room air conditioners, on a long-term basis, and, in the first half of 2026, won the tender for the 2026 China Unicom centralized procurement project for telecommunications machine room air conditioners (2026 年中國聯通通信機房空調集採項目) with an amount exceeding RMB200 million. It also secured a 70% share of China Mobile's new round of centralized procurement for low-voltage chillers for the 2026-2028 period. In June 2026, Midea signed a strategic cooperation agreement with Alibaba, jointly focusing on AIDC liquid cooling temperature control technology breakthroughs and building a green computing infrastructure for the AI era, while also being included in the liquid cooling supplier whitelist of a leading Internet enterprise. In terms of value realization, Midea Building Technology has served and participated in data center projects of numerous leading enterprises and government agencies. Among these, for the Jiangsu Cable Data Center's dual-track operation model of "for own use + leasing," Midea provided a comprehensive solution for Phase I uninterrupted online expansion and Phase II new data center construction. Through medium-temperature water design, utilization of natural cooling sources, and AI-driven commissioning and optimization, an energy efficiency of 9.0 for the machine room has been achieved. Furthermore, leveraging the all-season automatic switching operation strategy of the iBUILDING platform, Midea provides a highly reliable and energy-efficient cooling source solution, with an estimated PUE value below 1.25. Furthermore, the Xinjiang Karamay Data Center project, in which Midea participated, serving as a national-level cloud computing application demonstration base, was constructed in accordance with international T4 and national Grade A standards, with reliability requirements of over 99.99%, and was recognised as a typical case of the 2025 National Green Data Center by the Ministry of Industry and Information Technology. Midea provided liquid cooling solutions for a T3 data center in Wuhu, assisting the liquid cooling machine room in achieving an annual average PUE of as low as 1.1. In the "National Railway IT Center" data center project in South Korea, Midea overcame the heat dissipation challenges of high-density machine room with a high-efficiency magnetic levitation centrifugal chiller solution, successfully securing an overseas order for critical infrastructure.

Regarding the construction of the AIDC liquid cooling ecosystem, Midea has jointly established an innovation platform with the National University of Singapore. It has also showcased its data center liquid cooling solutions and development strategy by participating in events such as the 2026 China Refrigeration Exhibition, Data Center World (DCW) in Washington, the U.S. DITGC2026 Forum in Bangkok, Thailand, DCD Connect APAC 2026 in Indonesia, and the "Feel the Future" launch event held in Malaysia.

(2) Market Channel Expansion

In the first half of 2026, for the domestic market, Midea Building Technology leveraged its accumulation of industry-leading product and technology expertise, diversified service business models, and integrated digital and intelligent management and control capabilities to implement several benchmark projects across sectors including healthcare and public buildings, data centers, new energy manufacturing, light industry and textiles, biopharmaceuticals and urban demonstration buildings. By offering differentiated solutions tailored to the energy saving and carbon reduction needs of different industries, it has developed full-chain implementation capabilities covering equipment, systems, operations, and investment and financing.

In the public healthcare sector, an EMC energy trusteeship project was implemented at Jingzhou First People's Hospital. With no capital investment required from the client, the project completed an integrated retrofit comprising refrigeration machine room upgrades, photovoltaic installation and AI-enabled intelligent inspection. The project achieved an HVAC system energy-saving rate of more than 45%, and an overall energy saving rate of more than 15%, addressing the funding challenges faced by healthcare institutions in carrying out retrofits through an asset-light model.

In the new energy sector, Midea Building Technology built a large-scale integrated industrial energy station for Haisida Sodium Star's Neijiang sodium-ion battery cell base under a BOT cooperation model. The station is equipped with a 7,600 RT high-efficiency refrigeration machine room, a Class 1 energy-efficient air compressor station and nitrogen generation units. Compared with the original plan, its overall integrated energy efficiency has been improved by 25%, and it is expected to deliver annual cost savings of RMB3.4 million and reduce carbon emissions by 650 tonnes annually. With a cooperation term of ten years, the project sets a benchmark for green supporting facilities at large-scale power battery plants.

In the light industry sector, Midea Building Technology achieved a cross-sector customer breakthrough for its magnetic levitation technology by supplying Jinfan Textile (金帆紡織) with an 8 KG-class magnetic levitation centrifugal air compressor. The entire series has obtained ISO8573-1 Class0 certification, the highest level of oil-free certification, extending its high-efficiency, energy-saving magnetic levitation technology from refrigeration to industrial air compression scenarios. A single unit alone can generate annual energy cost savings of more than RMB300,000 and help the plant area achieve an energy saving rate of over 15%.

In the biopharmaceutical sector, Midea Building Technology applied its self-developed industrial high-temperature heat pump waste-heat recovery technology in a project for Zhejiang Medicine (浙江醫藥), addressing the needs of high-temperature processes. By using electrified waste heat to replace conventional boilers, the project achieves deep decarbonization at the process end. Each system can stably produce green steam at 145°C, supplying 6 tonnes of steam per hour, reducing daily costs by nearly RMB20,000 and annual carbon emissions by 4,200 tonnes.

In the urban low-carbon building sector, Midea Building Technology built a high-efficiency refrigeration machine room for Goldin Finance 117, China's tallest building by structural height, providing highly reliable and energy-efficient cooling assurance. For the Shenzhen Institute of Building Research Building, it developed a benchmark, full-life-cycle low-carbon solution for the HarmonyOS City by deploying the MDV9 variable refrigerant flow (VRF) system with cost-calculation capabilities. This solution achieved an on-site photovoltaic consumption rate of more than 97%, upgraded conventional HVAC equipment into a core hub of the building's distributed energy network, and explored a new approach for integrating photovoltaics, energy storage and heating in existing urban buildings. Midea Building Technology also entered into a strategic cooperation agreement with Atour Group to deploy the i-Manager cloud-based intelligent management platform across more than 200 of its hotels, connecting over 20,000 sets of HVAC equipment. Focusing on the core scenarios of predictive energy saving and proactive fault alerts for HVAC systems, the platform helps small and medium-sized commercial buildings achieve low-carbon, high-efficiency operations.

Winone Elevator won the bid for an integrated elevator-and-escalator project on the Xi'an-Chengdu Railway, a national high-speed railway trunk line. It provided customized solutions tailored to the high passenger volume and heavy-duty operating conditions of rail transit, fully validating the safety performance and intelligent operation and maintenance capabilities of its products. Toshiba Elevator performed well in the public construction sector, successively securing projects including the Xiangyang Building of Tongji Hospital, Tongji Medical College, Huazhong University of Science and Technology; Shenyang Rail Transit Line 6; two key projects under Beijing's "Three 100s" initiative; and national-level projects such as the National Grass Industry Technology Innovation Center, maintaining its efforts in healthcare, rail transit, municipal projects, scientific research and other fields.

In overseas markets, Midea completed the merger of Italy-based Clivet's air-conditioning business with the newly acquired ARBONIA Climate in 2025 and established MBT Climate. With MBT Climate serving as a unified platform for the integrated operation of multiple brands, Midea continues to unlock the synergies from the merger and integration, reinforcing its overall competitive advantages in Europe's smart building market. As a specialist in indoor environmental systems, MBT Climate focuses on the research, development and production of related products, providing comprehensive product and system solutions for residential, commercial and industrial buildings. Leveraging Midea's R&D foundation, as well as local market insights and channel service systems in Europe, MBT Climate coordinates the collaborative operations of its core brands to closely align with the development needs arising from Europe's energy transition. It has also launched integrated liquid-cooling solutions for data centers targeting computing-power scenarios.

In the first half of 2026, Midea Building Technology participated in a number of industry exhibitions worldwide, including the International Air-Conditioning, Heating, Refrigerating Exposition (AHR) in the United States; the International Heating, Air-Conditioning, Refrigeration, Renewable Energy and Smart Home and Bathroom Exhibition (MCE) in Milan, Italy; the International Installation Industry Trade Fair (VSK) in the Netherlands; the International Air-Conditioning, Refrigeration and Building Automation Exhibition (ARBS) in Melbourne, Australia; the NOVA International Green Building Exhibition (The NOVA) in Thailand; and the International HVAC Installation and Home Comfort Systems Exhibition (Installer SHOW) in the United Kingdom. Through these exhibitions, it continued to showcase its innovations and enhance brand awareness. In terms of strategic cooperation, Midea Building Technology signed a strategic cooperation memorandum of understanding with UL Solutions to explore collaboration on the testing and certification of data center-related products and system standards, as well as the sharing of market insights and industry knowledge. It also signed a strategic cooperation agreement with Keppel in Singapore to jointly develop AI-driven, energy-saving and highly efficient modular cooling solutions for the Asian market. These solutions can be deployed and scaled across various sectors including data centers, advanced manufacturing and industrial parks, healthcare and education campuses, and aviation hubs.

Midea Building Technology secured multiple overseas projects across the Asia-Pacific, Europe, the Americas, Africa and other regions, covering a wide range of sectors including data centers, healthcare, industrial manufacturing, commercial complexes and rail transit. Among them, the Agratas lithium battery plant project in India has a total refrigeration capacity of 20,000RT, marking a qualitative breakthrough for Midea in India's new energy industrial market and helping it deepen its presence in the South Asian market. The Iplaz injection molding plant project in Portugal is the first demonstration project for EU CE-certified magnetic levitation centrifugal chillers, marking a significant breakthrough in Europe's high-end industrial refrigeration market. In addition, Midea Building Technology continued to advance the market presence of its chiller products in overseas markets such as North America and Europe, further enhancing its brand influence and market competitiveness in the global industrial refrigeration and data center temperature control sectors.

(3) *Technology Research and Product Innovation*

Midea Building Technology continued to increase its R&D investment and achieved remarkable results. In the first half of 2026, the "High Energy-Efficiency, Ultra-Quiet and Flexible R290 Heat Pump Technology and System" project, for which Midea Building Technology led the application, was assessed as having reached an internationally leading level. In the chiller sector, its independently developed "Magnetic Levitation Technology for Three-Stage Compressors with an Ultra-High-Pressure Ratio" can achieve a maximum compression ratio of 11.5, reaching an industry-leading level. Meanwhile, Midea Building Technology continued to enhance its laboratory validation capabilities, with its heat pump laboratory offering a testing capacity of up to 10.5 MW.

In terms of product innovation, the ACMD300-8D magnetic levitation air compressor completes the 8KG-class product matrix. Leveraging four-stage compression, high flow rate and magnetic levitation technology, it achieves a breakthrough in the domestic substitution of conventional gear-driven air compressors. The 90℃ high-temperature centrifugal heat pump product, featuring two units connected in series, uses the new, environmentally friendly R515B refrigerant. With four-stage compression, it can achieve a maximum pressure ratio of 10, while also featuring a large temperature lift of 85℃ and a large single-unit capacity of 6 MW.

The new-generation flagship product, centered on the MDV9 VRF system with "cost-calculation" capabilities, goes beyond the functional limitations of conventional HVAC equipment focused solely on temperature control. It precisely targets two frontier areas: refined building energy consumption management and the efficient utilization of distributed photovoltaic power. Leveraging a full DC architecture, it enables the direct connection and on-site consumption of photovoltaic green electricity. Through CPA-certified electricity meters fitted as standard across the entire product series and the i-Manager energy-consumption management platform, it creates a closed loop for building energy-use data, helping customers achieve quantitative monitoring of energy consumption, flexible load dispatch and the maximization of self-generation and self-consumption of green electricity. This upgrades HVAC equipment into a core node in a building's low-carbon energy network. From its global debut at the MCE exhibition in Milan to a multi-country exhibition tour spanning the United Kingdom, France, Spain and the Balkans, the V9 VRF system, featuring environmentally friendly R32 refrigerant and three-tier safety technologies, has quickly become a benchmark product in Midea's effort to deepen its presence in Europe's green building market.

The newly upgraded R290 natural refrigerant air-source heat pump for the European market can comply with the EU's new F-Gas Regulation and 2027 refrigerant upgrade standards, providing European households with a compliant, reliable, quiet, comfortable, efficient and energy-saving green heating solution. The unit features an optimized complete system designed around the characteristics of R290 propane refrigerant, together with a dedicated customized variable-frequency compressor and a new heat-exchange structure, precisely matching the operating conditions of natural refrigerants. The upgraded sealed protection structure for the electrical control system and real-time refrigerant leakage monitoring configuration complies with EU safety standards, ensuring the safe use of natural low-carbon refrigerants and supporting large-scale civil application needs. The unit incorporates multiple noise-reduction optimization solutions to enable stable and low-noise operation around the clock. Leveraging a mature full DC variable-frequency architecture, the unit optimizes its low-temperature operation logic to suit Europe's severe cold climate and achieves the highest energy-efficiency class in Europe. Benefitting from the ultra-low carbon characteristics of R290 refrigerant, the product has a substantially reduced carbon footprint throughout its life cycle.

In the field of intelligence technology, Winone Elevator has achieved a qualitative leap in overall elevator ride comfort through intelligent algorithms. On-site verification showed that, where system vibration frequencies cause abnormal vibration or noise in an elevator, the algorithm applies additional torque to suppress and control the vibration waveform, eliminating the abnormality and ensuring comfortable, smooth elevator operation. Since the world's first 50-tonne ultra-large heavy-duty freight elevator from Winone rolled off the production line in December 2025, Winone Elevator has continued to deepen its R&D efforts in the freight elevator sector. In March 2026, the "Midea" branded residential elevator was officially launched. As the industry's first active intelligent elevator and the only elevator product in the industry to achieve full ecosystem connectivity among "people, vehicles, elevators, and homes", the product is deeply integrated into the whole-home smart ecosystem. At present, the development of the complete elevator and product launch of the Midea-branded residential elevator platform have been accomplished. Toshiba Elevator conducted preliminary research on the safety bus and safety IO technologies for elevator control systems, enabling early warning, diagnosis and positioning of safety incidents. It also carried out iterative upgrades to address the commissioning pain points in villa elevator models currently on sale. Toshiba Elevator has also expanded its product areas including the productization of all-in-one power supplies, fire-fighting elevators, and ultra-compact gantry frames for residential elevators.

(4) Production Capacity Layout

Midea Building Technology continued to deepen its global production capacity footprint to further strengthen its global delivery capabilities. At present, Midea Building Technology has established 16 product manufacturing bases and 7 innovation R&D centers worldwide, with 9 manufacturing bases and 4 R&D centers located overseas. In Europe, a new production line in Czechia is scheduled to commence operations in August 2026 and achieve mass production in 2027, in order to meet local policy requirements. Leveraging its local operational capabilities, the Rayong plant in Thailand has achieved stable output and mainly supplies HVAC products, including rooftop units, ducted units and gas furnaces, to the North American market. The plant has an annual production capacity of up to 600,000 units, further strengthening supply chain support for North America. To extend its reach across the Middle East market and enhance competitiveness in local markets, Midea Building Technology has built and operates joint venture plants in Saudi Arabia and a Algeria.

Driven by the continuous growth of its chiller business and future business development needs, the Chongqing chiller production base has established the industry's largest single-site production capacity for chiller compressors and complete units through the expansion of its production capacity. In particular, the annual production capacity has been increased to 8,000 chiller compressor units, 5,000 complete centrifugal chiller units, 2,000 magnetic levitation chiller units for data centers, 1,000 air-cooled magnetic levitation chiller units for data centers and 20,000 energy storage air-conditioning units.

Winone Elevator has established five major domestic manufacturing and dispatch bases, with planned annual production capacity exceeding 80,000 units. Focusing on lean production and smart factory upgrades, it has the industry's first elevator factory equipped with automated vertical warehouses for raw materials, semi-finished products and finished products, achieving full automation of on-site logistics.

(5) Industry Honors

In the first half of 2026, Midea Building Technology received two provincial science and technology progress awards. Among them, Midea Building Technology's "Key Technologies and Applications of High-Efficiency Energy Utilization Systems for Large-scale Building Clusters" project was awarded the First Prize of the 2025 Guangdong Provincial Science and Technology Progress Award. Midea Building Technology also filed more than 220 new patent applications and received three Silver Awards and one Outstanding Inventor Award at the 11th Guangdong Patent Awards. It has cumulatively participated in over 460 standards, and released 12 standards in the first half of the year, including national standards such as GB/T 18837-2026 Multi-split Air-Conditioning (Heat Pump) Units, GB/T 27941-2026 Application Design and Installation Requirements for Multi-split Air-Conditioning (Heat Pump) Units, and GB/T 47175-2026 Ergonomics of Human-System Interaction — Guidelines for Human-Intelligent System Interaction Design.

On the product front, Midea's magnetic levitation supplementary cooling CDU received the 2026 AI Infrastructure Innovation Award at the 2026 China Intelligent Computing Industry Ecosystem Annual Conference. M thermal Nature, Mars and other European ATW heat pump product series received awards at the European MCE Excellence Awards 2026, supporting carbon reduction in Europe. The newly launched ProFit series of variable-frequency commercial rooftop units obtained Intertek's TICK MARK certification for outstanding high-temperature cooling performance, as the products demonstrated internationally leading cooling stability and energy efficiency performance in extremely high temperature environments and can meet the comfort requirements of projects in extremely hot regions. Midea's North American V8 series VRF systems obtained the industry's first ETL certificate issued by Intertek for high refrigerant-charge volumes using A2L refrigerants, breaking through bottlenecks in the application of low-GWP refrigerants and providing product support for Midea's further development in the North American market. Midea's V9 R32 VRF system became the first product to pass TÜV SÜD's testing and assessment for triple safety protection of VRF systems using flammable refrigerants, setting a new benchmark for the commercial safety of A2L refrigerants. Both M thermal Nature and X-Change Dynamic Eco received the 2026 German iF Design Award. The "Magnetic Levitation Centrifugal Heat-Source Tower Heat Pump System and Air-Water Coupled Two-stage Heat Pump System" received the First Prize of the 2025 Science and Technology Award for Comprehensive Utilization of Energy and Resource, as selected by the Hunan Energy Conservation Research and Comprehensive Utilization Association. The MDV9 series multi-split air-conditioning (heat pump) units passed the Mohe (extreme-cold) natural environment validation testing and certification conducted by the Hefei General Machinery and Electrical Products Inspection Institute, a national-level refrigeration testing institution.

3. **Robotics & Automation**

KUKA, a subsidiary of Midea, is a world-renowned robotics manufacturer. Relying on its industry-leading motion algorithms, KUKA can ensure the superior motion performance of robotics products throughout their life cycle, and its mature design philosophy continuously gives rise to new products able to lead the market. In the first half of 2026, KUKA Group's revenue grew by more than 10% year-on-year, with particularly outstanding business performance in China. During the same period, KUKA China's revenue contribution accounted for more than 30%. Additionally, KUKA actively assisted Midea Group in enhancing its smart manufacturing capabilities. As at June 2026, Midea had achieved a density of over 750 robots per 10,000 employees and planned to further increase investment to elevate its smart manufacturing prowess.

(1) Product Innovation

At present, KUKA's product matrix covers over 20 industry sectors. From robots to software ecosystems, from heavy-duty to light-duty applications, and from general-purpose scenarios to specialized industry solutions, KUKA has achieved a full-category, full-scenario layout, while also demonstrating its deep development capabilities in emerging energy sectors. In the first half of 2026, KUKA continued to iterate and innovate, achieving multiple results in core technology R&D and new product development. In the heavy-duty product segment, KUKA launched the second-generation KR TITAN ultra heavy-duty robot, which can carry payloads of up to 1,500 kg over long distances. Featuring a lightweight design, the robot can be applied in areas including automobile production, battery manufacturing and photovoltaic module handling.

In the medium-payload and low-payload product segment, KUKA's new-generation KR CYBERTECH robot series has added 25 kg and 35 kg payload models, further expanding its medium-payload robot product matrix. With complete mounting flexibility, the series is equipped with new robotic arms featuring higher rigidity and better precision, which offers exceptional versatility, supports artificial intelligence, and meets the IP67 protection rating. KUKA's KR AGILUS ultra product series fills the gap in low-payload product range, combining a higher payload capacity (up to 16 kg), faster motion speeds and better precision, which make it suitable for electronics, automotive, general industry and other sectors. Leveraging its compact six-axis design and IP67 certification for the entire unit, the series is particularly suitable for applications in advanced packaging environments and for unloading applications in conjunction with injection moulding machines. Meanwhile, medium-payload and low-payload robots including KR AGILUS, KR SCARA and KR IONTEC have all been newly launched in cleanroom versions, effectively meeting the stringent requirements for clean environments in industries such as consumer electronics, biopharmaceuticals, and semiconductors.

In the mobile robot segment, KUKA's KMP 1000i-PT omniMove underride forklift features exceptional passability through aisles as narrow as 1,250 mm, as well as end positioning accuracy of up to ±5 mm and ±0.5° under combined SLAM laser and QR code navigation. It is fully compatible with pallets conforming to Chinese national standards, U.S. standards, European standards, Asia-Pacific standards, as well as non-standard pallets, while its "dual LiDAR + 360° contact edge + 3D camera" configuration provides top-level safety protection to ensure operational safety. KUKA also debuted the new KMF 1500P-CB mobile forklift at interpack 2026, which features a lifting height of up to 3 meters and a maximum payload of 1,500 kg. Its safety and reliability have been internationally certified, and it can be controlled via the KUKA.AMR OS software and the KUKA.AMR Fleet manager, allowing for easy setup and deployment.

In the control segment, the new lightweight control cabinet KR C5 compact-2 has been launched. Specifically designed for compact spaces, flexible expansion and high reliability, it reduces size and weight while maintaining powerful performance, allowing customers to deploy it flexibly.

In the medical automation segment, Swisslog Healthcare, a subsidiary of KUKA, develops pharmacy automation and logistics automation in parallel. At the 27th China Hospital Construction Conference and International Hospital Build, Equipment and Management Exposition (CHCC2026), it launched the UniSmart intelligent pharmacy system, which connects the full-stack process from medication dispensing to replenishment. It also introduced products including the TranspoNet serial pneumatic tube system, the TransLogic parallel pneumatic tube system, and the TransConv box logistics system, covering all-scenario needs from station-level sending and receiving to system-wide dispatching. The TransMov intelligent logistics navigation robot, jointly developed with KUKA, is built on a mobile robot base to enable autonomous navigation and flexible transfer, comprehensively establishing automated closed-loop capabilities ranging from within the pharmacy to hospital-wide material transportation.

In addition, KUKA continued to deepen its presence in specific industry segments. At the 2026 International Electronic Circuits Exhibition (CPCA), KUKA showcased its full-stack solution for intelligent PCB manufacturing, demonstrating its deep integration capabilities for the electronics manufacturing sector. At Intersolar Europe 2026, KUKA launched an automated installation solution for energy storage PACKs, which can effectively meet the flexible production needs in energy storage battery integration. In addition, its mobile installation solutions for new energy photovoltaics have also been implemented in "Belt and Road" countries.

(2) AI and digitalization

As a global leader in industrial robots, KUKA has always stood at the forefront of China's intelligent manufacturing going global. At NVIDIA GTC 2026, KUKA and NVIDIA showcased the achievements of their three-year collaboration. KUKA also unveiled KUKA AMP, a brand-new automation management software platform designed for the era of "Physical AI", marking KUKA's push for industrial automation into a new stage of "Automation 2.0". Leveraging KUKA AMP as a new open software platform, traditional deterministic automation (such as rule-based pre-programmed systems) can be bridged with intent-based automation, making the path from concept to deployment faster, more precise, more efficient, and more autonomous. KUKA and Mech-Mind, a robotics innovation enterprise, were jointly selected for the third global list of the "AI Application Star" (MINDS) initiative released by the World Economic Forum (WEF), with their deeply integrated AI vision-based grasping solution.

On the digitalization front, KUKA launched Visual Components, an industry-leading industrial 3D simulation software, providing customers with end-to-end digital capabilities from production line planning and process validation to virtual commissioning, thereby closing the final gap between solution concept and on-site production lines. KUKA's robot operating system has been upgraded to iiQKA.OS2 version 9.2, while iiQKA.mx Automation builds a "unified brain" for production lines, significantly improving the efficiency and flexibility of multi-device collaborative control.

(3) Market Expansion

In overseas markets, KUKA provided a fleet comprising 22 autonomous mobile robots (AMRs) to the production workshop of TPV Displays Polska, a leading television manufacturer in Europe. By transporting television panels and components from the warehouse to ten assembly lines, it continuously optimizes routes, ensures a continuous and automated material flow, and integrates material flow and warehousing into a single system. This not only improves the material supply efficiency for the assembly lines but also relieves employees from strenuous physical tasks. Furthermore, the status of the entire robot fleet can be monitored at any time, and operational efficiency is continuously improved through data collection and process analysis. By combining KUKA KR AGILUS robots with the automated HTR 7000 rheometer for laboratory testing, Anton Paar enables automated tasks including sample handling, measurement equipment cleaning, and sample disposal upon completion of testing, thereby guaranteeing a stable, continuous, and automated workflow for sample testing. Meanwhile, such testing equipment equipped with KR AGILUS robots is also applied in the cosmetics and brewing industries. Swisslog, a subsidiary of KUKA, successfully delivered New Zealand's first AutoStore automated warehousing and picking system for the retail industry. Located at the IKEA Sylvia Park store in Auckland, the system effectively enhances the store's automated order fulfillment capacity. It represents the first introduction of high-density robotic warehousing and picking technology into a physical retail environment in New Zealand to support the growing e-commerce demand, and is capable of picking up to 200 items per hour, achieving ten times the efficiency of traditional manual picking.

In the domestic market, in the first half of 2026, KUKA continued to assist in the comprehensive upgrade of production lines towards intellectualization, high-end development, and high efficiency. In the new energy vehicle industry, KUKA completed the bulk delivery of industrial robots to Leapmotor and simultaneously provided mobile robot solutions to GAC AION, effectively supporting the customers' rapid iteration demands in flexible production and logistics automation. In the field of smart logistics and system integration, Swisslog developed the largest-scale automated warehousing project to date in the new energy vehicle industry. Utilizing an efficient and intelligent warehousing and logistics solution, it assisted the customer in addressing supply chain management challenges arising from rapid capacity expansion, thereby establishing a benchmark case for logistics automation. Moreover, the new shuttle product, MegaStore, successfully provided customers with a high-density and highly reliable automated storage solution, effectively enhancing warehousing operational efficiency and the level of food safety assurance.

(4) KUKA China

According to the MIR Databank statistics, in the first half of 2026, the shipment volume of KUKA industrial robots in the domestic market exceeded 18,000 units, representing a year-on-year increase of over 19%, and its market share by sales volume in the domestic market reached 9.7%, rising to the second position in the industry. KUKA holds a significant advantage in the heavy-duty robot segment, with its domestic market sales volume share of robots with a payload capacity of over 300kg exceeding 50%, which have been widely applied in high value-added scenarios such as automotive components, energy storage batteries, shipbuilding and aerospace. In the first half of 2026, KUKA also successively appeared behind the scenes and on stage at the CCTV Spring Festival Gala, the CCTV Intangible Cultural Heritage Gala and the Lantern Festival Gala, demonstrating the high reliability and precise control capabilities of KUKA industrial robots with extremely stable live performance.

In terms of supply chain localization, in the first half of 2026, the project named "Key Technologies and Applications of High-Power Density, High Dynamic, and High Reliability Servo Motors for Heavy-duty Robots" led and completed by KUKA won the Second Prize of the Science and Technology Progress Award of the 2025 Guangdong Provincial Science and Technology Awards. Through the optimization of structure and processes, torque and power density have been significantly enhanced, and green manufacturing processes have been established. According to third-party testing, compared with similar overseas products, the power density increased by 25%, while the volume and weight decreased by 20%, successfully enabling the domestic production of joint drive motors for heavy-duty robots.

In terms of production capacity layout, in April 2026, the KUKA East China Smart Manufacturing Centre was officially established in Kunshan, effectively supporting KUKA in enhancing local delivery efficiency and shortening response cycles. The Kunshan base will upgrade KUKA's domestic manufacturing system from a single-factory model into a system characterized by the advantages of regional synergy, which will further expand the smart manufacturing capacity for industrial robots and set up new production lines for light-duty and flexible robots, laying a solid foundation for subsequent large-scale customized production and rapid supply chain responses.

In terms of talent cultivation, the Foshan Enterprise Postdoctoral Workstation was officially inaugurated at the Foshan base of KUKA robots, marking a solid step forward for KUKA in the cultivation of high-end technical talents and the integration of industry, academia and research, thereby providing a sustained source of talent for long-term innovation. In January 2026, KUKA successfully held the "First KUKA Skills Master Competition", establishing a brand-new platform for technical exchange and professional competition within the industry.

4. Midea Energy Business

Facing the rapid growth of the renewable energy industry, Midea New Energy is committed to becoming an industry-leading digital energy solution provider. From large-scale power plants to residential rooftops, and from core components to intelligent operations, Midea is driving the green upgrade of various industries by leveraging its comprehensive energy capabilities characterised by a "full-scenario, full-chain, and full-value" approach. Under the vision of "Energy Links All", Midea connects all things through energy to jointly build a low-carbon and sustainable future.

(1) Product Innovation and Solution Upgrades

In June 2026, CLOU Electronics, Hiconics and other entities under Midea Energy jointly participated in the 19th International Photovoltaic Power Generation and Smart Energy Conference & Exhibition (SNEC 2026), building full-stack products and services by focusing on large-scale ground-mounted energy, commercial and industrial energy, and residential energy scenarios.

In terms of large-scale ground-mounted energy, CLOU Electronics presented its Aqua-C3.0 Ultra and Aqua-C3.0 large-scale energy storage series products. Among them, the Aqua-C3.0 Ultra large energy storage system adopts a 10-foot+ lightweight design to strictly control the complete unit weight to under 39 tons, effectively reducing the comprehensive construction cost of the projects. The system is equipped with 587Ah large battery cells, achieving an ultra-large system capacity of over 5.1MWh per single cabin under a compact space layout, realizing a leapfrog improvement in energy density.

In terms of commercial and industrial energy, Midea adopted the integrated concept of "source-grid-load-storage-carbon" to build a full-chain solution covering energy production, smart power distribution network, flexible load, diversified storage and regulation, and carbon asset operation. Based on commercial and industrial photovoltaic solutions, Hiconics launched the Midea EaaS (Energy as a Service) model to lower the threshold of initial investments in energy equipment for enterprises and to assist energy-consuming enterprises in resolving energy and carbon management issues. CLOU Electronics provided customers with a "2+6+N" full-chain cabinet energy storage solution, directly addressing three major pain points: difficulties in green power consumption, high pressure on distribution networks, and high energy costs. It also showcased products including the cell-cascaded commercial and industrial energy storage system, the Aqua-E commercial and industrial photovoltaic-storage integrated system, the Aqua-E 522 commercial and industrial energy storage system, and three-phase smart IoT electricity meters, thereby facilitating customers to reduce costs, increase efficiency, and stabilize energy utilization.

In terms of residential energy, serving global users via its AI smart energy manager, Hiconics presented a comprehensive residential energy storage product matrix under the dual brands of Midea and HICONICS. It systematically showcased the "photovoltaic-storage-heat-flexibility" technology, which enables linkage between energy storage and heat pumps, as well as the new generation of M-Ecolux Villa products, effectively enhancing the residential energy self-sufficiency rate and lowering comprehensive energy costs. The M-Ecolux Villa residential storage integrated system integrates PCS and batteries, supporting a 200% DC/AC capacity configuration ratio; the M-Ecolux Villa•Junengding residential storage split system is compatible with 160V-750V mainstream high-voltage batteries, and is expandable up to a maximum of 504kWh. Both product series utilize DCDC batteries to achieve the mixed utilization of old and new batteries alongside flexible capacity expansion. Relying on the "photovoltaic-storage-heat-flexibility" technology and its new generation of products, Hiconics' residential storage systems have achieved large-scale delivery in Europe and Australia, and localized service teams have been established. In the field of residential distributed photovoltaics, in response to the shift from "scale-driven growth" to "operations-driven growth" following the introduction of Document No. 136, Hiconics has released an integrated model for distributed photovoltaic generation and sales, connecting the entire value chain of "electricity generation + sales + trading".

(2) Market Channel Expansion

Midea Energy continued to advance its market expansion. In the field of the residential photovoltaic business, its subsidiary, Hiconics, proactively developed strategic partnerships and continuously drove order growth. Adhering to the strategy of "strengthening strategic partners and expanding network partners," its channel customers have now exceeded 2,000. Concurrently, in response to the policy trends of the power market, Hiconics has completed the bidding for 2026-2027 mechanism-based electricity tariffs in multiple provinces, effectively safeguarding the asset returns of its distributed photovoltaic power stations. In the field of residential energy storage, Hiconics continued its strategic layout across the global market. It promoted the bulk delivery and localized operations of its all-in-one residential energy storage products by deepening its penetration into the European and Australian markets. Furthermore, it comprehensively marketed various products, including new-generation all-in-one and split-type residential energy storage units as well as DCDC batteries, across regions such as ASEAN, South Asia, and the Middle East and Africa. In addition, its photovoltaic inverters have completed product testing and are gradually being rolled out to the market, with products across multiple power ranges having successfully entered the whitelists of top-tier capital providers. In the field of high-voltage inverter, Hiconics achieved a major breakthrough in benchmark projects with its self-developed HC2000W four-quadrant water-cooled high-voltage inverter solution, winning the bid for the world's first commercialized pebble-bed modular high-temperature gas-cooled reactor nuclear power plant project featuring fourth-generation nuclear power technology. Meanwhile, capitalizing on the opportunity created by domestic substitution, Hiconics leverages the technical advantages of its fifth-generation products and its full-lifecycle service capabilities to provide customers with a comprehensive solution ranging from diagnostics to replacement. This allowed for the precise replacement of legacy equipment within the existing market with solutions offering higher energy efficiency, lower costs, and superior services. In the first half of 2026, revenue generated from the retrofitting business for legacy equipment recorded significant growth.

In the domestic market, CLOU Electronics seized the opportunities arising from the industry's market-oriented transformation, deeply tapped into the demands of the power market, and steadily advanced the development and implementation of large-scale energy storage projects. Utilizing standard commercial and industrial energy storage products as carriers, supplemented by services encompassing zero-carbon parks, virtual power plants, and comprehensive energy management, it prioritized strategic layout in regions with mature power marketization and significant peak-to-valley price differentials, thereby steadily expanding its end-customer base. In overseas markets, CLOU Electronics focused on core markets such as North America, Europe, the Middle East, and Latin America, primarily developing projects related to renewable energy-paired storage, standalone energy storage power stations, grid regulation, and power market trading. Focusing on the commercial and industrial energy storage markets in Europe, the Asia-Pacific, and Southeast Asia, it expanded customer base and partnership channels by addressing critical needs such as peak-to-valley price differentials, demand management, photovoltaic-storage integration, and industrial park energy management. It consistently consolidated its market service and delivery guarantee capabilities, continuously enhanced localization, and optimized supply chain collaboration models as well as full-process project control mechanisms, thereby steadily improving the stability of order delivery and its comprehensive customer service capabilities. In the first half of 2026, CLOU Electronics was once again honored with the title of "Shenzhen Well-known Brand" and was awarded the title of "Bay Area Well-known Brand". In May 2026, upon the publication of the Global Tier 1 Energy Storage Manufacturer List for the second quarter of 2026 by BloombergNEF (BNEF), CLOU Electronics retained its position on the list for the ninth consecutive quarter, underpinned by its robust core technologies and comprehensive capabilities in highly efficient delivery, continuing to earn the high recognition of international authoritative institutions.

(3) Manufacturing Layout

In the first half of 2026, the Beijing manufacturing base of Hiconics successfully completed mass shipments of nuclear power-specific cabinet models and compact cabinet models for high-voltage inverters, thereby complementing its delivery capabilities in high-end market segments. Meanwhile, it advanced the intelligent upgrade of its production lines and initiated specialised research on the automation of the cabinet final assembly process to drive unmanned and intelligent upgrades. The production capacity of the Anqing manufacturing base was gradually increased to manufacture the 4+2 platform inverters independently developed by Hiconics as well as complementary new battery pack products, precisely meeting the essential demands of the current new energy market. Simultaneously, it commenced the small-batch trial production of the new generation of 2+2 energy storage units and new battery pack products, laying a solid foundation for the subsequent explosive growth of orders in the new energy market. By focusing on the testing pain points of residential energy storage products, it successfully developed the key technologies for automated testing and achieved a breakthrough through the independent research and development of an automated testing platform for core components, effectively lowering testing costs while enhancing testing accuracy and efficiency. CLOU Electronics has achieved an annual production capacity of 15 GWh at its Yichun manufacturing base and completed the preliminary preparatory work for its energy storage production base in Indonesia. This has propelled the gradual formation of a "domestic + overseas" dual-capacity layout, providing a robust assurance for the delivery of large-scale overseas projects and enhancing its risk resilience in international trade.

5. Smart Logistics

Annto Smart Logistics, a subsidiary of Midea Group, is committed to providing end-to-end integrated, digital and intelligent supply chain logistics solutions. It deepens the "1+3" supply chain logistics service model to help enterprises enhance supply chain efficiency, reduce operational costs, and achieve business model evolution and ecosystem support.

In the domestic market, Annto Smart Logistics is deeply engaged in the supply chain services sector. Being customer-oriented, it offers customers a full supply chain service covering pre-production logistics, finished product storage, finished product distribution, and last-mile integrated delivery and installation, assisting enterprises in driving channel reform and optimizing supply chain efficiency. It persists in supporting new growth through supply chain innovation, helps customers optimize supply chain transformation and expand multi-category business layouts, and provides distributors and retailers with end-to-end solutions ranging from shelf-placement recommendations to warehousing and fulfillment, thereby achieving high-quality growth and sustainable development.

In the overseas market, Annto Smart Logistics has integrated the supply chain resilience, digital and intelligent technologies, full-chain logistics solutions, and localised operational experience accumulated over years from domestic intelligent manufacturing into a comprehensive service system, and completely exported the same overseas to lay an "overseas expansion foundation" for more Chinese manufacturing enterprises. At present, Annto Smart Logistics has successfully customized, developed, and delivered cross-border logistics solutions for the freezer manufacturing plant of Homa Appliances in Thailand, effectively assisting the customer in controlling logistics costs. In June 2026, Annto Smart Logistics participated in the launch of the "AI Agent Factory Overseas Expansion Solutions" of Midea Group, providing three core services, namely full-chain cross-border plant construction logistics, knock-down (KD) integrated logistics, and cross-border circular packaging, to address the pain points of the manufacturing industry in expanding overseas.

In the digital field, Annto Smart Logistics continuously increases its digital investments, providing strong support for the efficient implementation of the "1+3" supply chain logistics service model. Its digital platform has served thousands of enterprise customers. Through scientific warehouse network planning and product layout optimization, it helps customers reduce logistics costs, accelerate inventory turnover, and streamline omni-channel inventory. By embedding AI technologies into the full chain covering order management, warehouse operations, transportation scheduling, and integrated delivery and installation, it improves operational efficiency and service quality. It also provides customized solutions for diverse customers across a broad range of industries and scenarios, empowering their digital transformation and upgrades.

In the field of production logistics, on the product front, Annto Smart Logistics continues to consolidate nine core application scenarios and expand the development of products such as overseas warehousing and distribution. On the digital application front, through the optimization and upgrading of digital systems, including the Production Logistics System (PLS), Transportation Management System (TMS), Warehouse Management System (WMS), and Collaborative Management Platform (CMP), and the introduction of AI tools such as Robotic Process Automation (RPA), it continuously supports business growth, cost reduction, and efficiency enhancement. On the operations front, it creates an integrated "transportation + packaging + warehousing and distribution" scenario with full-scenario digital operations, achieving integrated transportation and packaging as well as unmanned delivery. As of June 2026, the first batch of industrial logistics robots has been deployed and put into use at the Midea Shunde Small Home Appliance Factory; in the overseas markets, focusing on Thailand, Vietnam, Indonesia, and Egypt, end-to-end supply chain services have been established, covering logistics for plant construction, production logistics for overseas factories and finished-product delivery.

In the field of trunk line, Annto Smart Logistics focuses on the route-based operation model, and efficiently aggregates full-domain freight traffic, refines the ability to optimize route cost structure, promotes comprehensive online and SaaS-based operations, and achieves digital closed-loop management of the operation system. It prioritizes optimizing vehicle operational efficiency, achieving efficient and precise allocation of transportation capacity supply structures based on in-depth insights into route scenarios and integrating market signals with institutional constraints.

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

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

In the field of last-mile services, Annto Smart Logistics builds an enterprise-version customer after-sales workbench for small business customers that supports online registration, self-ordering, bulk ordering, and wallet recharging functions, improving customer order management efficiency. It utilises an AI intelligent appointment system to automatically match and lock the optimal home visit time after order receipt. Relying on an algorithm-based dispatching engine, it precisely schedules delivery and installation engineers. During fulfillment, it applies intelligent route planning tools to dynamically optimize engineer itineraries to ensure efficient service delivery. In the installation completion phase, it introduces AI tools for precise acceptance. In the after-sales phase, it deploys an AI intelligent customer service system for 24/7 efficient responses. By the end of 2025, the domestic transportation network of Annto Smart Logistics is capable of dispatching over 500,000 vehicles, encompassing over 730,000 established transportation routes, with its services covering approximately 2,800 districts/counties and over 39,000 townships nationwide. Relying on over 3,700 active service outlets and more than 73,000 delivery and installation service team members, it can achieve full coverage of townships across the country, effectively ensuring the efficient execution of delivery and installation services.

III. CORE COMPETITIVENESS ANALYSIS

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

As a leading global technology company in smart home and commercial and industrial solutions, Midea provides services to customers in over 200 countries and regions, and leads the way in various markets, including various household appliances and their key components, commercial air conditioners, robotics and automation. In the first half of 2026, Midea Group's revenue reached RMB261.05 billion, marking its eleventh consecutive year on the Fortune Global 500 list, demonstrating its global leadership and outstanding performance. Midea persists in consolidating its market leadership in the global home appliance industry. According to Euromonitor statistics, based on global smart home appliance sales of the brands (self-owned brand manufacturers) in 2025, Midea ranked first in global smart home appliance sales, with over 140 million smart home appliances connected globally and more than 150 million smart users connected. Currently, Midea has an extensive brand matrix targeting high-end, mass-market, and young consumer segments, and provides various smart home appliance products. In the first half of 2026, Midea Group continued to advance and implement its "Number One Engine" strategy in the domestic market. The home appliance sales of Midea-branded products on major domestic online platforms, including JD.com, Tmall, Douyin, and Pinduoduo, continued to rank first in the industry, and their home appliance sales across major domestic offline channels, such as key accounts (KA), distributors, and penetration into lower-tier e-commerce markets, also topped the industry rankings.

Meanwhile, Midea is also a sizable commercial and industrial solution provider, achieving market leadership in multiple sectors. According to the data from ChinaIOL.com, in the first half of 2026, Midea maintained its position as the global market leader in terms of sales volume share for residential air conditioner compressors, residential air conditioner motors, and washing machine motors. It also ranked among the top in the global market for refrigerator compressors. According to the data from ChinaIOL.com, Midea's central air conditioners accounted for over 22% of the domestic market sales in the first half of 2026, maintaining the top position in the industry. Its commercial multi-split air conditioners accounted for over 29% of the domestic market sales, continuing to rank first in the industry. Its centrifugal chillers accounted for over 16% of the domestic market sales, ranking first in the industry. Furthermore, Winone Elevator, leveraging its leading professional technological prowess and brand reputation, has maintained a market share in freight elevators at the forefront of the industry for consecutive years. KUKA Group, a subsidiary of Midea, is one of the Top 4 industrial robot companies globally. According to the MIR Databank statistics, in the first half of 2026, the shipment volume of KUKA industrial robots in the domestic market exceeded 18,000 units, capturing a 9.7% domestic market sales volume share and rising to the second position in the industry. Moreover, KUKA holds a significant advantage in the heavy-duty robot segment, with its domestic market sales volume share of robots with a payload capacity of over 300kg exceeding 50%, which have been widely applied in high value-added scenarios such as automotive components, energy storage batteries, shipbuilding and aerospace.

(II) A comprehensive and continuously deepening global network

In the domestic market, with its continuous efforts over the years, Midea has formed a multi-channel network which has a complete business layout and covers a wide range of areas, enabling it to promptly meet the purchase needs of online and offline consumers for household appliances. Midea continues to improve its offline business layout around user needs, and has created a network layout of comprehensive household appliance stores, specialty stores of self-owned products, traditional retailers and e-commerce franchise stores, covering the entire market from first-tier cities to townships. It also provides professional scenario-based solutions for corporate customers. Particularly, Midea boasts a unique exclusive shop system in the industry with tens of thousands of outlets, where various needs of users from new decoration to updates can be met in pre-decoration stores, flagship stores, professional stores, combo stores and other stores. Midea continuously provides industry-leading digital platform services to retail stores. It also focuses on expanding and constructing premium brand stores for COLMO and Toshiba. Centred around "smart suite operation" and "entire-house renovation solutions", Midea actively cooperates with home decoration, furniture, building materials, and design channels, seeking to capture front-end traffic. With exclusive stores as the core, the Group builds a "Midea Cloud Sales +" ecosystem covering markets at all tiers, establishes an exclusive store system with core competitiveness for various markets, as well as firmly promotes and transforms the service, operation, and all-product-category retailing capabilities, among others. In addition, Midea is also accelerating the development of new channels such as Pinduoduo, Douyin, Kuaishou, and Xiaohongshu. These efforts, together with membership operation, product suite promotion and intelligent transformation, can drive sales and user growth. As of June 2026, the user base of Midea Home platform had surpassed 140 million, with monthly active users exceeding 24 million.

In overseas markets, Midea has put in place a global network for research and development, manufacturing, and marketing, representing the capability for global development. With 29 overseas research and development centres in 11 countries, Midea integrates global R&D resources to build complementary advantages in global technological research and development. Among the 68 major production bases globally, 45 are located overseas. As such, Midea is able to realise global production and delivery, seizing growth opportunities in overseas markets. Overseas sales contribute to over 40% of Midea's total sales, with products exported to over 200 countries and regions worldwide. In many overseas markets, online and offline sales networks have been established, with approximately 5,500 after-sales service outlets. Continuously deepening the application of digital sales platforms in overseas markets, over 25,000 retailers have joined Midea's overseas sales platform. As of June 2026, Midea has nearly 50,000 overseas employees. Midea also continuously deepens and expands its global business network through strategic acquisitions and joint ventures. The rapid growth of Midea's overseas original brand manufacture (OBM) business is evident, with OBM revenue reaching over 50% of overseas revenue of smart home in the first half of 2026. Mainly featuring Toshiba, Midea, and Comfee brands, OBM products have demonstrated strong competitiveness in numerous overseas markets. As of June 2026, the cumulative number of overseas registered users for Midea's smart home applications had exceeded 15 million, with the average monthly active user count surging by over 80% year-on-year.

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

Midea has established a rapidly growing business of commercial and industrial solutions. Revenue from this business exceeded RMB120 billion in 2025, as a percentage of total revenue has increased from 18.5% in 2020 to 26.8% in 2025. Commercial and industrial solutions have become one of the main engines driving the continuous growth in Midea's business.

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

Robotics Industry:
The "Forward Design and Application of 350-1,200kg High-performance Heavy-duty Robots" project, developed by Midea's Blue-Orange Laboratory (a National Key Laboratory for Advanced Heavy-Duty Robotics) jointly with certain entities including KUKA Robotics (Guangdong) Co., Ltd. and Guangdong Jiya Precision Machinery Technology Co., Ltd., passed the expert appraisal organized by the China Machinery Industry Federation to reach an internationally advanced level. This marks the transition of heavy-duty robots toward comprehensive autonomy from hardware to software. The project achieved three core technological breakthroughs, integrating design tools for typical working conditions into the forward process for the first time, establishing a multi-level fault tree model, and achieving a high reliability index of a 100,000-hour mean time between failures (MTBF); innovating a mass redistribution topology optimization method to enhance the overall machine performance through dynamic iterative optimization; and making breakthroughs in multi-factor rigid-flexible coupling modeling technology to realize high-precision simulation of dynamic characteristics and control optimization. Relying on independently developed core components and software systems, the project successfully launched 4 new models of heavy-duty robots, such as 350E and 550E. These products have been applied in batches in high-end manufacturing sectors, such as new energy and aviation, thereby constructing an autonomous product system.

Midea continues its strategic deployment in humanoid robot technology, advancing the productisation of two humanoid robots, “Miro” and “Meila”. By integrating with Midea’s agent factory practices, it explores in depth the application of humanoid robots in industrial scenarios. “Miro” operates as a highly versatile performer in industrial scenarios. As at June 2026, the application of “Miro” has been advanced across multiple factories and multiple scenarios. In sheet metal scenarios at the Jingzhou factory, the Wuxi factory, and the high-end industrial park for washing machine “Miro”, relying on integrated control and flexible grasping technologies, realises an intelligent and autonomous closed-loop encompassing material recognition, path planning, precise grasping, and workstation feeding. This resolves the “last 1 metre of logistics”, which traditionally necessitates manual handling to connect the production line-side with the equipment workstations, thereby becoming a crucial link for dark factories to achieve “fully unmanned scenarios”. In respect of intelligent logistics and factory operation and maintenance scenarios, “Miro” explores standard box transferring and palletising at the kitchen and water heater factory in Wuhu, and advances the application of tasks including barcode scanning and halogen leak detection in the building factory in Shunde. Furthermore, it possesses visual inspection capabilities to conduct intelligent recognition and feedback concerning equipment status, process quality, and on-site abnormalities. Through synergistic linkage with logistics automated guided vehicles (AGVs), the factory’s Internet of Things (IoT), and the agent factory brain, “Miro” propels the upgrade of factory logistics and production operation and maintenance from localised automation to full-process intelligence, flexibility, and unmanned operations.

The super-humanoid robot “Miro U” has officially commenced operations at the high-end washing machine industrial park, having operated for a cumulative period of over two months and completed the fastening of over 100,000 screws. Powered by a native agent factory brain, “Miro U” integrates embodied intelligence with workstation agents, process agents, production changeover agents, quality agents, and equipment agents, among others. This integration realizes an intelligent and autonomous closed loop encompassing product identification, parameter dispatch and adjustment, standard switching, and quality inspection. Production line changeovers achieve a “zero changeover”, and equipment space occupancy is reduced by over 50%.

In respect of domestic and commercial scenarios, Midea's in-house developed second-generation high-performance bipedal full-humanoid robot, "Meila X2", has an overall weight of less than 40 kg and currently possesses all-terrain and diversified locomotion capabilities, such as human-like walking, ascending and descending stairs, running, and dancing. The in-house developed embodied cerebrum-cerebellum model, EAGLES-X, has reached or exceeded international advanced levels in terms of manipulation capabilities, locomotion capabilities, and complex reasoning capabilities in open scenarios. By leveraging the in-house developed Vision-Language-Action (VLA) model, EAGLES-EA, and the behavioral foundation model, EAGLES-BF, "Meila X2" possesses full-body autonomous mobile manipulation capabilities. It has achieved a success rate of over 95% in open domestic task scenarios, including folding towels, organizing dining tables, and tidying sofas, marking the transition of humanoid robots into the practical stage. In addition, Midea's in-house developed large-scale semantic topological navigation system, combined with an embodied agent system, enables the execution of tasks such as guided navigation and shopping assistance in open retail store scenarios, laying the foundation for commercial applications.

Healthcare Industry:

In the first half of 2026, Midea Healthcare continued to advance systematic synergy and integration in aspects such as research and development, manufacturing, marketing and services, firmly implemented the "Three Generations" R&D system, and achieved significant progress in the fields of product development and technology research.

In respect of the "Development Generation", the Group has continuously optimized its product matrix and successively launched in the domestic market new products that have obtained medical device registration from the National Medical Products Administration (NMPA). Among these, the i_Sight 3.0T, a new-generation large-bore 3.0T magnetic resonance imaging (MRI) system equipped with an extreme gradient of 80/220 and coupled with precise spiral acquisition, achieves ultra-high-definition and ultra-precise imaging. Its brand-new smart user interface (UI), powered by the WDL2.0 platform, comprehensively enhances the imaging workflow, further enriching the high-end MRI product line. The Genesis X5, the world's first rare-earth ceiling-suspended DSA serving as a high-end X-ray angiography machine for interventional diagnosis and treatment, applies rare-earth IGZO material to the DSA flat panel detector for the first time. It achieves high-definition imaging of micro-vessels while significantly reducing radiation dose and contrast agent usage. Coupled with a free suspension structure, it can cover interventional surgical scenarios across all clinical departments, breaking through the technical bottleneck wherein the imaging performance of traditional amorphous silicon detectors approaches physical limits, thus achieving "high-definition and low-dose" imaging. The TurboTom9 PRO ultra-wide panoramic dynamic CT is equipped with an industry-leading 172.8 mm ultra-wide panoramic detector, realizing full-organ redundant coverage. Its high rotation speed of 0.25 s/r, combined with motion correction algorithms, supports free-breathing imaging. As a domestically produced ultra-high-end CT product, it was successfully included in the 2026 Beijing First Set of Major Technical Equipment Catalogue (2026 北京市首台(套)重大技術裝備目錄), which facilitates penetration into the high-end cardiovascular, cerebrovascular, and critical emergency sectors in Class III Grade A hospitals. In overseas markets, Midea Healthcare released two DR products. Among them, the new-generation high-end Lux HD 35/43 detector integrates the core technologies of 100-micron imaging, intelligent noise reduction and automatic exposure control, with its performance leading the high-end flat panel detector sector; the DRX-Evolution Plus is equipped with a pioneering curved track system, being the world's first high-end ceiling-suspended DR configured with such a structure, which expands diverse clinical application scenarios. In the field of AI applications, in March 2026, the "AI + Health Collaborative Innovation Nurturing Project" (AI+健康協同創新培育項目) of the Beijing Municipal Science and Technology Commission (北京市科委) undertaken by Wandong Medical, a subsidiary of Midea Healthcare, successfully passed the project completion and acceptance. Relying on this project, the intelligent upgrade of superconducting magnetic resonance products based on artificial intelligence technology was completed, which further enhanced the technological capabilities of the Company's magnetic resonance products in aspects such as intelligent scanning and intelligent imaging. Furthermore, in April 2026, Midea Healthcare released the industry's first DR full-process intelligent agent at the China International Medical Equipment Fair (CMEF), achieving the full-chain intelligence of DR from scanning to diagnosis. Concurrently, it released a magnetic resonance AI intelligent agent focusing on the early screening of Alzheimer's disease (AD) to realize the intelligent early screening of AD based on the brain data of the Chinese population.

In respect of the "Reserve Generation", the research and development and industrialization of the large-bore 1.5T liquid helium-free magnetic resonance imaging (MRI) system are currently being advanced in an orderly manner, with continuous product performance validation and clinical application refinement to facilitate product iteration; in respect of the "Research Generation", continuous technological innovation is being conducted centering on the core technologies and clinical applications of high-end MRI to advance the research and development of key technologies such as intelligent workflow, one-stop intelligent cardiac imaging, rapid imaging, and molecular metabolic imaging, and to promote the integration of technologies such as liquid helium-free MRI, non-contact physiological gating, and intelligent cardiovascular imaging, thereby further enhancing the level of intelligence and convenience of MRI examinations and expanding the clinical application scenarios of cardiovascular MRI.

In respect of external cooperation, in May 2026, the "Beijing Key Laboratory for Innovation and Translation of Advanced Superconducting Magnetic Resonance and Computed Tomography Medical Equipment" (先進超導磁共振和電腦斷層掃描醫療裝備創新轉化北京市重點實驗室), led by Wandong Medical and jointly established with Zhongke Magnetic Control (中科磁控), Beijing Friendship Hospital, Capital Medical University (首都醫科大學附屬北京友誼醫院), Peking Union Medical College Hospital, Chinese Academy of Medical Sciences (中國醫學科學院北京協和醫院), and Beijing Tiantan Hospital, Capital Medical University (首都醫科大學附屬北京天壇醫院), was officially approved and accredited by the Beijing Municipal Science & Technology Commission, Administrative Commission of Zhongguancun Science Park (北京市科委、中關村管委會). The laboratory focuses on two major frontier tracks in the field of high-end medical imaging equipment: liquid helium-free large-aperture superconducting magnetic resonance and ultra-wide body, ultra-high speed technologies. It opens up the translation pathway of "research and development – clinical validation – industrialisation", provides key scientific research platform support for continuous technological iteration, accelerates the independent innovation and clinical industrialisation of high-end medical imaging equipment, and promotes technological breakthroughs in domestic high-end imaging equipment.

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

Midea possesses leading research and development capabilities and is committed to allocating significant resources to R&D efforts, focusing on research in cutting-edge fields such as new energy, embodied intelligence, healthcare, and artificial intelligence, with a view to seizing strategic initiatives in future industrial development through technological leadership. From 2021 to 2025, the total R&D investment exceeded RMB70.0 billion, with R&D spending amounting to RMB8.5 billion in the first half of 2026. As at June 2026, Midea has over 23,000 R&D personnel worldwide, accounting for over 50% of its non-production staff.

1. **R&D System**

   Midea continuously improves its R&D system, constructing a collaborative architecture centered around its Central Research Institute and R&D units and teams across various business divisions. By conducting in-depth research on technologies, user needs, and market trends, Midea has formed a "Three Generations" R&D model, i.e., the Central Research Institute focuses on frontier, foundational, and generic technologies, while business divisions concentrate on product technology development, jointly building globally leading R&D capabilities and achieving efficient synergy and organic operation of a "four-level R&D system" to ensure the effective transformation of research achievements into operating results. To implement the technology leadership strategy, Midea persists in enhancing the density and quality of its talent pool. Leveraging the local advantages of its overseas R&D centers, it attracts top leading talents and high-end professionals in various technical fields, building a global talent hub to provide strong support for technological innovation and industrial development.

2. **R&D Achievements**

   Midea deeply implemented the "Three Generations" R&D model, promoted the deep integration of technology strategy with mid-to-long-term product planning, achieved dual drive by technology and products to facilitate high-quality industrial development. In the first half of 2026, Midea added 3 provincial and ministerial first prizes in science and technology and 9 internationally leading achievement appraisals, bringing its cumulative total to 4 national science and technology awards, 540 provincial and ministerial science and technology awards, and over 460 internationally leading/advanced achievement appraisals. In terms of industrial design, Midea drove product innovation, the OBM business, and globalization breakthroughs, receiving a total of 78 industrial design honors in the first half of 2026, which included 31 Red Dot Design Awards from Germany, 25 iF Design Awards from Germany, and 22 IDEA Design Awards from the U.S. To strongly support its strategic goal of "technology leadership", Midea converts innovative achievements into advanced standards, comprehensively enhancing its technological influence and international competitiveness by establishing a two-tier standardization management system at both the group and business division levels, and implementing a dual-drive model of "standard innovation + product innovation". In the first half of 2026, Midea newly participated in the formulation or revision of 115 technical standards, including 3 international standards, 74 national standards, 38 industry and group standards. Midea continuously optimizes its innovation achievement transformation and patent protection layout. In the first half of 2026, it added over 5,000 globally authorized patents, including over 1,000 overseas authorized patents. As at June 2026, its global patent applications exceeded 170,000, with over 30,000 invention patents as authorized and maintained. Midea persistently enhances patent quality and patent operations, winning 5 China Patent Excellence Awards in the evaluation of the 26th China Patent Awards, with the cumulative number of awards won in previous China patent award evaluations exceeding 140, including 6 gold awards and 14 silver awards.

3. **External Cooperation**

Midea focuses on the construction of five core systems, namely technological innovation, user innovation, design innovation, product innovation, and open innovation. It continuously enhances its forward-looking research system to support the reserve and layout of mid-to-long-term technologies, thereby laying a solid foundation for the long-term leadership of its product technologies. Concurrently, Midea deepens its global research and development layout to create an open innovation ecosystem platform. By integrating diverse premium resources from large-scale enterprises, technology companies, universities, and scientific research institutes, it establishes a globalised innovation network and expands collaboration touchpoints for a diversified technological ecosystem. Meanwhile, Midea is committed to constructing a scientist system. It has established 8 academician workstations (offices), and introduced 19 strategically cooperating academicians to drive over 220 collaborative projects covering technological domains such as green technology, energy efficiency, health, intelligence, robotics, and automation.

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

Midea has fully embraced digital and intelligent technologies under its "digitisation & intelligence driven" strategy. In the first half of 2026, building upon its digitisation foundation, Midea continued to deepen the application and upgrading of AIGC across all segments of the entire value chain, comprehensively advancing the strategic transformation of AI from an "efficiency tool" to an "end-to-end process principal", focusing on four core scenarios, i.e., smart home, smart manufacturing, smart office, and industry empowerment, to create a "Home Brain" and a "Factory Brain", leveraging AI to drive intelligent and platform-based operations across the entire value chain, to build the enterprise's core competitiveness in the era of intelligence.

1. **Integration of AIGC applications**

In the first half of 2026, Midea comprehensively deepened the integration of AIGC applications across all operational segments of the value chain. With cumulative smart agents independently created by employees exceeding 20,000, it achieves an efficiency improvement of over 9 million work hours and cost reduction of over RMB450 million in the first half year. It launched the M IoT AIGC 3.1 smart agent solution, comprehensively upgraded the enterprise-level AIGC platform capabilities, externally provided industrial AIGC solutions, and empowered partners and the industry ecosystem; launched the whole-house smart "Three Ones" strategy, reshaping the whole-house smart user experience through one home brain, one set of connection standards and a one-stop smart experience, accelerating the evolution towards an all-scenario ecosystem for smart living; launched the Xiaomei employee AI assistant (self-developed based on OpenClaw) to create a personal intelligent working partner for employees, and extended into smart terminal forms to build an AI assistant ecosystem covering multiple scenarios such as office work, R&D and services; and initiated the AI end-to-end transformation strategic project, focusing on six major business scenarios, namely order manager, supplier onboarding, material control, Go-To-Market (GTM) marketing, new materials and end-to-end logistics, thereby driving the upgrade of AI from an auxiliary tool to a core process entity.

To build an AI capability foundation, a unified AI super portal open to all employees, namely "Xiaomei", has been established. It integrates six major capability modules to realize the unified registration, authentication, governance, and cross-domain orchestration of enterprise AI capabilities across various business domains; a unified smart agent platform supports hundreds of tools and a skills marketplace, with a sandbox isolation mechanism safeguarding the operational security of code execution and risk-associated operations; concurrently, the systematic development of employees' AI skills is deepened, with over 13,000 employees having completed the smart agent certification, and the AI 500 Talent Plan is advanced to propel the transition of organization-wide AI capabilities from basic awareness to business empowerment and practical implementation. By continuously consolidating the technological foundation and digitisation infrastructure, a new smart agent delivery paradigm covering the entire process has been formed. In-house developed decision science algorithms break through core technological bottlenecks, and the "solver + dynamic engine + modeling" mode has been promoted to 5 core scenarios; the scale of smart agent scenarios and skills across multiple business domains is expanding rapidly, and application scenarios for embodied AI are continuously deployed, successfully achieving a full-chain closed loop of "perception-decision-execution"; the all-dimensional AI security governance system and the strategic layout of frontier technologies are continuously optimized to construct industry-leading full-stack digital technological capabilities and a diversified talent pipeline, thereby providing solid support for the continuous evolution of the global supply chain and manufacturing systems as well as the digital and intelligent transformation of the industry.

In the home appliance intelligence sector, relying on underlying technologies such as large language models, multimodal reasoning, and omni-domain perception, we continuously iterate the Smart Home Agent, with the whole-house smart scenarios covering multiple domains such as smart air, water, cooking and security. We launch new smart home appliance products equipped with privately deployed large models, reshaping human-machine interaction experience through a multi-model fusion architecture, building AI butler service capabilities and creating a full-scenario smart life. Meanwhile, we improve the intelligence capabilities of the M IoT platform through AIGC and export them externally, participate in the formulation of national standards for large smart home models and jointly build an AI innovation ecosystem with leading enterprises, strengthening the "knowledge + AI" governance system and training & inference engine capabilities, and consolidating our global industry leadership through full-chain digital and intelligent innovation.

2. Domestic sales sector

Leveraging AIGC to continuously empower "DTC digital model innovation", an end-to-end AI production and sales agent and an intelligent replenishment system in respect of intelligent production and sales were established based on the Midea Cloud Sales system, focusing on the domestic unified inventory, to provide AI tool models and system support to facilitate reduction in inventory for domestic sales and efficiency enhancement through intelligent forecasting, production scheduling, inventory allocation, and replenishment. Furthermore, a shared decision-making closed loop based on cloud warehouse data ontology and driven by Data Agent has been established, which improved inventory turnover efficiency by 4.4% and realized the automated hosting of SKU inventory sharing, marking the transition of AI-driven supply and sales synergy from technical validation to the stage of scaled expansion.

In terms of intelligent customer service, leveraging self-developed hyper-realistic TTS (Text-to-Speech), context-aware ASR (Automatic Speech Recognition), and customer service intelligent agents, Midea's intelligent customer service experience has been comprehensively upgraded. Without the need for cumbersome scenario pre-configuration, it realizes natural, smooth and logically coherent conversational processes, and supports users in switching across multiple business scenarios such as installation requests, repair requests and enquiries, significantly enhancing service efficiency and user experience. For after-sales service outlets, we have established capabilities such as intelligent dispatching, AI-scheduled return visits, and intelligent order tracking and early warning, substantially improving the fulfillment efficiency of the service outlets. Identifying an average of over 4 million early warning service work orders per month, it achieves the transformation of work order services from "post-event discovery" to "pre-event early warning and intervention".

In respect of product digitisation, focusing on the end-to-end digital development from product initiation to successful market launch, we integrated the two major systems of R&D and marketing, and leveraged AI agents to empower areas such as "product planning – content operations – graphic design – product training", thereby ensuring that new products enter the market as scheduled.

In respect of customer opportunity management, AI customer data agents were developed to accurately differentiate customer intention levels and reconstruct intelligent opportunity allocation rules by integrating store opportunity operation indicators. AI-standardized follow-up strategies and intelligent sales scripts were implemented, and customer tag data from WeCom and Midea Cloud Sales were integrated to establish unified customer profiles across all channels. Through refined engagement with the "Midea Fan" community, the number of new customers increased substantially year-on-year. AI tagging of more than 26 million items of customer feedback improved the closed-loop resolution efficiency for customer experience issues by 54%.

In respect of merchant empowerment, focusing on the full life-cycle management of merchants, we promoted the online migration of business experience to enhance the digital participation and operational efficiency of merchants; comprehensively covered merchants nationwide through the online merchant community, achieving a 100% issue response rate; simplified the procedures on the Midea Cloud Sales APP to realize the "no in-person meeting" resolution of merchant issues; and linked the entire process of merchant operations through business opportunity management, strengthening merchants' service and design capabilities for non-standardized products to facilitate the transition from single-product sales to whole-house renovation.

3. Overseas sales sector

Driven by intelligent technologies to advance the "Digitalization 3.0" program in depth, and leveraging end-to-end panoramic analysis of the value chain, we are empowering the entire value chain with AI to achieve a leap in overseas digitalization capabilities, thereby supporting the global breakthrough strategy.

Through the Midea Club system, we have facilitated breakthroughs in global professional channels and empowered OBM channels. The system has been launched in 22 countries, covering markets in the Americas, Europe, Asia, and Africa, with global order volume exceeding 1.3 million units and coverage of over 90,000 overseas channel installers and installation workers. By leveraging AI technology, the efficiency of installation order review has improved by 83%, and in some countries, instant settlement and real-time receipt of payment for installation orders have been achieved. By combining installer classification and grading, refined policy management, and digital tool empowerment, resources are matched by tier to enhance terminal sales conversion rates.

We establish an integrated global customs compliance management platform to comprehensively empower end-to-end customs clearance control over cross-border operations, enhance dynamic analysis of customs policies and implementation of origin compliance at the bases in China, Vietnam and Thailand, and adopt AI document recognition, intelligent classification algorithms and AI automated customs declaration technologies, thereby achieving the digitalization and intelligent upgrade of full-process customs operations.

The self-developed AI Load Planner Agent enables intelligent load planning to support the end-to-end load planning and fulfillment process from quotation to shipment, rendering an overall efficiency improvement of over 60% and covering 95% of the export business personnel in the pilot units.

We have been continuously advancing the global implementation of overseas intelligent warehousing and distribution systems by successively implementing the TMS, WMS and BMS systems in locations such as Vietnam and Germany, which improved warehousing operational efficiency by 35%, decreased overall logistics costs by 8% year-on-year, and achieved an end-to-end data transparency rate of 98%. Concurrently, a global logistics control tower was established, achieving an accuracy rate of 92% for anomaly alerts, shortening risk response time to within 30 minutes, and improving the efficiency of handling in-transit abnormalities by 60%.

We are building an AI-driven end-to-end intelligent service system for overseas users. Through customer service Agent bots, the system supports flexible multilingual voice and text interactions, covering customer communications and service request processing across multiple scenarios to build comprehensive 24/7 service capabilities. By driving cost reduction and efficiency enhancement through intelligent technologies, and improving user experience through transparency, it renders overseas services perceivable, trackable, and controllable.

With respect to data internationalization, we have established the Global Insight global operations monitoring and analytics platform, enabling Data Agent-assisted operational insights across core scenarios of our overseas operations, covering over 80 overseas companies. Pilot programs were conducted in certain business units and overseas factories of TEKA, completing data integration and the establishment of the European portal.

4. R&D sector

Centered around the strategic pillars of "Technology Leadership" and "Global Breakthroughs", Midea continues to advance the implementation and deepening of the "Three Generations" R&D system.

On the planning front, a comprehensive AI planning platform spanning from user demands, product concepts, and product definitions to product packaging has been established, creating a ToC blockbuster product innovation Agent and a ToB competitive analysis Agent, which gain precise insights into user demands and facilitate a 70% increase in R&D efficiency. Concurrently, iCenter, the Group's first R&D data product, has been created to establish a unified and standardized R&D data asset system.

On the research front, by digitizing research resources, we optimized the allocation of resources within our R&D system, focused on breakthroughs in core technologies and investment in differentiated products, and promoted the comprehensive coverage of key bottleneck technologies and core technology fields by leading research projects.

On the product front, through user-centric platform-based product development, we strengthened coordination among research and development, production and sales, and implemented a "single-flow" transformation in platform product development. This supports the parametric transformation of platform modules, streamlines the number of SKUs, creates differentiated blockbuster products, enhances the maturity of platform modularization, and drives a 15% improvement in platform efficiency.

On the AI application front, we are driving the transformation of generative AI in the R&D sector from localized exploration to comprehensive transformation. By deeply embedding AI into R&D business processes and promoting end-to-end process transformation, AI human-machine collaboration in key scenarios and AI substitution in repetitive scenarios are realized, thereby improving the efficiency of single-scenario processes by 30% to 60%.

5. **Supply chain sector**

With continuous deepening of the global synergetic layout and the full-chain digital and intelligent upgrade, advanced breakthroughs have been achieved in operational efficiency across both domestic and overseas dual-line operations.

In overseas markets, by leveraging the end-to-end order knowledge ontology as a foundation, we built an AI-powered risk early warning capability across the entire KD link, facilitating cost reductions of over RMB100 million across the entire KD value chain and a year-on-year improvement of 10% in the KD cycle. Concurrently, Data Agent was used for AI capability support, thereby enhancing supply chain operational efficiency.

Domestically, we continued to enhance the resilience and collaborative synergy of regional supply chains, established an integrated domestic planning and dispatch centre, integrated business systems with Agent intelligent workflows, and built a human-machine collaborative dispatch decision-making system, achieving a 10% improvement in omni-channel inventory turnover and a substantial increase in integrated production scheduling efficiency at the headquarters. Planning agents were utilized to empower the product divisions, enabling the OEM platform to reduce costs by over RMB10 million. AI also empowered end-to-end projects such as supplier onboarding, resulting in a 65% increase in efficiency.

6. **Manufacturing sector**

Leveraging digital technologies, Midea is committed to building high-quality, flexible, green, and efficient production factories. Eight of its factories have been recognized as “lighthouse factories” by the World Economic Forum. By advancing the overseas digitalization 3.0 strategy, we continue to accelerate the digitalization coverage and iterative upgrading of global factories, and upgrade to smart factories through Factory Agent. Digital packages have been launched in 5 new factories in locations such as Thailand and Egypt, and the digital packages for 23 existing factories have been upgraded, establishing the first overseas smart agent factory — the Midea Thailand Air-Conditioner Factory. Through the joint project with KUKA in Hungary, we have consolidated and developed a reusable and iterative European digital template for manufacturing for our ToB business, implemented closed-loop scenarios for autonomous analysis and decision-making across multiple domains such as logistics, quality control, and planning at the dual high-end smart agent factories in Wuxi, and expanded the number of our lights-out factory workshops to 14.

On the quality front, an end-to-end digital and intelligent control system is constructed, deploying quality smart agents across all business segments to achieve full closed-loop quality management. Scenarios such as intelligent failure analysis, intelligent process monitoring, and after-sales consistency audits are implemented, thereby facilitating the dual enhancement of quality control and risk prevention and control.

Phased breakthroughs have been achieved in the development of Factory Agent 2.0 and the Factory Brain. An intelligent factory ecosystem, centred on the Factory Brain and featuring the deep integration of multi-agents and robots, was preliminarily established. This has enabled end-to-end autonomous collaborative closed loops across various scenarios, including data operations, planning, logistics, and quality control. Management-level AI assistants have comprehensively improved efficiency and empowered management; the number of pilot factory scenarios increased by more than twofold, intelligent touchpoints increased by 15 times, daily token consumption increased by 7 times, and operating efficiency improved by 31%. An overseas expansion solution for smart agent-based factories was released, systematically exporting mature domestic Factory Agent experience to global manufacturing bases, thereby accelerating the global replication and localized adaptation of intelligent manufacturing capabilities. The collaboration between the Meiyan vertical domain large model and industry-specific large models was deepened. 14 core smart agent scenarios continued to expand their coverage across key stages such as supply chain, production, and quality control. By incorporating more intelligent terminals, such as humanoid robots and AI glasses, traditional manual tasks requiring hours have been replaced with second-level responses, resulting in an average efficiency improvement of over 30% in core scenarios and a 50% increase in production scheduling response speed. Emphasis was placed on developing the new Wuxi dual high-end factory, innovating the "front-store-back-factory" model, and constructing Smart Agent Native Factory 1.0. AI applications in the dual high-end factory have cumulatively saved over 1 million working hours, and the assisted cycle for KD completeness risk warnings was shortened by 20%.

7. ToB business sector

Focusing on the industrial robotics business, we drove end-to-end business transformation across the entire value chain, facilitating the effective conversion of business opportunities in the domestic market, reducing the order fulfillment cycle by 30%, and increasing the finished goods inventory turnover rate by 25%. We explored new growth curves for the ToB business and promoted the transformation of the entire value chain of the ToB after-sales business. We formulated differentiated service growth strategies for HVAC equipment and industrial robotics businesses and uniformly planned and constructed a ToB after-sales platform, which is expected to improve the response efficiency of ToB after-sales services by 50%. We accelerated the global breakthrough of the ToB business and assisted in the digital construction of overseas factories in Thailand and India. We established a digital template for the ToB project-based business to support its transformation towards providing solutions. We deepened the application of marketing data, focusing on the globalization of the ToB business, and built AI-powered business analysis and channel expansion capabilities, uncovering over 20,000 business opportunity leads and more than 30,000 potential customers, covering over 200 untapped markets, and achieving over a hundred channel revenue enhancement opportunities, thereby facilitating the upgrade from "products going global" to "capability going global".

8. Data business

Midea has established four major data centres worldwide, forming a globally unified data asset system. The total volume of data has exceeded 54 PB, with total data assets exceeding 17 PB. Data services are invoked over 13 million times on average per day, with cumulative invocations exceeding 6 billion times in the first half of 2026.

Midea comprehensively upgraded the Data Agent by introducing cutting-edge technologies and further strengthening the three core capabilities of “AI data queries”, “AI analysis” and “AI strategies”, covering over 50 application scenarios across 8 business areas including domestic sales, overseas sales and supply chain. For ToC businesses, it has empowered more than 40,000 stores to achieve AI-powered interpretation; for ToB businesses, it has facilitated the growth of overseas customers through AI-driven market intelligence mining. In the first half of 2026, the cumulative efficiency enhancement contributed by Data Agent exceeded RMB60 million.

By continuously advancing the construction of a digital management system that integrates business and finance and building a full-chain financial data asset platform, we achieved the monitoring and closed-loop management of profitability, cost control, and operational risks across the entire value chain through big data operational analysis and an intelligent early warning system, thereby effectively supporting agile business decision-making and continuously enhancing overall operational efficiency. Concurrently, with a focus on organizational talent, we built a human resources Data Agent to create an intelligent human resources system featuring “data enquiry, analysis, forecasting, and recommendation”.

(VI) Advanced corporate governance and values

Midea is built to grow on the back of progressiveness of corporate governance, updated values, and the growth of management's mental model. Midea's corporate governance emphasizes the shared responsibilities, rights and interests, striving to establish an internal entrepreneurial group and fully inspiring entrepreneurial spirit. Midea has long been committed to creating maximum value for its employees, customers, Shareholders and society. To recognize and reward its employees' contributions and performance, Midea has established a multi-tiered long-term incentive mechanism primarily centered around stock incentives. As at June 2026, Midea had launched nine stock option incentive plans, seven restricted stock incentive schemes, seventeen employee stock ownership schemes, and two H Share award schemes for its management teams and key employees at various levels, solidifying an effective mechanism that aligns the interests of the Group's senior management and core talents with those of all Shareholders. Midea is dedicated to providing customers with the best possible experience, while striving to deeply understand customer demands and preferences, and optimizing product development and business models accordingly. Over the years, Midea has continuously enriched its product portfolio to meet diverse customer demands. The trust and support from Shareholders are crucial to Midea's development. Midea is committed to creating value for its Shareholders and sharing the Group's achievements with them. Since its listing in 2013, Midea has distributed over RMB160.0 billion in cash dividends. While maintaining stable dividend payouts, Midea has consistently implemented a series of share repurchase programs. In the first half of 2026, the Company launched another A-share repurchase plan. During the Reporting Period, the total amount of share repurchases exceeded RMB6.9 billion, and the historical cumulative share repurchases by Midea Group exceeded RMB45 billion. According to a research report by GF Securities, as at the end of June 2026, Midea Group became the company with the highest cumulative repurchase amount in the history of A-shares. Midea places great emphasis on its environmental and social responsibility and is committed to pursuing sustainable development. It was successfully included in the Sustainability Yearbook 2026 published by S&P Global. According to public information[1], Midea has also received an A rating in ESG ratings by internationally renowned agencies for two consecutive years.

1 Source of information: https://finance.sina.com.cn/stock/aiassist/esgpj/2026-07-02/doc-inifkcsa0463287.shtml

IV. FUTURE PROSPECTS OF THE COMPANY

(I) Development strategies of the Company

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

(II) Key tasks in the second half of 2026

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

1. Centering on core growth

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

2. **Promoting global breakthroughs with greater courage and determination**
   We will boldly innovate the operational mechanisms and institutional systems of the OBM business, provide adequate authorization and resource support, and achieve genuine localized operations. Firstly, we will fully empower local teams to make product and marketing decisions; secondly, we will ensure a clear delineation of responsibilities, rights and interests, while identifying the ultimate accountable parties; thirdly, we will ensure consistency in operational management; and fourthly, we must adhere to the localization of team personnel.

3. **Daring to make breakthroughs and transformations in the domestic market**
   The domestic market has become a highly mature existing market. We must relieve the burden on retailers and enable them to achieve stable profitability through services such as cloud warehousing, cloud credit, and direct-to-home delivery. Concurrently, we must boldly reform our domestic sales system. The key to this breakthrough lies in the management's imperative to penetrate deep into every terminal retail outlet to oversee and drive retail execution.

4. **Driving the ToB industry to seize opportunities and achieve proactive growth**
   Midea's ToB business layout aligns with the industrial trends of the upcoming industrial era. We must secure the first-mover advantage, seize opportunities, achieve proactive growth, and formulate the layout for next-generation industrial businesses. We will firmly invest in and achieve breakthroughs in ToB sectors such as robotics, new energy, data center liquid cooling, and core industrial components.

5. **Implementing the "Three Generations" initiative and increasing R&D investments**
   Maintaining technological leadership is Midea's core strategy. Amid the fierce competition in the "Black Sea", innovation is the sole path to renewed growth, as evidenced by the surging popularity of the PortaSplit portable split air conditioner in Europe. We must solidly build our layout around the "Three Generations" R&D system, further increase R&D investments, and encourage innovative breakthroughs.

6. **Efficiency advantage as the foundation of Midea's survival and development**
   Although efficiency enhancement focuses on short-term issues, resolving these short-term issues is an essential pathway to achieving long-term development. Only by enhancing efficiency, establishing cost advantages, and optimizing profitability can we secure the resources to invest in the future and support the development of the ToB industry. Therefore, we must unswervingly maintain a rigorous focus on efficiency and costs.

(III) Risks faced by the Company and countermeasures

(1) Risk of macro economy fluctuation

The market demand for products sold by the Company such as consumer appliances, HVAC and industrial robots can be easily affected by the economic situation and macro control. If the global economy experiences significant fluctuations, and domestic and overseas macro economy and consumer demand slow down in growth, the growth of the industries in which the Company operates, may slow down accordingly, and as a result, this may affect the product sales of Midea Group.

(2) Risks in the price fluctuation of production factors

The raw materials required by Midea Group to manufacture its consumer appliances and core components primarily include different grades of copper, steel, plastics and aluminum. The household appliance manufacturing sector belongs to a labor-intensive industry. If the price of raw materials increases significantly, or there is a large fluctuation in the cost of production factors (labor, water, electricity, and land) caused by a change to the macroeconomic environment and policy change, and the cost reduction resulting from lean production and improved efficiency, as well as the overall sale prices of end products cannot offset the total effects of cost fluctuations, the Company's operating results will be influenced to some degree.

(3) Risk in global asset allocation and overseas market expansion

Internationalization and global operations is a long-term strategic goal of the Company. The Company has built joint-venture manufacturing bases in multiple countries around the world. Progress has been made day by day regarding the Company's overseas operations and new business expansion. However, its global asset allocation may face the risk that resource integration and synergies fail to meet expectations; and in overseas market expansion, there are still unpredictable risks such as the instability of local political and economic situations, significant changes in law and regulation systems, and sharp increases in production costs.

(4) Risk in foreign exchange losses caused by exchange rate fluctuation

As the Company carries on with its overseas expansion plan, its overseas revenue has accounted for more than 40% of the total revenue. Any sharp exchange rate fluctuation might not only bring negative effects on the overseas operations of the Company, but could also lead to exchange losses and increase its finance costs.

(5) Market risks brought by trade frictions and tariff barriers

Due to the rise of "deglobalization" and trade protectionism, China will see more uncertainties and instabilities in export in 2026. The trade barriers and frictions of some major markets will affect the export business in the short run, as well as market planning and investment in the medium and long run. Political and compliance risks are rising in international trade. These can mainly be seen on compulsory safety certificates, international standards and requirements, and product quality and management systems certification, energy-saving requirements, the call for increasingly strict environmental protection requirements, as well as with rigorous requirements for recycling household appliances waste. Trade frictions caused by anti-dumping, imposing additional tariffs and other measures implemented by some countries and regions aggravate the burden in operating costs for enterprises, and have brought about new challenges to market planning and business expansion for enterprises.

In the face of the complicated and changeable environment and risks at home and abroad, the Company will strictly follow the Company Law, the Securities Law, and relevant laws and regulations of the CSRC, the SZSE, and the Hong Kong Stock Exchange, keep improving its corporate governance structure for better compliance, and reinforce its internal control system so as to effectively prevent and control various risks and ensure its sustained, steady and healthy development.

FINANCIAL REVIEW

The table below sets forth the absolute amounts from the Company's interim condensed consolidated statement of profit or loss for the six months ended 30 June 2026 and 2025:

	For the Six Months Ended 30 June	
	2026	2025
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Revenue	**261,052**	252,331
Cost of revenue	**(195,766)**	(188,058)
Gross profit	**65,286**	64,273
Selling and marketing expenses	**(21,546)**	(23,053)
General and administrative expenses	**(7,999)**	(7,590)
Research and development expenses	**(8,467)**	(8,767)
Net impairment losses on financial assets and contract assets	**(634)**	(356)
Other income	**4,699**	5,420
Other gains, net	**405**	2,439
Operating profit	**31,744**	32,366
Finance income	**609**	451
Finance costs	**(953)**	(1,943)
Finance costs, net	**(344)**	(1,492)
Share of profit of associates and joint ventures, net	**510**	469
Impairment provision for investments in associates	**(65)**	–
Profit before income tax	**31,845**	31,343
Income tax expense	**(5,262)**	(4,696)
Profit for the period	**26,583**	26,647
Attributable to:		
Owners of the Company	**26,446**	26,014

REVENUE

The table below sets forth the absolute amounts and percentages of the Company's revenue by business for the six months ended 30 June 2026 and 2025:

	For the Six Months Ended 30 June				
	2026		2025		Change
	RMB million	% of Revenue	RMB million	% of Revenue	%
	(Unaudited)		(Unaudited)		
Smart Home Solutions	**174,341**	**66.8%**	167,201	66.3%	4.3%
Industrial Technology	**13,138**	**5.0%**	15,053	6.0%	-12.7%
Building Technology	**21,625**	**8.3%**	19,511	7.7%	10.8%
Robotics & Automation	**16,621**	**6.4%**	15,073	6.0%	10.3%
Other businesses	**15,282**	**5.8%**	14,901	5.9%	2.5%
Commercial & Industrial Solutions	**66,666**	**25.5%**	64,538	25.6%	3.3%
Others	**20,045**	**7.7%**	20,592	8.1%	-2.7%
Total	**261,052**	**100.0%**	252,331	100.0%	3.5%

In the first half of 2026, the Company achieved revenue of RMB261.1 billion, representing a year-on-year growth of 3.5%, of which revenue from Smart Home Solutions amounted to RMB174.3 billion, representing a year-on-year increase of 4.3%; revenue from Commercial & Industrial Solutions reached RMB66.7 billion, representing a year-on-year increase of 3.3%; and revenue from raw materials sales and other businesses amounted to RMB20.0 billion, representing a year-on-year decrease of 2.7%.

From a business segment perspective, Smart Home Solutions recorded revenue of RMB174.3 billion, representing a year-on-year growth of 4.3%. In the first half of 2026, the Company (1) firmly implemented the Technology Leadership strategy, consistently augmented its investment in research and development to ensure the effective implementation of its "Three Generations" R&D mode, facilitated the overseas Original Brand Manufacture (OBM) Priority strategy and high-end product innovation, and comprehensively enhanced global market competitiveness; (2) led new growth in the domestic market through unwavering commitment to Direct to Customers (DTC) transformation, focused on retail capabilities, built differentiated competitiveness in offline channels around the three core retail capabilities, drove innovation in digital business models, focused channel transformation on comprehensive AI transformation, and achieved upgrades in operational efficiency and user experience; and (3) centered around the OBM Priority strategy, continued to advance localization, drove product innovation through in-depth market and user insights, empowered local business expansion, and continuously improved overseas manufacturing, R&D, branding, channel, and service systems development.

Industrial Technology achieved revenue of RMB13.1 billion, representing a year-on-year decrease of 12.7%, primarily due to the decline in the scale of the downstream domestic home appliance industry, particularly the domestic residential air conditioner industry.

Building Technology recorded revenue of RMB21.6 billion, representing a year-on-year growth of 10.8%. In the first half of 2026, the Company (1) in the domestic market, through Building Technology, implemented a number of benchmark projects in healthcare public buildings, data centers, new energy manufacturing, light industry and textiles, biopharmaceuticals, urban demonstration buildings and other sectors, matching the energy-saving and carbon-reduction needs of different industries with differentiated solutions; (2) in overseas markets, used MBT Climate as a unified integrated operating platform for multiple brands, continuously unlocked synergies from M&A integration, consolidated its comprehensive competitive advantages in the European smart building market, provided comprehensive product and system solutions for residential, commercial and industrial buildings, and closely aligned with the development needs of Europe's energy transition; and (3) continued to promote product and technology innovation, launched multiple new products and solutions covering HVAC, digital elevators and other areas, as well as a full-stack liquid-cooling technology matrix encompassing cooling sources, CDUs, liquid-cooling terminals and digital operation and maintenance.

Robotics & Automation recorded revenue of RMB16.6 billion, representing a year-on-year growth of 10.3%. In the first half of 2026, the Company (1) saw KUKA China's revenue grow rapidly, contributing over 30% of KUKA Group's revenue. According to the MIR Databank statistics, KUKA industrial robots captured a 9.7% share of domestic market sales, rising to second place in the industry; and (2) saw KUKA continue iterative innovation and achieve multiple results in core technology R&D and new product development, realizing a full-category, full-scenario layout spanning robot bodies to software ecosystems, heavy-duty to light-duty applications, and general scenarios to specialized industry solutions, with strong capabilities for in-depth development of emerging energy sectors.

From a regional contribution perspective, for the six months ended 30 June 2026, revenue from Chinese Mainland amounted to RMB147.9 billion, representing a year-on-year increase of 1.9%; revenue from other countries or regions amounted to RMB113.1 billion, reflecting a year-on-year increase of 5.5%.

	For the Six Months Ended 30 June				
	2026		2025		
	Amount RMB million	**% of Total revenue**	Amount RMB million	% of Total revenue	**Change**
	(Unaudited)		(Unaudited)		
Chinese Mainland	**147,925**	**56.7%**	145,139	57.5%	1.9%
Other countries or regions	**113,127**	**43.3%**	107,192	42.5%	5.5%
Total	**261,052**	**100.0%**	252,331	100.0%	3.5%

GROSS PROFIT AND GROSS PROFIT MARGIN

The table below sets forth the absolute gross profit amounts and gross profit margins of the Company for the six months ended 30 June 2026 and 2025 by business:

	For the Six Months Ended 30 June			
	2026		2025	
	Gross profit RMB million	**Gross profit margin**	Gross profit RMB million	Gross profit margin
	(Unaudited)		(Unaudited)	
Smart Home Solutions	**48,727**	**27.9%**	47,679	28.5%
Industrial Technology	**1,938**	**14.8%**	2,541	16.9%
Building Technology	**6,404**	**29.6%**	5,723	29.3%
Robotics & Automation	**3,474**	**20.9%**	3,431	22.8%
Other businesses	**2,074**	**13.6%**	2,019	13.6%
Commercial & Industrial Solutions	**13,890**	**20.8%**	13,714	21.2%
Others	**2,669**	**13.3%**	2,880	14.0%
Total	**65,286**	**25.0%**	64,273	25.5%

In the first half of 2026, the Company recorded gross profit margin of 25.0%, representing a year-on-year decrease of 0.5%, primarily due to the decline in the industry's average selling prices resulting from weakening domestic demand in the home appliance business segment, the increase in bulk raw material prices as a result of overseas geopolitical conflicts and the impact of trade policies, coupled with the appreciation of the Renminbi exchange rate in the first half of the year. The Company adopted a series of measures to reduce costs and increase efficiency, conduct foreign exchange hedging and optimize product structure to address the above adverse impacts.

SELLING AND MARKETING EXPENSES

In the first half of 2026, the Company's selling and marketing expenses amounted to RMB21.5 billion, with a selling and marketing expense ratio of 8.3%, representing a decrease of 0.9% year on year, primarily because the Company adhered to an operational philosophy of "simplification for growth", while deepening its DTC reforms to shorten the distribution chain and streamlining SKUs to lower marketing complexity. Guided by the "digital intelligence-driven" strategy, the Company reduced the domestic selling and marketing expense ratio through the upgrade of digital marketing capabilities and the optimization of channel efficiency.

GENERAL AND ADMINISTRATIVE EXPENSES

In the first half of 2026, the Company's general and administrative expenses amounted to RMB8.0 billion, with a general and administrative expense ratio of 3.1%, representing an increase of 0.1% year-on-year, primarily due to the Group's continued increase in investment in digital infrastructure and intelligent development, resulting in increased operation, maintenance and development of IT systems.

RESEARCH AND DEVELOPMENT EXPENSES

In the first half of 2026, the Company's research and development expenses amounted to RMB8.5 billion, with a research and development expense ratio of 3.2%, representing a year-on-year decrease of 0.3%, primarily because the Company proactively promoted the structural optimization of R&D resource allocation, concentrated its resources on core businesses and cutting-edge technologies.

OTHER INCOME

The Company's other income decreased from RMB5.4 billion in the first half of 2025 to RMB4.7 billion in the first half of 2026, mainly due to a year-on-year decrease in deposit interest rates, resulting in a corresponding decrease in interest income from existing funds and wealth management allocations.

OTHER GAINS, NET

The Company's other gains decreased from a gain of RMB2.4 billion in the first half of 2025 to a gain of RMB0.4 billion in the first half of 2026, primarily due to an increase in net exchange losses arising from monetary items denominated in foreign currencies held by the Company and certain of its subsidiaries due to exchange rate fluctuations, partially offset by an increase in gains on financial instruments.

FINANCE COSTS, NET

The Company's net finance costs decreased from RMB1.5 billion in the first half of 2025 to RMB0.3 billion in the first half of 2026, primarily attributable to the decreased exchange losses on foreign currency borrowings held by the Company and certain subsidiaries as a result of exchange rate fluctuations.

PROFIT FOR THE PERIOD

The Company's profit for the period amounted to RMB26.6 billion, remaining flat as compared with RMB26.6 billion in the first half of 2025. The profit margin decreased from 10.6% in the first half of 2025 to 10.2% in the first half of 2026, while remaining stable overall, primarily because the Company continued to deepen its efficiency-driven strategy and proactively addressed the adverse impacts of the external environment through multiple measures, including enhancing operational efficiency through digital transformation and optimizing product mix to enhance added value, demonstrating strong operational resilience and stable profitability.

FINANCIAL POSITION

The table below sets forth the absolute amounts from the Company's interim condensed consolidated statement of financial position as at 30 June 2026 and 31 December 2025:

	30 June 2026 RMB million (Unaudited)	31 December 2025 RMB million
Total non-current assets	**206,002**	192,129
Total current assets	**437,100**	416,663
Total assets	**643,102**	608,792
Total non-current liabilities	**35,618**	28,984
Total current liabilities	**381,691**	343,384
Total liabilities	**417,309**	372,368
Equity attributable to owners of the Company	**212,861**	223,221
Net assets	**225,793**	236,424

The Company's total non-current assets increased from RMB192.1 billion as of 31 December 2025 to RMB206.0 billion as of 30 June 2026, primarily due to an increase in other financial assets at amortized cost, partially offset by a decrease in intangible assets.

The Company's total current assets increased from RMB416.7 billion as of 31 December 2025 to RMB437.1 billion as of 30 June 2026, primarily due to an increase in trade and note receivables, partially offset by a decrease in inventories and trade and note receivables at FVOCI.

The Company's total non-current liabilities increased from RMB29.0 billion as of 31 December 2025 to RMB35.6 billion as of 30 June 2026, primarily due to an increase in long-term borrowings.

The Company's total current liabilities increased from RMB343.4 billion as of 31 December 2025 to RMB381.7 billion as of 30 June 2026, primarily due to an increase in trade and note payables and short-term borrowings.

The Company's net assets decreased from RMB236.4 billion as of 31 December 2025 to RMB225.8 billion as of 30 June 2026, primarily due to the increase in treasury shares and profit distribution, which exceeded the contribution from net profit.

CASH FLOW

The table below sets forth the absolute amounts from the Company's interim condensed consolidated statement of cash flows for the six months ended 30 June 2026 and 2025:

	For the Six Months Ended 30 June	
	2026	2025
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Net cash generated from operating activities	**37,552**	37,281
Net cash (used in)/generated from investing activities	**(15,872)**	7,550
Net cash used in financing activities	**(15,156)**	(19,113)
Net increase in cash and cash equivalents	**6,524**	25,718
Cash and cash equivalents at beginning of the year	**68,509**	55,119
Exchange (losses)/gains on cash and cash equivalents	**(418)**	829
Cash and cash equivalents at end of the year	**74,615**	81,666

In the first half of 2026, the Company's net cash generated from operating activities amounted to RMB37.6 billion. The difference between the net cash generated from operating activities and the profit before income tax of RMB31.8 billion was primarily due to: (1) certain adjustments, including decrease of RMB6.8 billion of net gains on financial instruments and RMB3.2 billion of interest income, partially offset by RMB5.0 billion in depreciation and amortization of non-current assets; (2) changes in working capital, mainly including an increase of RMB27.2 billion in trade and note payables and a decrease of RMB9.1 billion in inventory, partially offset by an increase of RMB18.6 billion in trade and note receivables.

In the first half of 2026, the Company's net cash used in investing activities amounted to RMB15.9 billion, primarily due to net cash paid for the purchase of financial assets of RMB19.1 billion (payments for purchase of financial assets less proceeds from disposal of financial assets), payments of RMB2.6 billion for the purchase of property, plant and equipment, intangible assets and other non-current assets, partially offset by interest received and others of RMB4.1 billion.

In the first half of 2026, the Company's net cash used in financing activities amounted to RMB15.2 billion, primarily due to RMB25.9 billion in dividend payments to Shareholders, RMB7.0 billion for the repurchase of shares and the refund of the exercise price of lapsed restricted shares, and RMB43.5 billion for the repayment of borrowings, partially offset by proceeds of RMB61.6 billion from borrowings.

WORKING CAPITAL AND FINANCIAL RESOURCES

The Company maintains sufficient cash and cash equivalents to ensure capital flexibility. The Company's cash and cash equivalents mainly comprise cash at banks, cash in hand, and short-term bank deposits with initial terms within three months. Cash and cash equivalents are mainly denominated in RMB and multiple currencies, including United States dollars, Euro, Hong Kong dollars and others. The table below sets forth the absolute amounts of cash and cash equivalents of the Company as of 30 June 2026 and 31 December 2025:

	30 June 2026 RMB million (Unaudited)	31 December 2025 RMB million
Cash at banks and in hand	**73,379**	67,487
Short-term bank deposits with initial terms within three months	**641**	699
Other deposits at financial institutions	**594**	323
Total	**74,614**	68,509

The Company's cash and cash equivalents increased from RMB68.5 billion as of 31 December 2025 to RMB74.6 billion as of 30 June 2026, mainly due to the Company's adjustment of its cash at banks and in hand structure, leading to an increase in cash at banks and in hand.

The Company obtains financing based on market interest rates and its capital operation plans. The Company's bank loans and bonds are sourced from commercial banks and financial institutions in Chinese Mainland and other countries or regions. Borrowings are mainly denominated in RMB and multiple currencies, including United States dollars, Euro, Hong Kong dollars and others. The table below sets forth the absolute amounts of bank loans and debentures as of 30 June 2026 and 31 December 2025:

	30 June 2026 RMB million (Unaudited)	31 December 2025 RMB million
Bank loans	**15,417**	12,659
Debentures	**6,666**	3,195
Subtotal of non-current	**22,083**	15,854
Bank loans	**47,880**	48,331
Debentures	**10,364**	–
Subtotal of current	**58,244**	48,331
Total	**80,327**	64,185

The Company's non-current borrowings increased from RMB15.9 billion as of 31 December 2025 to RMB22.1 billion as of 30 June 2026, primarily due to the increase in long-term borrowings and the issuance of seven-year convertible bonds.

The Company's current borrowings increased from RMB48.3 billion as of 31 December 2025 to RMB58.2 billion as of 30 June 2026, mainly due to US$ bonds reclassified to current borrowings and an increase in one-year convertible bonds issued.

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

The Company maintains a prudent capital ratio to support its business and manages its asset structure through asset-liability ratio. The table below sets forth the absolute amounts of total assets, total liabilities, and the asset-liability ratio as of 30 June 2026 and 31 December 2025:

	30 June 2026 (Unaudited)	31 December 2025
Total assets (RMB million)	**643,102**	608,792
Total liabilities (RMB million)	**417,309**	372,368
Asset-liability ratio	**64.9%**	61.2%

The Company's asset-liability ratio, defined as the proportion of total liabilities to total assets, increased from 61.2% as of 31 December 2025 to 64.9% as of 30 June 2026. This increase was primarily due to an increase in liabilities resulting from increases in trade and note payables and borrowings during the Reporting Period.

The Company maintains a healthy cash flow level. As of 30 June 2026, monetary assets accounted for more than 50% of the Company's total assets. Considering the Company's available financial resources, including cash and cash equivalents, available bank financing, cash flows from operating activities, the Company has sufficient working capital to operate for at least the next 12 months.

CAPITAL EXPENDITURE

The Company's capital expenditures consist of houses and buildings, overseas land, machinery and equipment, transportation vehicles, electronic equipment and others, construction in progress, leasehold improvements and land use rights. In the first half of 2026, the Company's capital expenditure (excluding corporate mergers) amounted to RMB4.4 billion, mainly used for the construction of global production bases and R&D centers, the restructuring of smart manufacturing capabilities, among others.

CONTINGENT LIABILITIES

As of 30 June 2026, save as the information disclosed in Note 38 to the interim financial information, the Company has no other material contingent liabilities.

CAPITAL COMMITMENT

As of 30 June 2026, the Company has capital commitments contracted, but not provided for of RMB8.2 billion (31 December 2025: RMB3.9 billion), mainly due to an increase of RMB3.4 billion in investment commitments contracted, but not provided for in the first half of the year.

PLEDGED ASSETS

As of 30 June 2026, the net carrying amount of pledged or mortgaged assets to draw bank acceptance bills and secure bank borrowings of the Company amounted to RMB26.1 billion. These pledged assets primarily comprise fixed-income financial products, trade and note receivables, as well as certain property, plant, and equipment, leased land, and land use rights.

OFF-BALANCE SHEET ARRANGEMENTS

As of 30 June 2026, the Company had no material off-balance sheet arrangements.

SIGNIFICANT INVESTMENTS

As of 30 June 2026, the Group did not hold any significant investments (including any investment in an investee company representing 5% or more of the total assets of the Group as at the end of the Reporting Period).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the Reporting Period, the Group did not make any material acquisitions or disposals of subsidiaries, associates and joint ventures.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As of the Latest Practicable Date, the Group did not have any future plans for material investments or capital assets.

FOREIGN EXCHANGE RISK

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

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

USE OF PROCEEDS

During the Reporting Period, the Company had no utilization of proceeds raised from A Shares offerings.

The utilization of proceeds from the H-share offering of the Company during the Reporting Period is as follows:

Pursuant to the approval granted by the CSRC in the Approval Document [2024] No. 1518, titled "Notice of Filing for the Overseas Issuance and Listing of Midea Group Co., Ltd.", issued on 23 July 2024, the Company completed the issuance of H Shares and listed them on the Main Board of the Hong Kong Stock Exchange on 17 September 2024. The Hong Kong public offering and international placement resulted in the issuance of a total of 565,955,300 H Shares with a par value of RMB1.00 per share, at an issue price of HK$54.80 per share. Subsequently, on 25 September 2024, the Company exercised the over-allotment option and issued an additional 84,893,200 H Shares with a par value of RMB1.00 per share at an issue price of HK$54.80 per share. The Company issued a total of 650,848,500 H Shares in this offering, raising gross proceeds of HK$35,666 million (approximately RMB32,399 million), with net proceeds of approximately RMB32,146 million (representing net proceeds of approximately RMB49.39 per share) after deducting issuance costs incurred directly by issuing new shares.

According to the Company's H Share prospectus, the net proceeds from this H Share offering are allocated as follows: approximately 20% for worldwide research and development efforts, approximately 35% for continual investment in upgrading the intelligent manufacturing system and supply chain management, approximately 35% for enhancing global distribution channels and sales network as well as increasing overseas sales of proprietary brands, and approximately 10% for working capital and general corporate purposes. There have been no changes to the intended use of proceeds as disclosed in the H Share prospectus.

As of 30 June 2026, details of the utilization of proceeds from the H Share offering are as follows:

Item	Planned net proceeds utilization	Net amount unutilized as of 1 January 2026	Net amount utilized during the Reporting Period	Remaining balance as of 30 June 2026	Expected timeline for utilization of unutilized net proceeds (Note)
(i) Worldwide research and development efforts	Approximately 20% (RMB6,429.2 million)	0	N/A	N/A	N/A
(ii) Upgrading of intelligent manufacturing system and supply chain management	Approximately 35% (RMB11,251.1 million)	RMB3,806.2 million	RMB2,243.8 million	RMB1,562.4 million	Before 31 December 2027
(iii) Enhancement of global distribution channels and sales network, and expansion of overseas sales of proprietary brands	Approximately 35% (RMB11,251.1 million)	0	N/A	N/A	N/A
(iv) Working capital and general corporate purposes	Approximately 10% (RMB3,214.6 million)	0	N/A	N/A	N/A
Total	RMB32,146.0 million	**RMB3,806.2 million**	**RMB2,243.8 million**	**RMB1,562.4 million**	N/A

REPORT OF THE DIRECTORS

The underlying sections in this interim report mentioned herein form part of this Report of the Directors.

PRINCIPAL ACTIVITIES

Midea is a world-leading technology group comprising the Smart Home, Industrial Technology, Building Technology, Robotics & Automation, New Energy, Healthcare and smart logistics, among others. A business matrix has been built up, which attaches equal importance to ToC and ToB and provides not only various products and services under smart home for consumers, but also diverse commercial and industrial solutions for corporate customers. There is no material change in the nature of the principal activities of the Group during the Reporting Period.

Further discussion and analysis of these activities, including description of the major risks and uncertainties faced by the Group and forecast for the future development of the Group's business are set out in the "Management Discussion and Analysis" of this interim report.

DIVIDEND

At the annual general meeting held on 5 June 2026, the Shareholders of the Company approved the payment of a final dividend for the year ended 31 December 2025 of RMB38 per 10 Shares (paid in RMB to holder of A Shares and in Hong Kong dollars to holders of H Shares; the actual amount of the dividend paid in Hong Kong dollars was converted to Hong Kong dollars at the average benchmark exchange rate of RMB to Hong Kong dollars published by the People's Bank of China for the five business days preceding 5 June 2026 (i.e. the date of the annual general meeting), which was RMB0.870094 to HK$1.00, resulting in a dividend of HK$43.6734 per 10 H Shares (tax inclusive)). The dividend was paid on 10 July 2026 to holders of H Shares registered in the Company's H Share register on 26 June 2026.

The Board proposes to distribute the interim dividend for the six months ended 30 June 2026 (the "Interim Dividend") in cash, with a distribution of RMB5 per 10 Shares. The total amount of the Interim Dividend proposed to be distributed by the Company is approximately RMB3,724 million. The proposed distribution of the Interim Dividend is subject to the approval of the Shareholders at the Company's forthcoming 2026 first extraordinary general meeting and the dividend for H Shares will be paid in Hong Kong dollars. As of the Latest Practicable Date, the number of A Share treasury shares held by the Company was 176,864,878 Shares. The treasury shares of the Company will not be entitled to the distribution of the Interim Dividend. It is expected that the dividend will be distributed within two months after the Company's 2026 first extraordinary general meeting.

During the Reporting Period, there was no arrangement under which any Shareholders had waived or agreed to waive any dividend.

ISSUANCE OF EQUITY SECURITIES

During the Reporting Period, the increase in A Share capital as a result of the voluntary exercise of options and the completion of registration by the participants of the Company's A Share Option Incentive Plans amounted to an aggregate of 16,293,561 shares.

On 6 May 2026 (after trading hours), pursuant to the general mandate to issue onshore and offshore debt financing instruments and the general mandate to issue shares, the Company, through Midea Investment Development Company Limited (美的投資發展有限公司), a wholly-owned offshore subsidiary of the Company (hereinafter referred to as "Midea Investment Development"), issued HK$8.624 billion zero coupon guaranteed corporate bonds due 2027 and HK$8.624 billion zero coupon guaranteed corporate bonds due 2033, both convertible into H Shares of the Company, in the offshore market (hereinafter referred to as the "Issuance of Convertible Bonds"). The Company provided a guarantee for the Issuance of Convertible Bonds by Midea Investment Development. The Issuance of Convertible Bonds was completed on 13 May 2026. For details of the Issuance of Convertible Bonds, please refer to the announcements of the Company dated 7 May 2026, 13 May 2026 and 8 July 2026 and the section headed "Information on H Share Convertible Bonds" in this interim report.

Save as disclosed above, the Company did not issue any equity securities (including securities convertible into equity securities) or sell any treasury shares for cash during the Reporting Period.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Repurchase of A Shares

RMB1.5-3.0 Billion A Share Repurchase Plan

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

During the Reporting Period, the Company repurchased part of the A Shares issued in the PRC on SZSE in accordance with the aforesaid repurchase plan by way of centralized bidding. The summary of such transactions is as follows:

Month	Number of A Shares repurchased (Shares)	Price per Share Highest (RMB per Share)	Price per Share Lowest (RMB per Share)	Aggregate consideration (exclusive of transaction costs) (RMB)
January 2026	6,379,097	76.99	75.02	487,687,880
March 2026	13,456,183	76.75	72.3	1,002,398,857
Total	19,835,280	–	–	1,490,086,737

During the year ended 30 June 2026, the Company repurchased 19,835,280 A Shares under the RMB1.5-3.0 Billion A Share Repurchase Plan on the SZSE. Such plan has been fully implemented and Shares are currently held by the Company as treasury A Shares.

RMB6.5-13 Billion A Share Repurchase Plan

The Company held the 13th meeting of the fifth session of the Board on 30 March 2026 to consider and approve the plan for the repurchase of the Company's A Shares by way of centralized bidding, agreeing that the Company may repurchase part of its A Shares in issue through centralized bidding for the purpose of implementing its share incentive plan and/or employee stock ownership schemes. The repurchase price shall not exceed RMB100 per Share, with a total repurchase amount of not more than RMB13 billion and not less than RMB6.5 billion; and the implementation period shall be within 12 months from the date on which the Board considered and approved the share repurchase plan. Subsequently, the Company held the 14th meeting of the fifth session of the Board on 29 April 2026 to consider and approve the resolution on changing the plan for the repurchase of the Company's A Shares by way of centralized bidding, agreeing to change the purpose of the repurchased shares under the repurchase plan from "implementing the share incentive plan and/or employee stock ownership schemes" to "cancellation in accordance with the law to reduce the registered capital". The change to the repurchase plan was considered and approved at the 2025 annual general meeting held on 5 June 2026 (the "RMB6.5-13 Billion A Share Repurchase Plan").

During the Reporting Period, the Company repurchased part of the A Shares issued in the PRC on SZSE in accordance with the aforesaid repurchase plan by way of centralized bidding. The summary of such transactions is as follows:

Month	Number of A Shares repurchased (Shares)	Price per Share Highest (RMB per Share)	Price per Share Lowest (RMB per Share)	Aggregate consideration (exclusive of transaction costs) (RMB)
March 2026	1,305,100	77.19	76.2	100,026,011
April 2026	14,435,229	82.12	75.58	1,126,150,903
May 2026	27,238,862	83.3	78.62	2,195,635,949
June 2026	25,699,840	85.84	75.31	2,054,345,216
Total	68,679,031	–	–	5,476,158,079

As at 30 June 2026, the Company had repurchased 68,679,031 ordinary A Shares on the SZSE under the 6.5 to 13.0 billion A Share Repurchase Plan. Such shares are currently held by the Company as treasury A Shares.

As of the end of the Reporting Period, 149,091,572 A Share ordinary shares (treasury shares) were held in the Company's special securities account for repurchase. These treasury shares are used for reducing registered capital through legal cancellation and implementing the Company's Share Option Incentive Plans and/or Stock Ownership Schemes. During the Reporting Period, the Company did not sell its treasury shares on the market.

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

Information on H Share Convertible Bonds

Midea Investment Development, a wholly-owned subsidiary of the Company, issued the HK$8,624,000,000 zero coupon guaranteed convertible bonds due 2027 (the "2027 Bonds") and HK$8,624,000,000 zero coupon guaranteed convertible bonds due 2033 (the "2033 Bonds", together with the 2027 Bonds, the "H Share Convertible Bonds") on 13 May 2026. The H Share Convertible Bonds were issued in registered form in the specified denomination of HK$2,000,000 each and integral multiples of HK$1,000,000 in excess thereof. The issue price was 100.00% of the principal amount of the H Share Convertible Bonds. The 2027 Bonds are convertible in the circumstances set out in the terms and conditions of the 2027 Bonds into the Company's fully paid ordinary H Shares of a nominal value of RMB1.00 each at an initial conversion price of HK$96.82 per H Share (subject to adjustments). The 2033 Bonds are convertible in the circumstances set out in the terms and conditions of the 2033 Bonds into the Company's fully paid ordinary H Shares of a nominal value of RMB1.00 each at an initial conversion price of HK$115.76 per H Share (subject to adjustments). The H Share Convertible Bonds were issued to no less than six independent placees who were independent individual, corporate and/or institutional investors. On the date of the signing of the subscription agreements in respect of the H Share Convertible Bonds upon which the terms of the H Share Convertible Bonds were fixed (i.e., 6 May 2026), the closing price per H Share was HK$87.70. The H Share Convertible Bonds have been listed on the Vienna Multilateral Trading Facility (MTF) operated by the Vienna Stock Exchange since 13 May 2026.

The Board considered that the issue of the H Share Convertible Bonds would enhance the Company's liquidity, reduce its financing costs and provide additional working capital, while also offering the potential to broaden and diversify its shareholder base.

As a result of the Company's implementation of the final dividend for 2025, the conversion price of the 2027 Bonds was adjusted from the initial conversion price of HK$96.82 per H Share to the adjusted conversion price of HK$91.82 per H Share, while the conversion price of the 2033 Bonds was adjusted from the initial conversion price of HK$115.76 per H Share to the adjusted conversion price of HK$109.78 per H Share (collectively, the "Adjusted Conversion Price").

Dilutive Impact of the Conversion of H Share Convertible Bonds

As at 30 June 2026, no H Share Convertible Bonds were redeemed or converted. Assuming full conversion of the H Share Convertible Bonds at the Adjusted Conversion Price, the number of H Shares convertible and issuable thereunder will be approximately 172,480,006 H Shares, representing approximately 26.50% of the number of issued H Shares and approximately 2.27% of the number of issued Shares as at 30 June 2026. It also represents approximately 20.95% of the enlarged number of issued H Shares and approximately 2.22% of the enlarged number of issued Shares expanded by the issue of H Shares upon full conversion of the H Share Convertible Bonds at the Adjusted Conversion Price.

The following table sets forth the dilutive impact on the number of issued Shares of the Company and the respective shareholdings of the substantial shareholders of the Company as at 30 June 2026:

		As at 30 June 2026		Assuming full conversion of the H Share Convertible Bonds at the Adjusted Conversion Price	
Shareholders	**Class of Share**	**Number of Shares**	**Approximate percentage of the issued share capital of the Company**	**Number of Shares**	**Approximate percentage of the issued share capital of the Company**
Midea Holding	A Shares	2,169,178,713	28.49%	2,169,178,713	27.86%
Mr. He Xiangjian (*Note 1*)	A Shares	31,909,643	0.42%	31,909,643	0.41%
Other holders of A Shares	A Shares	4,761,502,051	62.54%	4,761,502,051	61.16%
Holders of H Shares	H Shares	650,848,500	8.55%	650,848,500	8.36%
Holders of the H Share Convertible Bonds	H Shares	–	–	172,480,006	2.22%
Total		7,613,438,907	100.00%	7,785,918,913	100.00%

Note:

1. As at 30 June 2026, Mr. He beneficially held 31,909,643 A Shares, and was interested in approximately 94.55% of Midea Holding and was deemed to be interested in all the A Shares held by Midea Holding.

For the Reporting Period, there would be a potential dilutive impact on earnings per share assuming full conversion of the H Share Convertible Bonds at the Adjusted Conversion Price at the end of the Reporting Period, resulting in a decrease from basic earnings per share of 3.52 to diluted earnings per share of 3.51.

As the 2027 Bonds are zero coupon bonds issued at 100% of the principal amount and redeemable at the principal amount, at any time during the term of the 2027 Bonds, the share price of the H Shares at which a holder would receive the same economic return whether he/she elects to convert the 2027 Bonds or have them redeemed would be equal to the Adjusted Conversion Price of HK$91.82 per H Share (such conversion price is for simulation purposes only, which does not constitute a value of the actual conversion price).

Based on the implied internal rate of return of the unconverted 2033 Bonds, assuming that the conversion price of the unconverted 2033 Bonds is the Adjusted Conversion Price of HK$109.78 per H Share (such conversion price is for simulation purposes only, which does not constitute a value of the actual conversion price), the analysis of the price of the H Shares at which it would be equally financially advantageous for the holders of the 2033 Bonds to convert or redeem the 2033 Bonds is set out below:

Dates	**Share price (HK$)**
13 May 2029	116.53 per H Share
13 May 2031	121.26 per H Share
13 May 2033	126.19 per H Share

Having considered the financial and liquidity position of the Group, the Board expects the Company will be able to meet its redemption obligations under the H Share Convertible Bonds when they become due.

Information on Use of Net Proceeds

The net proceeds from the issue of the H Share Convertible Bonds, after the deduction of fees, commissions and expenses payable, were approximately HK$17,174 million. Approximately 60% of the net proceeds from the issue of the H Share Convertible Bonds was used for international expansion and enhancing offshore liquidity, while the remaining approximately 40% was used for general corporate purposes. Details of the use of net proceeds raised from the issuance of the H Share Convertible Bonds are set out below:

Intended use of net proceeds	**Amount of net proceeds after deducting issuance expenses**	**Amount of net proceeds utilised during the Reporting Period**	**Amount of unutilised net proceeds as at the end of the Reporting Period**	**Expected timeline for full utilisation of unutilised net proceeds**
		in HK$ millions		
International expansion and enhancing offshore liquidity	10,304.4	81.4	10,223.0	By 31 December 2032
General corporate purposes	6,869.6	5,077.6	1,792.0	By 31 December 2030

As at the date of this report, the Board confirmed that the net proceeds raised from the issue of the H Share Convertible Bonds were used according to the intended use previously disclosed by the Company. The expected timetable for full utilisation of unutilised net proceeds is based on the best estimates of the future market conditions made by the Group. It may be subject to change based on the current and future development of market conditions.

EVENTS AFTER THE REPORTING PERIOD

Save as the aforementioned dividend distribution, the Company did not have other material subsequent events since the end of the Reporting Period to the date of this report.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving high corporate governance standards. Save as disclosed in this report, the Company has complied with all of the applicable Code Provisions as set out in part 2 of the CG Code during the Reporting Period.

DIRECTORS AND CHIEF EXECUTIVE OFFICER

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

CHANGE OF DIRECTORS' AND CHIEF EXECUTIVE'S INFORMATION

References are made to the announcements of the Company dated 29 April 2026 and 5 June 2026. As approved at the annual general meeting, Dr. Zhang Ya ("Dr. Zhang") has been appointed as an independent non-executive Director of the fifth session of the Board of Directors of the Company, with effect from 5 June 2026 until the expiry of the term of the fifth session of the Board of Directors. Concurrently, Dr. Zhang has been appointed as a member of the audit committee, the remuneration and evaluation committee, the nomination committee and the strategy committee of the Company, with their respective terms of office consistent with her term as an independent non-executive Director of the fifth session of the Board. With effect from the same date, Dr. Qiu Lili has ceased to serve as an independent non-executive Director of the fifth session of the Board, and a member of the audit committee, the remuneration and evaluation committee, the nomination committee and the strategy committee of the Company.

According to publicly available information and the confirmation of Dr. Xiao Geng ("Dr. Xiao"), Dr. Xiao ceased to serve as an independent non-executive director of Tsingtao Brewery Company Limited (HKEX: 00168; SSE: 600600) with effect from 26 June 2026.

Save as disclosed above, during the Reporting Period and up to the date of this report, there is no material change in information of Directors and chief executive required to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Reference is made to the announcements of the Company dated 29 April 2026 and 5 June 2026, the Shareholders approved the amendments to the Articles of Association at the annual general meeting of the Company held on 5 June 2026.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Hong Kong Listing Rules. Specific enquiry has been made to all the Directors, and the Directors have confirmed that they have complied with the Model Code during the Reporting Period.

AUDIT COMMITTEE

We have established the audit committee (the "Audit Committee") in compliance with Rule 3.21 of the Hong Kong Listing Rules and the CG Code, and the Audit Committee comprises four independent non-executive Directors.

The Audit Committee has reviewed with the management of the Company the accounting standards and practices adopted by the Group and discussed the auditing, risk management, internal control, and financial reporting matters, including the unaudited interim financial information of the Group for the six months ended 30 June 2026 and the 2026 Interim Report.

The auditor of the Company, PricewaterhouseCoopers, has reviewed the interim financial information of the Group for the six months ended 30 June 2026 in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

RELATIONS WITH EMPLOYEES AND REMUNERATION POLICY

As of 30 June 2026, the total number of employees of the Group was 198,050.

The remuneration of Directors and senior management is proposed by the Board Remuneration and Evaluation Committee and approved by the Board, and implemented after the deliberation of general meeting.

Remunerations for employees are paid on time according to the remuneration system of the Company. The Company decides the regular salaries of the employees according to the position's value and evaluation performances and decides the variable salary according to the Company's and employee's performance. The remuneration distribution shows more consideration for strategic talent and ensures the market competitiveness in the salary of core talent. The Company shall make dynamic adjustments to the staff remuneration policy according to regional differences, number of employees, staff turnover, environment changes in the industry and paying ability of the Company.

The Company has been committed to creating a corporate culture that encourages lifelong learning, and establishing a sound talent training system to help our employees to realize their potential and improve their professional and integrated skills. Our professional online learning platform, M-Learning, empowers the growth of our employees through unique courses and practical trainings. Meanwhile, though building an offline three-tier empowerment system, linking the Group-business units-departments, we can help employees to comprehensively develop the job knowledge and skills required at each stage, maintain the balance of personal development and corporate needs, and support the learning and growth of all Midea employees.

SHARE SCHEMES

The Company currently has four types of share schemes, namely A Share Option Incentive Plans ("Stock Option Incentive Plans"), Restricted A Share Incentive Schemes ("Restricted Share Incentive Schemes") (collectively, the "Share Incentive Plans"), A Share Stock Ownership Schemes ("Stock Ownership Schemes") and H Share Incentive Schemes.

(I) Stock Option Incentive Plans

During the Reporting Period, the existing Stock Option Incentive Plans of the Company include the Eighth Stock Option Incentive Plan and the Ninth Stock Option Incentive Plan. Given no further share options will be granted under the aforesaid Stock Option Incentive Plans upon the listing of the H Shares of the Company, the terms of these Stock Option Incentive Plans are not subject to the provisions of Chapter 17 of the Hong Kong Listing Rules.

1. Purpose

The purpose of the Stock Option Incentive Plans is to improve our Group's corporate governance structure and incentive mechanism and incentivize our Group's management and key employees to achieve a sustained and healthy development of our Group in order to align the interests of the Shareholders with the interests of our Group and employees and realize our Group's long-term objectives.

2. Participants

The participants of the Stock Option Incentive Plans include key technical personnel and mid-level management members in our Group's research and development, production and quality control departments, overseas personnel, young management members and technology talent. The scope of participants does not include independent Directors and Shareholders or actual controllers who individually or collectively hold 5% or more of the shares of our Company and their spouses, parents and children.

3. **Maximum number of options that can be granted**

The shares underlying the options to be granted under the Stock Option Incentive Plans are A Shares to be issued by our Company to the selected participants. Each option granted represents the right to purchase one A Share within the exercise period at the exercise price. Pursuant to each of the Stock Option Incentive Plans, the maximum number of A Shares which may be issued upon the grant of options and as a percentage of the Company's issued Shares (excluding treasury shares) as of the Latest Practicable Date are as follows:

Stock Option Incentive Plan	The maximum number of A Shares which may be issued upon the grant of options and as a percentage of the Company's issued Shares (excluding treasury shares) as of the Latest Practicable Date
Eighth Stock Option Incentive Plan	82,480,000(1.11%)
Ninth Stock Option Incentive Plan	109,074,000(1.46%)

As of the Latest Practicable Date, the maximum number of A Shares which may be issued under each of the Stock Option Incentive Plans and as a percentage of the Company's issued Shares (excluding treasury shares) are as follows:

Stock Option Incentive Plan	The maximum number of A Shares which may be issued and as a percentage of the Company's issued Shares (excluding treasury shares) as of the Latest Practicable Date
Eighth Stock Option Incentive Plan	0(0%)
Ninth Stock Option Incentive Plan	13,513,746(0.18%)

4. **Maximum entitlement of participants**

   The shares of the Company granted to any participant under all effective Stock Option Incentive Plans shall not exceed 1% of the total share capital of the Company.

5. **Vesting and exercise arrangements**

   The vesting and exercise arrangements of the Eighth Stock Option Incentive Plan and the Ninth Stock Option Incentive Plan are that 30% or 40% may be exercised in tranches during each of the three exercise periods commencing on the first trading day after the expiry of 24 months from the date of grant and ending on the last trading day upon expiry of 60 months from the date of grant.

6. **Consideration for granted options**

   No consideration was paid/payable for the options granted under the Stock Option Incentive Plans.

7. **Determination of exercise price**

   The exercise price of the options granted under the Eighth and the Ninth Stock Option Incentive Plans shall be the higher of: (1) the average trading price of the Shares on the trading day before the announcement of the draft scheme; and (2) the average trading price of the Shares during the 20 trading days before the announcement of the draft scheme (whichever is higher).

   The exercise price of the options granted will be adjusted upon the occurrence of certain events, including dividend distribution, capitalisation of capital reserves, distribution of stock dividends, subdivision or reduction of shares, issuance of additional shares, etc.

8. Changes in the exercise of options during the Reporting Period and scheme life

Name and category of participants	1 January 2026[3] Number of options outstanding (units)	Exercise price (RMB/ share)[2]	Exercised during the Reporting Period (units)	Cancelled during the Reporting Period (units)	Lapsed during the Reporting Period (units)	30 June 2026[1][3] Number of options outstanding (units)	Exercise price (RMB/ share)[2]	Weighted average closing price of the relevant shares immediately before the exercise date (RMB/ share)	Date of grant	Scheme validity period
Director										
ZHANG Tian – the Eighth Stock Option Incentive Plan	6,000	70.29	6,000	0	0	0	N/A	75.21	2021.6.4	2021.6.4-2026.6.3
ZHANG Tian – the Ninth Stock Option Incentive Plan	9,000	45.16	0	0	0	9,000	45.16	N/A	2022.6.8	2022.6.8-2027.6.7
Other employees										
The Eighth Stock Option Incentive Plan	9,077,814	70.29	8,892,014	0	185,800	0	N/A	87.99	2021.6.4	2021.6.4-2026.6.3
The Ninth Stock Option Incentive Plan	39,589,498	45.16	7,395,547	0	3,500	32,190,451	45.16	87.69	2022.6.8	2022.6.8-2027.6.7

Notes:

(1) During the Reporting Period, no options were granted under any Stock Option Incentive Plan of the Company.

(2) Pursuant to the provisions of the Stock Option Incentive Plan regarding the adjustment of the exercise price of the granted options and the relevant announcements of the Company, the exercise price of the Ninth Stock Option Incentive Plan has been adjusted from RMB45.16 per share to RMB41.44 per share with effect from 1 July 2026, due to the implementation of the 2025 A-share profit distribution by the Company.

(3) The vesting and exercise arrangements of the Eighth Stock Option Incentive Plan and the Ninth Stock Option Incentive Plan are that 30% or 40% may be exercised in tranches during each of the three exercise periods commencing on the first trading day after the expiry of 24 months from the date of grant and ending on the last trading day of 60 months from the date of grant.

(II) Restricted Share Incentive Scheme

During the Reporting Period, the Company's existing Restricted Share Incentive Schemes included the 2022 Restricted Share Incentive Scheme and the 2023 Restricted Share Incentive Scheme. Given that no further restricted shares will be granted under the above Restricted Share Incentive Schemes after the listing of the Company's H Shares, the terms of such Restricted Share Incentive Schemes are not subject to the provisions of Chapter 17 of the Hong Kong Listing Rules.

1. Purpose

The purpose of the Restricted Share Incentive Schemes is to improve the Group's corporate governance structure and incentive mechanism and incentivize the Group's management and key employees to achieve a sustained and healthy development of the Group to align the interests of the Shareholders with the interests of the Group and employees in order to realize the Group's long-term objectives.

2. Participants

Participants of the Restricted Share Incentive Schemes include the Company's core research and development talents and core personnel who are primarily responsible for the operating results of the Company or a division. The scope of participants does not include independent Directors and Shareholders or actual controllers who individually or collectively hold 5% or more of the shares of our Company and their spouses, parents and children.

3. Source and maximum number of shares

The shares covered by the 2022 and 2023 Restricted Share Incentive Schemes are A Shares purchased by the Company from the secondary market. The maximum number of restricted Shares that may be granted under each of the Restricted Share Incentive Schemes and as a percentage of the Company's Shares in issue (excluding treasury shares) as of the Latest Practicable Date are set out below:

Restricted Share Incentive Scheme	Maximum number of restricted shares that may be granted and as a percentage of the Company's shares in issue (excluding treasury shares) as of the Latest Practicable Date
2022 Restricted Share Incentive Scheme	12,630,000(0.17%)
2023 Restricted Share Incentive Scheme	18,375,000(0.25%)

As of the Latest Practicable Date, the number of outstanding restricted Shares granted under each of the Restricted Share Incentive Schemes and as a percentage of the Company's Shares in issue (excluding treasury shares) are as follows:

Restricted Share Incentive Scheme	Number of restricted shares outstanding and as a percentage of the Company's shares in issue (excluding treasury shares) as of the Latest Practicable Date
2022 Restricted Share Incentive Scheme	301,633(0.004%)
2023 Restricted Share Incentive Scheme	374,450(0.01%)

4. **Maximum entitlement of participants**

The aggregate number of Shares of the Company granted to any participant through all Restricted Share Incentive Schemes within the validity period shall not exceed 1% of the total share capital of the Company.

5. **Sale restriction and vesting arrangements**

A Restricted Share Incentive Scheme shall be effective from the date of completion of the grant of restricted Shares until the date on which the restricted Shares granted are no longer restricted or have been repurchased and cancelled, provided that the duration of the scheme shall not exceed 48 months or 60 months, as the case may be. Restricted Shares are subject to a 12-month or 24-month restriction period, which commences on the date of grant of the restricted Shares to the participants. During the restriction period, the restricted Shares may not be transferred, used as collaterals or to repay debts. Restricted Shares may only be unlocked upon fulfilment of the conditions set out in the scheme. The vesting arrangements of the restricted Shares are as follows:

(a) 2022 Restricted Share Incentive Schemes: 30% or 40% of the restricted Shares may be unlocked in tranches during each of the three unlocking periods commencing on the first trading day after 24 months from the date of grant and ending on the last trading day after 60 months from the date of grant; and

(b) 2023 Restricted Share Incentive Scheme: 30% or 40% of the restricted Shares may be unlocked in tranches during each of the three unlocking periods commencing on the first trading day after 12 months from the date of grant and ending on the last trading day after 48 months from the date of grant.

6. Consideration for the grant of restricted Shares

Upon the grant of restricted Shares, the participants shall pay the funds for the subscription of restricted Shares to the designated account of the Company in accordance with the grant price, which shall be confirmed by a certified public accountant; otherwise, it shall be deemed that the participants have given up the subscription of the restricted Shares granted to them.

No consideration was paid/required to be paid by the participants on the unlocking of restricted Shares under the Restricted Share Incentive Schemes.

7. Determination of grant price

The grant price of each restricted Share shall not be lower than the nominal value of each Share and, in principle, shall not be lower than the following prices specified in the scheme:

2022 and 2023 Restricted Share Incentive Schemes: the higher of (i) 50% of the average trading price of the Shares on the trading day before the announcement of the draft scheme; and (ii) 50% of the average trading price of the Shares during the 20 trading days before the announcement of the draft scheme.

The grant prices of restricted Shares will be adjusted upon the occurrence of certain events during the period from the date of the announcement of the draft scheme to the date on which registration is completed with respect to the grant of restricted Shares to the participants, including dividend distribution, capitalisation of capital reserves, distribution of stock dividends, subdivision or reduction of shares, issuance of additional shares, etc.

8. Changes in the number of restricted Shares during the Reporting Period and validity period of the Restricted Share Incentive Schemes

Name and category of the participant [(1)(2)]	Number of restricted Shares as of 1 January 2026 (share)[(3)(4)]	Vested during the Reporting Period (share)[(3)]	Cancelled during the Reporting Period (share)	Number of restricted Shares as of 30 June 2026 (share)[(3)(5)]	Grant price (RMB/share)	Weighted average closing price of relevant Shares immediately before the vesting date (RMB/share)	Date of grant	Validity period of the Scheme
Non-director employee								
2022 Restricted Share Incentive Scheme	3,217,000	0	0	3,217,000	26.47	N/A	2022.6.8	2022.6.8-2027.6.7
2023 Restricted Share Incentive Scheme	4,770,375	0	0	4,770,375	25.89	N/A	2023.6.20	2023.6.20-2027.6.19

Notes:

(1) The restricted Shares under the 2021 Restricted Share Incentive Scheme have been fully unlocked or cancelled in 2025. There were no such restricted Shares surviving under the Restricted Share Incentive Scheme, and there was no change during the Reporting Period.

(2) No restricted Shares have been granted to Directors pursuant to the 2022 and 2023 Restricted Share Incentive Schemes.

(3) The vesting arrangements of the restricted Shares are as follows:

(a) 2022 Restricted Share Incentive Schemes: the Shares may be unlocked in tranches of 30% or 40% in each of the three unlocking periods that occur between the first trading date after the 24-month anniversary from the date of grant and the last trading day up to the 60-month anniversary of the date of grant; and

(b) 2023 Restricted Share Incentive Scheme: the Shares may be unlocked in tranches of 30% or 40% in each of the three unlocking periods that occur between the first trading date after the 12-month anniversary from the date of grant and the last trading day up to the 48-month anniversary of the date of grant.

(4) No consideration is paid/payable by the participants with respect to the unlocking of restricted Shares under any Restricted Shares Incentive Scheme. The Restricted Shares Incentive Scheme does not involve any lapse of Shares granted.

(5) During the Reporting Period, the Company has not granted restricted Shares under any Restricted Shares Incentive Scheme.

(III) The Stock Ownership Schemes

During the Reporting Period, the Company's subsisting Stock Ownership Schemes include the 2023 Stock Ownership Scheme, the 2024 Stock Ownership Scheme, the 2025 Stock Ownership Scheme and the 2026 Stock Ownership Scheme (collectively the "Stock Ownership Schemes"). As the Stock Ownership Schemes do not involve the issuance of new Shares by the Company, the terms of such schemes are not subject to the provisions of Chapter 17 of the Hong Kong Listing Rules.

1. Purposes

The Stock Ownership Schemes aim to continuously enhance corporate governance, improve governance mechanisms, and increase the overall value of the Company; foster an internal group of entrepreneurs, further unleash the self-motivation and creativity of the core management team, while attracting, incentivizing, and retaining key management and technical personnel critical to the Company's future development; uphold the "partnership" philosophy to ensure strong alignment between the core management team and the Company's growth value, thereby fostering a sense of mission and responsibility; establish and refine a benefit-sharing mechanism between employees and Shareholders to align the interests of the Company, its Shareholders, and employees; maintain and improve a future-oriented overall compensation structure, advocate a value-driven performance culture, and facilitate long-term incentives and constraints for the core management team, ensuring the achievement of the Company's strategic development and operational objectives.

2. Participants

The participants of the Stock Ownership Schemes include the core management, key technical personnel and senior management of the Company as set out in the schemes.

3. Maximum number of A Shares available to be held under the Stock Ownership Schemes

The maximum number of A Shares available to be held under each of the Stock Ownership Schemes as well as their percentage of the Company's issued Shares (excluding treasury shares) as of the Latest Practicable Date are as follows:

Stock Ownership Scheme	Maximum number of A Shares available to be held and as a percentage of the Company's issued Shares (excluding treasury shares) as of the Latest Practicable Date
2023 Stock Ownership Scheme	9,946,276(0.13%)
2024 Stock Ownership Scheme	20,106,662(0.27%)
2025 Stock Ownership Scheme	17,361,485(0.23%)
2026 Stock Ownership Scheme	15,772,385(0.21%)

As of the Latest Practicable Date, the number of A Shares held under each of the Stock Ownership Schemes, and that as a percentage of the Company's issued Shares (excluding treasury shares) are as follows:

Stock Ownership Scheme	**Number of A Shares held and as a percentage of the Company's issued Shares (excluding treasury shares) as of the Latest Practicable Date**
2023 Stock Ownership Scheme	1,926,276(0.03%)
2024 Stock Ownership Scheme	17,440,962(0.23%)
2025 Stock Ownership Scheme	17,361,485(0.23%)
2026 Stock Ownership Scheme	0(0%)

4. Maximum entitlement for Participants

The total number of Shares corresponding to the equity interest granted to any participant of the Stock Ownership Schemes shall not in aggregate exceed 1% of the total share capital of the Company.

5. Lock-up and vesting arrangement

The lock-up period for A Shares held under the Stock Ownership Scheme shall be 12 months (the 2023 Stock Ownership Scheme) or 24 months (the 2024 Stock Ownership Scheme, the 2025 Stock Ownership Scheme and the 2026 Stock Ownership Scheme) commencing from the date of the announcement in relation to the completion of transferring the repurchased underlying Shares from the Company's special securities account for repurchase.

Upon expiration of the above lock-up period, subject to the achievement of performance targets and individual evaluation results, the corresponding portion of the A Shares (together with dividends) held by the Participants under the Stock Ownership Scheme shall be divided into three tranches for vesting at the ratios of 40%, 30% and 30%, and the vested A Shares shall be disposed of by the management committee of the scheme, with proceeds from such disposal distributed among the participants on a pro-rata basis.

6. Consideration for entitlement

No consideration for the entitlement granted or vested under the Stock Ownership Schemes shall be paid by a participant of such schemes. The source of funds for the Stock Ownership Schemes is the special fund set aside by the Company for such schemes and part of the performance bonuses for senior management. The Company has not provided any financial assistance or loan guarantee to the participants, nor were leveraged funds involved. No third party provided incentives, subsidies, or backstop arrangements for employees to participate in the Stock Ownership Schemes.

7. **Changes in the number of A Shares during the Reporting Period and validity period of the Stock Ownership Schemes**

Name of Stock Ownership Scheme[1]	Name and category of the participant[2]	Number of A Shares held as of 1 January 2026 (share)[3][4]	Granted during the Reporting Period (share)[3][4]	Vested during the Reporting Period (share)[4]	Lapsed during the Reporting Period (share)	Number of A Shares held as of 30 June 2026 (share)[3][4][5]	Weighted average closing price of relevant Shares immediately before the vesting date (RMB/share)	Date of grant	Validity period of the Scheme
2023 Stock Ownership Scheme	Director-Fang Hongbo	287,904	0	287,904	0	0	78.00	2023.7.25	2023.7.25-2027.7.24
	Director-Wang Jianguo	57,053	0	0	57,053	0	78.00		
	Director-Gu Yanmin	42,261	0	35,922	6,339	0	78.00		
	Director-Guan Jinwei	66,034	0	0	66,034	0	78.00		
	Non-director employee	1,974,216	0	1,658,160	316,056	0	78.00		
2024 Stock Ownership Scheme	Director-Fang Hongbo	1,848,609	0	739,443	0	1,109,166	78.00	2024.6.25	2024.6.25-2029.6.24
	Director-Wang Jianguo	234,595	0	93,838	0	140,757	78.00		
	Director-Gu Yanmin	172,037	0	60,056	8,758	103,223	78.00		
	Director-Guan Jinwei	367,532	0	147,012	0	220,520	78.00		
	Director-Zhang Tian	18,000	0	7,200	0	10,800	78.00		
	Non-director employee	15,554,052	0	5,573,911	1,703,343	8,276,798	78.00		
2025 Stock Ownership Scheme	Director-Fang Hongbo	1,336,899	0	0	0	1,336,899	N/A	2025.9.10	2025.9.10-2030.9.9
	Director-Wang Jianguo	234,772	0	0	0	234,772	N/A		
	Director-Gu Yanmin	91,300	0	0	0	91,300	N/A		
	Director-Guan Jinwei	254,337	0	0	0	254,337	N/A		
	Non-director employee	15,273,312	0	0	0	15,273,312	N/A		
2026 Stock Ownership Scheme[6]	Director-Fang Hongbo	0	0	0	0	0	N/A	Not granted	N/A
	Director-Wang Jianguo	0	0	0	0	0	N/A		
	Director-Gu Yanmin	0	0	0	0	0	N/A		
	Director-Guan Jinwei	0	0	0	0	0	N/A		
	Non-director employee	0	0	0	0	0	N/A		

Notes:

(1) The underlying A Shares under the Fifth Business Partner Stock Ownership Scheme and the Eighth Global Partner Stock Ownership Scheme have all vested or lapsed in 2025, and there are no A Shares subsisting under these stock ownership schemes or any changes thereof during the Reporting Period.

(2) No consideration shall be paid by a participant of the Stock Ownership Schemes for the grant or vesting of benefits under such schemes.

(3) Sale restriction and vesting arrangements of the Stock Ownership Scheme are as follows: The Stock Ownership Scheme shall be subject to a lock-up period of 12 months (the 2023 Stock Ownership Scheme) or 24 months (the 2024 Stock Ownership Scheme, the 2025 Stock Ownership Scheme and the 2026 Stock Ownership Scheme) commencing from the date of the announcement in relation to the completion of transferring the repurchased underlying Shares from the Company's special securities account for repurchase. Upon expiration of the above lock-up period, subject to the achievement of performance targets and individual evaluation results, the corresponding portion of the A Shares (together with dividends) held by the Participants under the Stock Ownership Scheme shall be divided into three tranches for vesting at the ratios of 40%, 30% and 30%, and the vested A Shares shall be disposed of by the Scheme Management Committee, with proceeds from such disposal distributed among the Participants on a pro rata basis.

(4) The Stock Ownership Schemes do not involve cancellation of A Shares held.

(5) The indicators of the Company's performance appraisal under the 2026 Stock Ownership Scheme are, the weighted average ROE in 2026 and 2027 are not less than 18%, and the weighted average ROE in 2028 and 2029 is not less than 17.5%, during the vesting assessment period (the above indicators include the impact of capital operation matters disclosed to date, excluding the impact of mergers and acquisitions and capital operations occurring in the assessment year on the assessment indicators), and the corresponding target share quota is determined according to the assessment results of the individuals and units where the holders belong during the vesting assessment period. The assessment indicators for the holder's workplace combine both responsibility-based indicators and long-term strategic indicators.

If the performance appraisal indicators of the Company in each period of the vesting assessment period under this Stock Ownership Scheme are achieved, and the individual performance appraisal results of the holder in the vesting assessment period are Grade B or above, and given the annual comprehensive evaluation of the vesting assessment period at the unit level is "excellent", then the holder is entitled to all the equities in the underlying shares attributable to the holder under the Stock Ownership Schemes in this period according to the above rules; if the annual comprehensive evaluation of the vesting assessment period at the unit level is "good", the holder is entitled to 90% of the equities in the underlying shares attributable to the holder under the Stock Ownership Schemes in this period, and the other 10% of the underlying target share interests shall be enjoyed by the Company; if the annual comprehensive evaluation of the vesting assessment period at the unit level is "pass", the holder is entitled to 80% of the equities in the underlying shares attributable to the holder under the Stock Ownership Schemes in this period, and the other 20% of the underlying target share interests are entitled to the Company; if the annual comprehensive evaluation of the vesting assessment period at the unit level is "fail", the holder is not entitled to the equities in the underlying shares attributable to the holder under the Stock Ownership Schemes in this period.

If the individual performance appraisal result of the holder does not reach Grade B during the vesting assessment period, the holder is not entitled to the equities in the underlying shares attributable to the holder under the Stock Ownership Schemes in this period.

If all of the performance appraisal indicators of the Company in each period of the vesting assessment period are not fulfilled, all the underlying equity rights under the Stock Ownership Schemes shall be owned by the Company, and all holders are not entitled to the underlying equity rights under the Stock Ownership Schemes.

During the Reporting Period, no shares have been granted under the 2026 Stock Ownership Scheme (namely no repurchased underlying Shares have been transferred from the Company's special securities account for repurchase). The valid period of the Scheme shall be five years commencing from the date on which the Scheme is considered and approved at the general meeting of the Company, and the Company's announces the transfer of the underlying shares to the Stock Ownership Scheme.

As of 1 January 2026, the number of A Shares available to be granted under the Stock Ownership Schemes was 0; as of 30 June 2026, the number of A Shares available to be granted under the Stock Ownership Schemes was 15,772,385 Shares.

(IV) H Share Award Scheme

The Company adopted the H Share Award Scheme (the "(H Share) Share Award Scheme") on 30 May 2025. The terms of the (H Share) Share Award Scheme are governed by Chapter 17 of the Hong Kong Listing Rules.

1. **Purposes**

   The purpose of the (H Share) Share Award Scheme is to (1) further stimulate the self-motivation and creativity of key talents, constantly improve the Company's governance standard, and attract, motivate and retain core talents who pose a significant influence on the future development of the Company, and (2) inspire a sense of mission and responsibility within the Company, advocate a performance culture that orients to value creation, establish and improve a mechanism for sharing benefits between employees and owners, so as to align the interests of the Company, shareholders and employees, and to ensure achieving the Company's development strategies and business objectives.

2. **Participants**

   The participants of the (H Share) Award Scheme include any individual who is an employee or a director (including executive and non-executive directors) of our Group ("Participants").

3. **Maximum number of H Shares available to be granted**

   The shares involved under the (H Share) Share Award Scheme are the shares granted by the Company to the selected Participants, including (1) new H Shares allotted and issued by the Company, and (2) H Shares repurchased and held by the Company. The number of H Shares available to be granted under the Scheme is capped at 10,000,000 Shares, representing 0.13% of the Company's issued shares (excluding the treasury shares) as of the Latest Practicable Date. The number of H Shares available to be granted as of 1 January 2026 was 8,756,900 Shares, representing 0.12% of the Company's issued shares (excluding the treasury shares) as of the Latest Practicable Date. The number of H Shares available to be granted as of both 30 June 2026 and the Latest Practicable Date is 8,112,468 Shares, representing 0.11% of the Company's issued shares (excluding the treasury shares) as of the Latest Practicable Date.

4. **Maximum entitlement for Participants**

   The total number of Shares obtained by any participant from all of such share incentive schemes within the valid period shall not in aggregate exceed 1% of the total share capital of the Company.

5. **Lock-up and vesting arrangement**

   The lock-up and vesting arrangements for the Award Shares granted under the (H Share) Share Award Scheme are as follows: the lock-up period for the Award Shares shall be 24 months commencing from the date of grant. Upon expiration of the lock-up period, such Award Shares shall be divided into three tranches for vesting over three years at the ratios of 40%, 30% and 30%, respectively.

6. **Consideration for entitlement**

   No consideration for the entitlement granted or vested under the (H Share) Share Award Scheme shall be paid by a participant of such schemes.

7. Term of the (H Share) Share Award Scheme

The (H Share) Share Award Scheme will be valid and effective for the period commencing on 30 May 2025 and expiring on the tenth anniversary thereof, or such earlier date as the (H Share) Share Award Scheme is terminated (the "Term"), after which no further H Share awards shall be offered or granted but the provisions of the (H Share) Share Award Scheme will remain in full force and effect in all other respects and H Share awards granted during the Term shall continue to be valid in accordance with their terms of grant after the end of the Term.

8. Changes of the (H Share) Share Award Scheme during the Reporting Period and validity period of the Scheme

Name and category of the Participant[1]	Number of awarded shares on 1 January 2026 (share)	Granted during the period (share)[2]	Vested during the period (share)[3][5]	Lapsed during the period (share)[4]	Number of awarded shares on 30 June 2026 (share)	Weighted average closing price of relevant Shares immediately before the vesting date (HK$/share)	Date of grant	Validity period of the Scheme
Non-director employee	1,243,100	644,432[6]	0	267,300	1,620,232	N/A	2025.6.12/ 2026.6.18	2025.5.30-2035.5.29

Notes:

(1) No awarded shares were granted to Directors, chief executives or substantial shareholders, or to their respective associates, under the (H Share) Share Award Scheme during the Reporting Period.

(2) No consideration shall be paid by a participant of the (H Share) Share Award Scheme for the grant or vesting of benefits under such schemes.

(3) The lock-up and vesting arrangements for the Awarded Shares granted under the (H Share) Share Award Scheme are as follows: the lock-up period of the Awarded Shares shall be 24 months from the date of grant, and the Awarded Shares shall be vested in three tranches over a period of three years at the ratios of 40%, 30% and 30%, respectively, upon expiry of the lock-up period.

(4) The (H Share) Share Award Scheme does not involve cancellation of H Shares held.

(5) The share awards granted in 2026 shall be subject to the assessment targets at three levels: the Group, the grantee's workplace and the grantee's individual performance.

Indicators for corresponding workplace level: The unlocking ratio is determined according to the overall fulfillment assessment grade based on the responsibility-based and strategic indicators: 100% to be vested for outstanding assessment grade; 90% to be vested for good assessment grade; 80% to be vested for qualified assessment grade; vesting to be cancelled for poor assessment grade.

40% for the first vesting in 2028: first vesting period of the performance assessment for 2026-2027. Group level: assessment of weighted average return on equity (ROE) for 2026-2027 (not less than 18%); work place level: assessment of responsibility-based indicators and long-term strategic indicators for 2026-2027; individual level: Grade B or above for 2027.

30% for the second vesting in 2029: second vesting period of the performance assessment for 2028. Group level: ROE for 2028 (not less than 17.5%); Work place level: assessment of responsibility-based indicators and long-term strategic indicators for 2028; individual level: Grade B or above for 2028.

30% for the third vesting in 2030: third vesting period of the performance assessment for 2029. Group level: ROE for 2029 (not less than 17.5%); Work place level: assessment of responsibility-based indicators and long-term strategic indicators for 2029; individual level: Grade B or above for 2029.

ROE indicators under the assessments shall include the impacts of disclosed capital operation events as of now, but exclude the impacts of merger and acquisition and capital operation events occurred during the assessment year on assessment indicators. Should any performance target is not achieved in whole or in part during the assessment period, all or a corresponding portion of the awarded shares proposed to be vested for such period shall be cancelled.

(6) On 18 June 2026, the Company granted a total of 644,432 Award Shares to 33 employees of the Company pursuant to the (H Share) Share Award Scheme. The closing price of the H Shares immediately preceding the date of grant under the (H Share) Share Award Scheme was HK$84.20 per Share. The fair value of the Award Shares at the date of grant was RMB47,172,000, and the accounting policies adopted are consistent with those set out in note 50.23 to the consolidated financial statements in the Company's 2025 annual report.

As of 30 June 2026, the number of Shares that may be issued in respect of options and awards granted under all share schemes of the Company represented 0.43% of the weighted average number of ordinary shares in issue (excluding treasury shares) as of 30 June 2026.

CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

SUBSTANTIAL SHAREHOLDER AND OTHER INDIVIDUALS' INTEREST AND SHORT POSITION IN SHARES AND UNDERLYING SHARES

As of 30 June 2026, the Company was aware of the following individuals who had an interest or short position, which were required to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or interests or short positions as recorded in the register required to be kept by the Company under Section 336 of the SFO, or, directly or indirectly, be interested in 5% or more of the nominal value of any class of our Company's share capital.

Name of shareholder	Nature of interest	Class of Share	Number of Shares directly or indirectly held/ Nature of Shares Held	Percentage of the respective type of shares[9]	Percentage of the total issued share capital[9]
Midea Holding	Beneficial owner	A Shares	2,169,178,713 (Long position)	31.15%	28.49%
He Xiangjian [1]	Interest in controlled corporations	A Shares	2,169,178,713 (Long position)	31.15%	28.49%
	Beneficial owner	A Shares	31,909,643 (Long position)	0.46%	0.42%
HHLR Advisors, Ltd.	Investment manager	H Shares	136,245,025 (Long position)	20.93%	1.79%
HACF, L.P.	Beneficial owner	H Shares	88,665,100 (Long position)	13.62%	1.16%
	Interest in controlled corporations	H Shares	28,245,100 (Long position)	4.34%	0.37%
JPMorgan Chase & Co.[2]	Beneficial owner	H Shares	30,114,002 (Long position)	4.63%	0.40%
			28,789,849 (Short position)	4.42%	0.38%
	Investment manager	H Shares	21,942,183 (Long position)	3.37%	0.29%
			2,596,900 (Short position)	0.40%	0.03%
	Person having a security interest in shares	H Shares	24,229,251 (Long position)	3.72%	0.32%
	Approved lending agent	H Shares	14,489,859 (Long position)	2.23%	0.19%

Name of shareholder	Nature of interest	Class of Share	Number of Shares directly or indirectly held/ Nature of Shares Held	Percentage of the respective type of shares[9]	Percentage of the total issued share capital[9]
China International Capital Corporation (International) Limited	Interest in controlled corporations	H Shares	59,788,729 (Long position)	9.19%	0.79%
			85,534,400 (Short position)	13.14%	1.12%
China International Capital Corporation Hong Kong Securities Limited	Underwriter	H Shares	59,147,529 (Long position)	9.09%	0.78%
			84,893,200 (Short position)	13.04%	1.12%
HSBC Holdings plc[3]	Interest in controlled corporations	H Shares	22,918,352 (Long position)	3.52%	0.30%
			8,359,218 (Short position)	1.28%	0.11%
	custodian (other than an exempt custodian interest)	H Shares	39,721,679 (Long position)	6.10%	0.52%
			17,393,379 (Short position)	2.67%	0.23%
	Person having a security interest in shares	H Shares	250,353 (Long position)	0.04%	0.00%
			250,353 (Short position)	0.04%	0.00%
BNP PARIBAS SA[4]	Interest in controlled corporations	H Shares	40,832,213 (Long position)	6.27%	0.54%
			16,574,077 (Short position)	2.55%	0.22%
China COSCO SHIPPING Corporation Limited [5]	Interest in controlled corporations	H Shares	40,008,200 (Long position)	6.15%	0.53%
China Ocean Shipping Company Limited [5]	Interest in controlled corporations	H Shares	40,008,200 (Long position)	6.15%	0.53%
COSCO SHIPPING Holdings Co., Ltd. [5]	Interest in controlled corporations	H Shares	40,008,200 (Long position)	6.15%	0.53%
COSCO SHIPPING Holdings (Hong Kong) Limited [5]	Beneficial owner	H Shares	40,008,200 (Long position)	6.15%	0.53%

Name of shareholder	Nature of interest	Class of Share	Number of Shares directly or indirectly held/ Nature of Shares Held	Percentage of the respective type of shares[9]	Percentage of the total issued share capital[9]
The Goldman Sachs Group, Inc.[6]	Interest in controlled corporations	H Shares	39,481,508 (Long position)	6.07%	0.52%
			32,113,457 (Short position)	4.93%	0.42%
BlackRock, Inc.[7]	Interest in controlled corporations	H Shares	32,959,183 (Long position)	5.06%	0.43%
			7,475,800 (Short position)	1.15%	0.10%
UBS Group AG[8]	Interest in controlled corporations	H Shares	32,846,773 (Long position)	5.05%	0.43%
			16,964,425 (Short position)	2.61%	0.22%

Notes:

(1) Mr. He is interested in approximately 94.55% of Midea Holding and is deemed to be interested in all the A Shares held by Midea Holding.

(2) JPMorgan Chase & Co. has underlying interests in the long position of 90,775,295 H shares (of which 24,229,251 shares were held as security interest in shares, and 14,489,859 shares were shares available for lending held in the capacity of an approved lending agent) and the short position of 31,386,749 H shares of the Company through a series of corporations under its control.

(3) HSBC Holdings plc has underlying interests in the long position of 62,890,384 H shares (of which 39,721,679 shares are custodian interests and 250,353 shares are security interests in shares) and the short position of 26,002,950 H shares (of which 17,393,379 shares are custodian interests and 250,353 shares are security interests in shares) of the Company through a series of corporations under its control.

(4) BNP PARIBAS SA has underlying interests in the long position of 40,832,213 H shares and the short position of 16,574,077 H shares of the Company through a series of corporations under its control.

(5) Each of China Ocean Shipping Company Limited, COSCO SHIPPING Holdings Co., Ltd. and China COSCO SHIPPING Corporation Limited is deemed to be interested in the shares held by COSCO SHIPPING Holdings (Hong Kong) Limited under the SFO.

(6) The Goldman Sachs Group, Inc. has underlying interests in the long position of 39,481,508 H shares and the short position of 32,113,457 H shares of the Company through a series of corporations under its control.

(7) BlackRock, Inc. has underlying interests in the long position of 32,959,183 H shares and the short position of 7,475,800 H shares of the Company through a series of corporations under its control.

(8) UBS Group AG has underlying interests in the long position of 32,846,773 H shares and the short position of 16,964,425 H shares of the Company through a series of corporations under its control.

(9) As of 30 June 2026, the Company had a total of 7,613,438,907 issued shares, comprising 6,962,590,407 A Shares and 650,848,500 H Shares (including treasury shares). The above calculation is based on the total number of issued shares and the total number of relevant classes of shares (including treasury shares) as of 30 June 2026.

Save as disclosed above, as of 30 June 2026, the Company was not aware of any other person (other than the Directors and chief executives of the Company) having any interests or short position in the shares or underlying shares of the Company which are required to be recorded in the register under Section 336 of the SFO.

DIRECTORS AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As of 30 June 2026, to the best of the knowledge of the Company, the interests and short position of the Directors and chief executives in the share capital and underlying Shares of the Company or its associated corporations (as defined in Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or pursuant to the Model Code were as follows:

(1) Interests and Short Positions in Shares of the Company

Name	Position	Nature of interest	Class of Share	Number of Shares/ underlying Shares directly or indirectly held/ Nature of Shares Held [7]	Percentage of the respective type of Shares [6]	Percentage of the total issued share capital [6]
Mr. Fang Hongbo	Executive Director, chairman of the Board and chief executive officer	Beneficial owner	A Shares	119,436,557[1] (Long position)	1.7154%	1.5688%
Mr. Wang Jianguo	Executive Director and vice president	Beneficial owner	A Shares	375,529[2] (Long position)	0.0054%	0.0049%
Dr. Gu Yanmin	Executive Director and vice president	Beneficial owner	A Shares	194,523[3] (Long position)	0.0028%	0.0026%
Mr. Guan Jinwei	Executive Director and vice president	Beneficial owner and Interest of Spouse	A Shares	1,013,357[4] (Long position)	0.0146%	0.0133%
Dr. Zhang Tian	Executive Director and employee representative Director	Beneficial owner	A Shares	32,550[5] (Long position)	0.0005%	0.0004%

Notes:

(1) Such interests include (i) 116,990,492 A Shares and (ii) interests in 2,446,065 A Shares arising under the Stock Ownership Schemes which are beneficially owned by Mr. Fang Hongbo.

(2) Such interests include interests in 375,529 A Shares arising under the Stock Ownership Schemes which are beneficially owned by Mr. Wang Jianguo.

(3) Such interests include interests in 194,523 A Shares arising under the Stock Ownership Schemes which are beneficially owned by Dr. Gu Yanmin.

(4) Such interests include (i) 538,500 A Shares and (ii) interests in 474,857 A Shares arising under the Stock Ownership Schemes which are beneficially owned by Mr. Guan Jinwei. The spouse of Mr. Guan holds 3,500 A Shares and Mr. Guan is deemed to be interested in the A Shares held by his spouse.

(5) Such interests include (i) 12,750 A Shares, and (ii) 9,000 A Shares which may be issued pursuant to the exercise of options granted under the Stock Option Incentive Plans and (iii) interests in 10,800 A Shares arising under the Stock Ownership Schemes which are beneficially owned by Dr. Zhang Tian.

(6) As of 30 June 2026, the Company had a total of 7,613,438,907 issued shares, comprising 6,962,590,407 A Shares and 650,848,500 H Shares (including treasury shares). The above calculation is based on the total number of issued shares and the total number of relevant classes of shares (including treasury shares) as of 30 June 2026.

(7) Interests disclosed in the table above include interests in underlying Shares arising under physically settled Stock Option Incentive Plans and cash settled Stock Ownership Schemes. Please note that the nature of interests under these plans and schemes differs, depending on the features of the plans and schemes; nevertheless, for transparency and consistency purposes, disclosures of these interests are approached as a uniform matter.

(2) Interest in Associated Corporations of the Company

Name	Position	Nature of Interest	Member of our Group	Number of Shares directly or indirectly held	% of Shareholding
Mr. Fang Hongbo[1]	Executive Director, chairman of the Board and chief executive officer	Interest in controlled corporation	Meicloud Technology Co., Ltd.	2,000,000 (Long position)	0.75%
Mr. Fang Hongbo[2]	Executive Director, chairman of the Board and chief executive officer	Interest in controlled corporation	Annto Logistics Supply Chain Technology Co., Ltd.	17,658,000 (Long position)	2.37%
Mr. Fang Hongbo[3]	Executive Director, chairman of the Board and chief executive officer	Interest in controlled corporation	Guangdong Midea Smart Technology Industry Investment Fund (LLP)	112,000,000 (Long position)	5.38%

Notes:

(1) Ningbo Meiyue Venture Capital Partnership (Limited Partnership) is interested in 0.75% of the equity interest of Meicloud Technology Co., Ltd. Mr. Fang Hongbo holds 39.76% interest in Ningbo Meiyue Venture Capital Partnership (Limited Partnership), an employee shareholding platform. As such, Mr. Fang is deemed to be interested in the shares held by Ningbo Meiyue Venture Capital Partnership (Limited Partnership).

(2) Ningbo Meiyue Venture Capital Partnership (Limited Partnership) is interested in 2.37% of the equity interest of Annto Logistics Supply Chain Technology Co., Ltd. Mr. Fang Hongbo holds 39.76% interest in Ningbo Meiyue Venture Capital Partnership (Limited Partnership), an employee shareholding platform. As such, Mr. Fang is deemed to be interested in the shares held by Ningbo Meiyue Venture Capital Partnership (Limited Partnership).

(3) Ningbo Meishan Venture Capital Partnership (Limited Partnership) and Meishan (Guangdong) Equity Investment Partnership (Limited Partnership) are interested in 2.98% and 2.40% of the equity interest of Guangdong Midea Smart Technology Industry Investment Fund (LLP), respectively. Mr. Fang Hongbo holds 80.65% interest in Ningbo Meishan Venture Capital Partnership (Limited Partnership) and 99.98% interest in Meishan (Guangdong) Equity Investment Partnership (Limited Partnership). As such, Mr. Fang is deemed to be interested in the shares held by Ningbo Meishan Venture Capital Partnership (Limited Partnership) and Meishan (Guangdong) Equity Investment Partnership (Limited Partnership), respectively.

Save as disclosed above, as of 30 June 2026, none of the Directors and chief executives had any interests or short positions in the Shares or underlying Shares of the Company or its associated corporations (as defined in Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or the Model Code.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors of Midea Group Co., Ltd.
(incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 124 to 180, which comprises the interim condensed consolidated statement of financial position of Midea Group Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2026 and the interim condensed consolidated statement of profit or loss, 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 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, 28 August 2026

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

	Note	Unaudited Six months ended 30 June 2026 RMB'000	2025 RMB'000
Revenue	4	**261,052,379**	252,331,494
Cost of revenue	7	**(195,765,908)**	(188,058,289)
Gross profit		**65,286,471**	64,273,205
Selling and marketing expenses	7	**(21,545,703)**	(23,052,554)
General and administrative expenses	7	**(7,999,203)**	(7,590,066)
Research and development expenses	7	**(8,467,401)**	(8,766,551)
Net impairment losses on financial assets and contract assets		**(634,473)**	(356,526)
Other income	5	**4,699,033**	5,419,453
Other gains, net	6	**404,900**	2,439,079
Operating profit		**31,743,624**	32,366,040
Finance income	8	**609,173**	451,023
Finance costs	8	**(952,684)**	(1,942,892)
Finance costs, net		**(343,511)**	(1,491,869)
Share of profit of associates and joint ventures, net	18	**510,025**	469,118
Impairment provision for investments in associates	18	**(65,582)**	–
Profit before income tax		**31,844,556**	31,343,289
Income tax expense	9	**(5,261,682)**	(4,695,935)
Profit for the period		**26,582,874**	26,647,354
Attributable to:			
Owners of the Company		**26,446,037**	26,013,690
Non-controlling interests		**136,837**	633,664
		26,582,874	26,647,354
Earnings per share for profit attributable to owners of the Company:	11		
– Basic (RMB per share)		**3.52**	3.41
– Diluted (RMB per share)		**3.50**	3.41

The above condensed consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Profit for the period	**26,582,874**	26,647,354
Other comprehensive (loss)/income:		
Items that may be reclassified to profit or loss, net of tax		
– Other comprehensive income/(loss) that will be transferred subsequently to profit or loss under the equity method, net of tax	**21,775**	(38,872)
– Cash flow hedging reserves, net of tax	**(759,696)**	(120,616)
– Currency translation differences of foreign operations	**(3,304,465)**	515,470
– Others, net of tax	**–**	(43,454)
Items that will not be reclassified to profit or loss, net of tax		
– Changes arising from remeasurement of defined benefit plan, net of tax	**31,983**	22,288
– Changes in fair value of investments in other equity instruments, net of tax	**–**	(10)
Other comprehensive (loss)/income for the period, net of tax	**(4,010,403)**	334,806
Attributable to:		
Owners of the Company	**(3,971,724)**	196,963
Non-controlling interests	**(38,679)**	137,843
Total comprehensive income for the period	**22,572,471**	26,982,160
Attributable to:		
Owners of the Company	**22,474,313**	26,210,653
Non-controlling interests	**98,158**	771,507
	22,572,471	26,982,160

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Note	Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	**48,210,920**	48,931,256
Right-of-use assets	13	**11,200,294**	11,551,982
Investment properties		**1,079,766**	1,142,213
Intangible assets	14	**43,735,811**	47,493,900
Deferred tax assets		**16,961,714**	15,118,022
Prepayments, other receivables and other assets	15	**3,431,411**	3,390,345
Investments in associates and joint ventures	18	**4,628,234**	4,775,044
Loan receivables	17	**448,686**	622,248
Derivative financial instruments	21	**–**	348,834
Other financial assets at amortized cost	19	**69,005,745**	54,288,425
Other financial assets at fair value through other comprehensive income	20	**29,672**	29,901
Other financial assets at fair value through profit or loss	20	**7,269,509**	4,437,255
Total non-current assets		**206,001,762**	192,129,425
Current assets			
Inventories	22	**55,440,969**	64,628,834
Contract assets	23	**6,124,720**	4,268,501
Trade and note receivables at amortized cost	24	**68,189,144**	45,696,860
Trade and note receivables at fair value through other comprehensive income	16	**7,659,731**	14,935,344
Prepayments, other receivables and other assets	15	**27,820,417**	29,636,592
Loan receivables	17	**14,480,660**	11,779,217
Derivative financial instruments	21	**4,849,088**	2,969,464
Other financial assets at amortized cost	19	**158,736,824**	156,789,662
Other financial assets at fair value through profit or loss	20	**3,155,691**	710,717
Term deposits and restricted cash	25	**16,028,539**	16,738,480
Cash and cash equivalents	25	**74,614,244**	68,508,670
Total current assets		**437,100,027**	416,662,341
Total assets		**643,101,789**	608,791,766

	Note	Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings	26	**22,083,057**	15,853,617
Lease liabilities	13	**1,919,149**	1,901,053
Deferred tax liabilities		**6,370,402**	5,891,940
Other payables and accruals	29	**2,358,899**	2,606,947
Deferred income	31	**2,883,271**	2,638,278
Derivative financial instruments	21	**3,332**	92,008
Total non-current liabilities		**35,618,110**	28,983,843
Current liabilities			
Trade and note payables	27	**157,035,826**	130,802,372
Contract liabilities	28	**45,458,117**	46,993,060
Borrowings	26	**58,244,206**	48,331,021
Lease liabilities	13	**1,393,097**	1,395,306
Customer deposits		**101,708**	134,110
Derivative financial instruments	21	**1,129,661**	872,439
Other financial liabilities at fair value through profit or loss	30	**565,372**	706,439
Current tax liabilities		**4,902,995**	4,485,221
Other payables and accruals	29	**112,859,756**	109,663,732
Total current liabilities		**381,690,738**	343,383,700
Total liabilities		**417,308,848**	372,367,543

	Note	Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
EQUITY			
Share capital	32	**7,613,439**	7,597,145
Treasury shares	33	**(15,117,924)**	(8,151,117)
Reserves	35	**55,224,676**	56,547,492
Retained earnings	34	**165,140,864**	167,227,785
Equity attributable to owners of the Company		**212,861,055**	223,221,305
Non-controlling interests		**12,931,886**	13,202,918
Total equity		**225,792,941**	236,424,223
Total equity and liabilities		**643,101,789**	608,791,766

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

The consolidated financial statements on pages 124 to 180 were approved by the Board of Directors on 28 August 2026 and were signed on its behalf.

Fang Hongbo
Chairman

Wang Jianguo
Director

	Unaudited						
	Attributable to owners of the Company						
	Share capital RMB'000 (Note 32)	Treasury shares RMB'000 (Note 33)	Reserves RMB'000 (Note 35)	Retained earnings RMB'000 (Note 34)	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2026	7,597,145	(8,151,117)	56,547,492	167,227,785	223,221,305	13,202,918	236,424,223
Comprehensive income:							
Profit for the period	–	–	–	26,446,037	26,446,037	136,837	26,582,874
Other comprehensive loss	–	–	(3,971,724)	–	(3,971,724)	(38,679)	(4,010,403)
Total comprehensive income	–	–	(3,971,724)	26,446,037	22,474,313	98,158	22,572,471
Transactions with owners							
Capital injection (Note 32, Note 35)	16,294	–	943,130	–	959,424	30,230	989,654
Share-based compensation expenses	–	–	466,319	–	466,319	18,854	485,173
Appropriation to general reserves	–	–	148,231	(148,231)	–	–	–
Reversal of general reserves	–	–	(4,572)	4,572	–	–	–
Dividends	–	–	–	(28,389,299)	(28,389,299)	(490,025)	(28,879,324)
Appropriation to special reserves	–	–	1,239	–	1,239	3,634	4,873
Special reserves utilization	–	–	(1,173)	–	(1,173)	(3,427)	(4,600)
Exercise or lapse (repurchases and cancellation) of other share schemes (Note 33, Note 35)	–	–	19,110	–	19,110	–	19,110
Repurchase of shares (Note 33)	–	(6,966,807)	–	–	(6,966,807)	–	(6,966,807)
Equity component of convertible bonds issued	–	–	1,079,497	–	1,079,497	–	1,079,497
Others	–	–	(2,873)	–	(2,873)	71,544	68,671
Balance at 30 June 2026	7,613,439	(15,117,924)	55,224,676	165,140,864	212,861,055	12,931,886	225,792,941

	Unaudited						
	Attributable to owners of the Company						
	Share capital RMB'000 (Note 32)	Treasury shares RMB'000 (Note 33)	Reserves RMB'000 (Note 35)	Retained earnings RMB'000 (Note 34)	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2025	7,655,956	(5,728,446)	61,231,287	153,591,297	216,750,094	10,917,297	227,667,391
Comprehensive income:							
Profit for the period	–	–	–	26,013,690	26,013,690	633,664	26,647,354
Other comprehensive income	–	–	196,963	–	196,963	137,843	334,806
Total comprehensive income	–	–	196,963	26,013,690	26,210,653	771,507	26,982,160
Transactions with owners							
Capital injection (Note 32, Note 35)	22,782	–	1,418,868	–	1,441,650	1,914,445	3,356,095
Business combinations	–	–	(327,255)	–	(327,255)	475,381	148,126
Share-based compensation expenses	–	–	539,448	–	539,448	24,403	563,851
Appropriation to general reserves	–	–	209,880	(209,880)	–	–	–
Reversal of general reserves	–	–	(3,844)	3,844	–	–	–
Cancellation of shares (Note 32, Note 33, Note 35)	(11,091)	814,851	(803,760)	–	–	–	–
Dividends	–	–	–	(26,714,435)	(26,714,435)	(126,916)	(26,841,351)
Appropriation to special reserves	–	–	2,133	–	2,133	2,588	4,721
Special reserves utilization	–	–	(926)	–	(926)	(2,061)	(2,987)
Exercise or lapse (repurchases and cancellation) of other share schemes (Note 32, Note 33, Note 35)	(1,493)	174,503	(112,539)	–	60,471	4,139	64,610
Repurchase of shares (Note 33)	–	(2,482,781)	–	–	(2,482,781)	–	(2,482,781)
Transaction with NCI	–	–	628,504	–	628,504	(667,729)	(39,225)
Others	–	–	2,471	–	2,471	–	2,471
Balance at 30 June 2025	7,666,154	(7,221,873)	62,981,230	152,684,516	216,110,027	13,313,054	229,423,081

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 30 June 2026

	Note	Unaudited Six months ended 30 June 2026 RMB'000	2025 RMB'000
Cash flows from operating activities			
Cash generated from operations	36 (a)	**42,990,270**	42,273,414
Interest received		**599,068**	395,454
Income tax paid		**(6,037,248)**	(5,387,853)
Net cash generated from operating activities		**37,552,090**	37,281,015
Cash flows (used in)/from investing activities:			
Proceeds from disposal of subsidiaries, net of cash acquired		**714,767**	268,106
Payments for acquisition of subsidiaries, net of cash acquired		**(13,693)**	(5,572,186)
Proceeds from disposal of investments in associates and joint ventures		**350,502**	4,000
Payments for purchase of investments in associates and joint ventures		**(151,004)**	(6,178)
Proceeds from disposal of financial assets		**34,876,629**	70,228,747
Payments for purchase of financial assets		**(54,003,434)**	(56,608,969)
Proceeds from disposal of property, plant and equipment, intangible assets and other non-current assets		**265,340**	352,065
Payments for purchase of property, plant and equipment, intangible assets and other non-current assets		**(2,634,210)**	(3,145,319)
Interest received and others		**4,149,837**	1,828,984
Dividends received from associates and joint ventures		**572,775**	201,146
Net cash (used in)/generated from investing activities		**(15,872,491)**	7,550,396

	Note	Unaudited Six months ended 30 June 2026 RMB'000	2025 RMB'000
Cash flows used in financing activities:			
Proceeds from share schemes		**1,401,313**	1,511,915
Payments for repurchase of shares and refund the exercise price of lapsed restricted shares		**(6,966,807)**	(2,533,795)
Transactions with non-controlling interests		**59,527**	1,895,800
Proceeds from borrowings		**61,583,218**	50,310,188
Repayments of borrowings		**(43,496,611)**	(43,618,375)
Interests paid		**(477,308)**	(811,892)
Dividends paid to the Company's shareholders		**(25,916,074)**	(24,443,729)
Dividends paid to non-controlling interests in subsidiaries		**(497,561)**	(140,462)
Related payments of lease liabilities		**(738,532)**	(755,215)
Others		**(107,345)**	(527,499)
Net cash used in financing activities		**(15,156,180)**	(19,113,064)
Net increase in cash and cash equivalents		**6,523,419**	25,718,347
Cash and cash equivalents at beginning of the period		**68,508,670**	55,118,728
Exchange (losses)/gains on cash and cash equivalents		**(417,845)**	829,194
Cash and cash equivalents at end of the period	25	**74,614,244**	81,666,269

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

NOTES TO THE INTERIM FINANCIAL INFORMATION

1. GENERAL INFORMATION

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

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

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

This Interim Financial Information was approved for issue by the board of directors of the Company on 28 August 2026 and has not been audited.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

2.1 Basis of preparation

This interim condensed consolidated financial information, comprising interim condensed consolidated statement of financial position as at 30 June 2026, the interim condensed consolidated statement of profit or loss and other comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six months ended 30 June 2026 (collectively referred to as the "Interim Financial Information"), has been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" as issued by the International Accounting Standard Board ("IASB") and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2025 which have been prepared in accordance with IFRS Accounting Standards, as set out in the 2025 annual report of the Company (the "2025 Financial Statements").

Except as described below, the accounting policies and methods of computation used in the preparation of the Interim Financial Information are generally consistent with those used in the 2025 Financial Statements.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies

2.2.1 Amended standards adopted by the Group

The Group has applied the following amendments to standards for the financial year beginning on 1 January 2026.

Annual Improvements to IFRS Accounting Standards — Volume 11	Clarifications, simplifications, corrections, and changes intended to improve consistency
Amendments to IFRS 9 and IFRS 7	Amendments to the classification and measurements of financial instruments
Amendments to IFRS 9 and IFRS 7	Contracts referencing nature-dependent electricity

The adoption of these amendments to standards does not have significant impact on the Interim Financial Information of the Group.

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

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

		Effective for annual periods beginning on or after
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendment to IAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
IFRS 20	Regulatory Assets and Regulatory Liabilities	1 January 2029
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint venture	To be determined
Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37	Disclosures about Uncertainties in the Financial Statements	Not applicable

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

2.2.2 New standards, amendments to standards and interpretations not yet been adopted by the Group (Continued)

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

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

2.3 Critical Accounting Estimates and Judgements

The preparation of the interim financial information in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. 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 are the same as those applied to the 2025 Financial Statements.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, other price risk, interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by the directors and senior management of the Group.

The aggregate net foreign exchange (losses)/gains recognized in profit or loss were:

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Net foreign exchange (losses)/gains included in other gains, net (Note 6)	**(5,886,293)**	3,588,989
Exchange losses on foreign currency borrowings included in finance costs (Note 8)	**(89,816)**	(825,858)
Total net foreign exchange (losses)/gains recognized in profit before income tax for the period	**(5,976,109)**	2,763,131

The Interim Financial Information does not include all financial risk management information and disclosures required in the 2025 Financial Statements and should be read in conjunction with the 2025 Financial Statements. There were no significant changes in any material risk management policies during the six months ended 30 June 2026.

3.2 Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 December 2025 and the six months ended 30 June 2026.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital management (Continued)

The Group monitors capital on the basis of the asset-liability ratio and the asset-liability ratio as at 30 June 2026 and 31 December 2025 were as follows:

	As at 30 June 2026	As at 31 December 2025
Total assets *(RMB'000)*	**643,101,789**	608,791,766
Total liabilities *(RMB'000)*	**417,308,848**	372,367,543
Asset-liability ratio	**64.89%**	61.17%

3.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at 30 June 2026 and 31 December 2025 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorized into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(a) Fair value hierarchy

As at 30 June 2026 and 31 December 2025, the financial assets and liabilities measured at fair value on a recurring basis by the above three levels were analyzed below:

	Level 1 RMB'000	**Level 2 RMB'000**	**Level 3 RMB'000**	**Total RMB'000**
As at 30 June 2026 (Unaudited)				
Financial assets:				
Trade and note receivables at FVOCI (Note 16)	**–**	**7,659,731**	**–**	**7,659,731**
Derivative financial instruments (Note 21)	**–**	**4,849,088**	**–**	**4,849,088**
Other financial assets at FVPL (Note 20(a))	**109,899**	**3,045,792**	**7,269,509**	**10,425,200**
Other financial assets at FVOCI (Note 20(b))	**–**	**–**	**29,672**	**29,672**
Total financial assets	**109,899**	**15,554,611**	**7,299,181**	**22,963,691**
Financial liabilities:				
Other financial liabilities at FVPL (Note 30)	**–**	**–**	**565,372**	**565,372**
Derivative financial instruments (Note 21)	**–**	**1,132,993**	**–**	**1,132,993**
Total financial liabilities	**–**	**1,132,993**	**565,372**	**1,698,365**

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 31 December 2025 (Audited)				
Financial assets:				
Trade and note receivables at FVOCI (Note 16)	–	14,935,344	–	14,935,344
Derivative financial instruments (Note 21)	–	3,318,298	–	3,318,298
Other financial assets at FVPL (Note 20(a))	496,261	214,456	4,437,255	5,147,972
Other financial assets at FVOCI (Note 20(b))	–	–	29,901	29,901
Total financial assets	496,261	18,468,098	4,467,156	23,431,515
Financial liabilities:				
Other financial liabilities at FVPL (Note 30)	–	–	706,439	706,439
Derivative financial instruments (Note 21)	–	964,447	–	964,447
Total financial liabilities	–	964,447	706,439	1,670,886

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(a) Fair value hierarchy (Continued)

The timing of transfers is determined at the date of the event or change in circumstances that caused the transfers. During the period, there was no transfer between Level 1 and Level 2 or between Level 2 and Level 3.

(b) Valuation techniques used to determine fair values

The fair value of financial instruments traded in an active market is determined at the quoted market price; and the fair value of those not traded in an active market is determined by the Group using valuation technique. The valuation models used mainly comprise discounted cash flow approach, market comparable company approach and net assets approach. The inputs of the valuation technique mainly include risk-free interest rate, floating rate, foreign exchange rate, volatility, financial data of target companies, market multiple of comparable companies and discount for lack of marketability.

Assets and liabilities subject to Level 2 fair value measurement were mainly included trade and note receivables at FVOCI, structured deposits in other financial assets at FVPL, transferable certificate of deposit in other financial assets at FVOCI and derivative financial instruments are evaluated by discounted cash flows approach, market approach and income approach.

Assets and liabilities subject to Level 3 fair value measurement were mainly included unlisted securities of other financial assets at FVPL and other financial assets at FVOCI, and financial liabilities at FVPL. These assets and liabilities were measured mainly using market approach, net asset value and consensus pricing. The judgement of Level 3 of the fair value hierarchy is based on the materiality of unobservable inputs towards calculation of whole fair value. Significant unobservable inputs mainly include the financial data of targeted companies, market multiple of comparable companies and discount for lack of marketability.

The Group did not change any valuation techniques in determining the level 2 and level 3 fair values.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(b) Valuation techniques used to determine fair values (Continued)

The following table presents the changes in level 3 items:

Reconciliation of Level 3 fair value measurements	Unaudited Financial assets at FVOCI and FVPL Six months ended 30 June 2026 RMB'000	 2025 RMB'000
Opening balance	**4,467,156**	4,434,732
Additions	**14,776**	–
Disposals/settlements	**(145,112)**	(103,601)
Transfer to Level 3 (a)	**18,078**	–
Changes in fair value recognized in other comprehensive income	**–**	(10)
Changes in fair value recognized in profit or loss	**2,986,167**	(367,385)
Currency translation differences	**(41,884)**	(17,308)
Closing balance	**7,299,181**	3,946,428

Reconciliation of Level 3 fair value measurements	Unaudited Other financial liabilities at FVPL Six months ended 30 June 2026 RMB'000	 2025 RMB'000
Opening balance	**706,439**	873,776
Disposals/settlements	**(143,181)**	(108,088)
Changes in fair value recognized in profit or loss	**2,114**	(13,489)
Closing balance	**565,372**	752,199

(i) For the six months ended 30 June 2026, certain financial assets were transferred to level 3 of fair value hierarchy classifications mainly as a result of equity investment with loss of significant influence due to partial equity disposal.

(ii) For the six months ended 30 June 2026, the Group's own credit risk on other financial liabilities at FVPL was not considered to be a significant input factor.

4. SEGMENT INFORMATION AND REVENUE

(a) Description of segments and principal activities

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

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

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

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

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

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

During the six months ended 31 December 2025, due to business development and changes in internal organizational structure, the Group revised the reportable segments based on changes in the internal reporting used by the Chief Operating Decision Maker for the purposes of resource allocation and performance evaluation. The composition of its reportable segments is adjusted, and the corresponding information for the six months ended 30 June 2025 is restated.

4. SEGMENT INFORMATION AND REVENUE (Continued)

(b) Segment information

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines:

Segment information for the six months ended 30 June 2026 is as follows:

	Unaudited					
	Smart home solutions	Building technology	Industrial Technology	Other segments and unallocated	Inter-segment elimination	Total
Revenue from external customers	190,858,087	20,827,899	16,266,386	33,100,007	–	261,052,379
Inter-segment revenue	2,297,696	1,372,058	10,877,737	5,016,457	(19,563,948)	–
Operating costs and expenses	(174,379,133)	(19,036,572)	(25,161,998)	(37,372,120)	19,499,431	(236,450,392)
– Cost of revenue (excluding impairment loss, taxes and surcharges)	(142,116,712)	(15,488,081)	(22,899,715)	(30,566,051)	16,702,836	(194,367,723)
Segment profit	18,776,650	3,163,385	1,982,125	744,344	(64,517)	24,601,987
Other profit or loss						7,242,569
Total profit before income tax						31,844,556
Total assets	470,469,868	51,079,444	64,312,306	421,870,161	(364,629,990)	643,101,789
Total liabilities	307,718,020	36,598,334	39,483,740	399,730,346	(366,221,592)	417,308,848
Long-term equity investments in associates and joint ventures	665,318	29,010	–	3,933,906	–	4,628,234
Share of profit of associates and joint ventures, net	393,009	800	–	116,216	–	510,025
Increase in non-current assets (excluding long-term equity investments, financial assets, goodwill and deferred tax assets)	3,187,753	435,754	825,268	1,847,998	–	6,296,773
Net impairment losses/(reversal) on financial assets and contract assets	424,968	1,981	21,009	251,749	(65,234)	634,473
Depreciation and amortization	1,854,822	515,413	594,850	2,042,846	(5,156)	5,002,775

4. SEGMENT INFORMATION AND REVENUE (Continued)

(b) Segment information (Continued)

Segment information for the six months ended 30 June 2025 is as follows:

	Unaudited					
	Smart home solutions	Building technology	Industrial Technology	Other segments and unallocated	Inter-segment elimination	Total
Revenue from external customers	183,335,095	19,112,027	18,627,886	31,256,486	–	252,331,494
Inter-segment revenue	1,373,472	1,172,560	13,080,189	5,476,692	(21,102,913)	–
Operating costs and expenses	(161,858,273)	(17,436,406)	(29,458,460)	(33,380,806)	21,113,293	(221,020,652)
– Cost of revenue (excluding impairment loss, taxes and surcharges)	(135,025,375)	(14,381,958)	(27,052,671)	(29,079,409)	18,752,265	(186,787,148)
Segment profit	22,850,294	2,848,181	2,249,615	3,352,372	10,380	31,310,842
Other profit or loss						32,447
Total profit before income tax						31,343,289
Total assets	438,854,254	55,804,479	58,317,393	436,946,816	(351,889,433)	638,033,509
Total liabilities	296,618,133	38,730,589	37,099,555	393,132,905	(356,970,754)	408,610,428
Long-term equity investments in associates and joint ventures	1,102,394	33,419	–	4,348,472	–	5,484,285
Share of profit of associates and joint ventures, net	339,644	5,160	–	124,314	–	469,118
Increase in non-current assets (excluding long-term equity investments, financial assets, goodwill and deferred tax assets)	5,823,479	5,953,953	1,401,790	1,509,461	–	14,688,683
Net impairment losses/(reversal) on financial assets and contract assets	225,405	52,861	9,620	161,175	(92,535)	356,526
Depreciation and amortization	1,610,402	368,930	492,337	1,799,852	(779)	4,270,742

4. SEGMENT INFORMATION AND REVENUE (Continued)

(b) Segment information (Continued)

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

Revenue generated from robotics and automation system construction services, logistics services, intelligent and integrated solutions for infrastructure services and green energy solutions construction services are recognized over time when the services are provided.

There was no customer who individually contributed 10% or more of the Group's revenue during the six months ended 30 June 2026 and 2025.

Revenue is analysed as follows:

	Unaudited Six months ended 30 June	
	2026 **RMB'000**	2025 RMB'000
Operating revenue	**260,042,490**	251,123,714
Interest income (a)	**1,009,683**	1,207,524
Fees and commission income	**206**	256
	261,052,379	252,331,494

(a) Interest income mainly represents interest income from loan receivables and deposits at other banks under the financial service business of the Group.

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

	Unaudited Six months ended 30 June	
	2026 **RMB'000**	2025 RMB'000
Chinese Mainland	**147,925,351**	145,138,862
Other countries or regions	**113,127,028**	107,192,632
	261,052,379	252,331,494

4. SEGMENT INFORMATION AND REVENUE (Continued)

(c) Assets and liabilities related to contracts with customers

The assets and liabilities related to contracts with customers refer to Note 23 and Note 28.

5. OTHER INCOME

	Unaudited Six months ended 30 June	
	2026 **RMB'000**	2025 RMB'000
Interest income (a)	**3,189,121**	3,993,492
Government grants (b)	**1,031,492**	716,589
Additional Deduction for VAT (c)	**478,420**	709,372
	4,699,033	5,419,453

(a) Interest income

Interest income from other financial assets at FVPL is included in the net fair value gains/(losses) on these assets, see Note 6 below. Interest income on other financial assets at amortized cost and other financial assets at FVOCI calculated using the effective interest method is recognized in profit or loss as part of other income.

(b) Government grants

The government grants were mainly incentives provided by local government authorities in the PRC, including various forms of government financial incentives and preferential tax treatments, to reward the Group's support and contribution for the development of local economies. As at 30 June 2026 and 31 December 2025, there were no unfulfilled conditions or contingencies relating to these government grants.

(c) Pursuant to the Notice on the Additional Value-added Tax ("VAT") Credit Policy for Advanced Manufacturing Enterprises (Announcement [2023] No. 43) issued by the Ministry of Finance and the State Taxation Administration in September 2023, advanced manufacturing enterprises are eligible for a 5% additional VAT deduction based on deductible input VAT.

6. OTHER GAINS, NET

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Net gains/(losses) on financial instruments (a)	**6,798,533**	(1,189,078)
Net foreign exchange (losses)/gains	**(5,886,293)**	3,588,989
Net losses on disposal of property, plant and equipment and other assets	**(178,365)**	(20,653)
Others	**(328,975)**	59,821
	404,900	2,439,079

(a) Net gains/(losses) on financial instruments mainly include net gains/(losses) on derivative financial instruments, other financial assets at FVPL and other financial liabilities at FVPL.

7. EXPENSES BY NATURE

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

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Raw materials and consumables used	**159,522,859**	147,753,594
Employee benefit expenses	**21,495,908**	23,296,165
Transportation and insurance charges	**13,240,647**	12,973,550
Advertising and promotion expenses	**10,688,362**	13,809,044
Installation and after-sales expenses	**6,811,222**	6,911,038
Depreciation and amortization	**5,002,775**	4,270,742
Others	**17,016,442**	18,453,327
	233,778,215	227,467,460

8. FINANCE COSTS, NET

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Finance income:		
Interest income from financial assets held for cash management purposes (a)	**609,173**	394,120
Reclassification from cost of hedge reserves	**–**	56,903
	609,173	451,023
Finance costs:		
Interest and finance charges paid/payable for borrowings	**(785,282)**	(1,037,895)
Interest and finance charges paid/payable for lease liabilities (Note 13(b))	**(77,586)**	(79,139)
Net exchange losses on foreign currency borrowings	**(89,816)**	(825,858)
	(952,684)	(1,942,892)
Finance costs, net	**(343,511)**	(1,491,869)

(a) Interest income represents interest income from cash and cash equivalent, including bank balances and term deposits with initial terms within three months.

9. TAXATION

(a) Income tax expense

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

The following table sets forth the component of income tax expenses of the Group for the six months ended 30 June 2026 and 2025:

	Unaudited Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Current income tax	**6,499,185**	5,832,492
Deferred income tax	**(1,237,503)**	(1,136,557)
	5,261,682	4,695,935

(i) PRC corporate income tax ("CIT")

The income tax provision of the Group in respect of its operations in Chinese Mainland was calculated at a tax rate of 25% on the assessable profits for the periods presented, based on the existing legislation, interpretation and practices in respect thereof.

Certain subsidiaries of the Company in Chinese Mainland were approved as high-tech enterprises, and they were subject to a preferential corporate income tax rate of 15% during the six months ended 30 June 2026 and 2025.

Certain subsidiaries of the Company were entitled to other tax concessions, mainly including the preferential tax rate of 15% applicable to some subsidiaries located in certain areas of Chinese Mainland upon fulfillment of certain requirements of the respective local governments and application conditions of relevant preferential policies.

During the six months ended 30 June 2026 and 2025, certain subsidiaries of the Company located in Chinese Mainland met the criteria for small and micro enterprises under the Chinese corporate income tax system. Therefore, these subsidiaries were subject to the effective income tax rate of 5%.

The Company's subsidiaries in Chinese Mainland other than those mentioned above are subject to enterprise income tax at the rate of 25%.

9. TAXATION (Continued)

(a) Income tax expense (Continued)

(ii) Cayman Islands and British Virgin Islands corporate income tax

Under the current laws of the British Virgin Islands, entities incorporated in British Virgin Islands are not subject to tax on their income or capital gains.

(iii) Hong Kong profits tax

Hong Kong profits tax has been provided for at the rate of 16.5% on the estimated assessable profits during the six months ended 30 June 2026 and 2025.

(iv) Corporate income tax in other jurisdictions

The income tax rates of the subsidiaries in Singapore, Brazil, Japan, Italy, Germany, Israel, Egypt, the U.S. and Vietnam are 17%, 34%, 34.01%, 24%, 32%, 23%, 22.5%, 21% and 20%, respectively.

Midea Electric Trading (Singapore) Co., Pte Ltd., the Company's subsidiary, was awarded with the Certificate of Honor for Development and Expansion (No. 587) by the Singapore Economic Development Board and subject to the applicable preferential income tax rate of 11% during the six months ended 30 June 2025 and 2026, respectively.

Under the investment preferential Board of Investment ("BOI") policy of the Thailand Board of Investment, eligible subsidiaries in Thailand are not subject to tax on their BOI business income which belongs to the preferential policy during the period.

Income tax on profit arising from other jurisdictions, including Singapore, Brazil, Japan, Italy, Germany, Israel, Egypt, the U.S. and Vietnam had been calculated on the estimated assessable profit for the period at the respective rates prevailing in the relevant jurisdictions.

(v) Additional deduction for research and development expense

According to the relevant laws and regulations promulgated by the State Council of the People's Republic of China that was effective from 2008 onwards, enterprises engaging in research and development activities were entitled to claim 150% of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year ("Additional Deduction"). The State Taxation Administration of The People's Republic of China ("STA") further announced in March 2021 that manufacturing enterprises engaging in research and development activities would entitle to claim 200% of their research and development expenses as Additional Deduction since 1 January 2021. The STA further announced in March 2023 that eligible enterprises would entitle to claim 200% of their research and development expenses as Additional Deduction since 1 January 2023. The Group has made its best estimate for the Additional Deduction to be claimed for the Group's entities in ascertaining their assessable profits during the period.

9. TAXATION (Continued)

(a) Income tax expense (Continued)

(vi) Withholding tax ("WHT")

According to the New Enterprise Income Tax Law ("New EIT Law"), distribution of profits earned by companies in Chinese Mainland since 1 January, 2008 to foreign investors is subject to withholding tax of 10% or treaty tax rate, depending on the country of incorporation of the foreign investors, upon the distribution of profits to overseas-incorporated immediate holding companies. As at 30 June 2026 and 31 December 2025, the Group has recognized deferred tax liabilities in relation to withholding taxes for the earnings of the Chinese Mainland subsidiaries to be remitted in the foreseeable future.

As at 30 June 2026 and 31 December 2025, the Group does not have plans to require some overseas subsidiaries to distribute their unremitted earnings in the foreseeable future, and intends to retain them to operate and expand its business in overseas. Accordingly, no deferred income tax liability related to WHT on unremitted earnings of these subsidiaries was accrued as at the end of each reporting period.

(vii) OECD Pillar Two model rules

The Organization for Economic Co-operation and Development ("OECD") published Pillar Two model rules in December 2021, with the effect that a jurisdiction may enact domestic tax laws ("Pillar Two legislation") to implement the Pillar Two model rules on a globally agreed common approach. Pillar Two legislation applies to a member of a multinational group within the scope of the Pillar Two model rules, which the Group is reasonably expected to fall into. It imposes a top-up tax on profits arising in a jurisdiction whenever the effective tax rate determined by the Pillar Two model rules on a jurisdictional basis is below a minimum rate of 15%.

The Group has reviewed its corporate structure in light of the introduction of Pillar Two model rules in various jurisdictions and engaged external tax specialists to assist them with applying the legislation and determining the related impact.

As at 30 June 2026, the Group mainly operates in the Chinese Mainland, in which exposures to Pillar Two income taxes might exist although the legislation is not yet substantively enacted or enacted. The Group applies the IAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Besides, certain subsidiaries of the Company are located in jurisdictions mainly including Hong Kong, Thailand, Singapore, Switzerland, Netherlands, Japan, Germany and Italy where Pillar Two legislation had been enacted and effected. For those jurisdictions, considering the impact of specific adjustments in the Pillar Two legislation, the group recognised a current income tax expense of RMB422,964,000 for the six months ended 30 June 2026. This is included in income tax in the statement of profit or loss. For those jurisdictions, where the Pillar Two legislation was enacted but not effective by 30 June 2026, the Group has no related current tax exposure.

10. DIVIDENDS

A final dividend in respect of the year ended 31 December 2025 of RMB38 per 10 shares (tax inclusive) was proposed pursuant to a resolution passed by the Board of Directors on 30 March 2026 and approved by the shareholders at the Company's 2025 annual general meeting held on 5 June 2026. Such dividend amounting to RMB25,916,074,000 was paid during the six months ended 30 June 2026, while RMB2,473,225,000 was subsequently paid in July 2026 respectively.

On 28 August 2026, the Board of Directors resolved to declare an interim dividend of RMB5 per 10 shares (tax inclusive) (2025 interim: 5 per 10 shares), which is subject to the approval of shareholders at the Company's forthcoming extraordinary general meeting. This interim dividend have not been recognized as a liability in this Interim Financial Information.

11. EARNINGS PER SHARE

(a) Basic

Basic earnings per share ("EPS") is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the six months ended 30 June 2026 and 2025, excluding ordinary shares held for share schemes as these shares are not considered outstanding for earnings per share calculation purposes.

	Unaudited Six months ended 30 June	
	2026	2025
Profit attributable to owners of the Company *(RMB'000)*	**26,446,037**	26,013,690
Less: Dividends payable to expected vested restricted shares *(RMB'000)*	**(165,744)**	(159,820)
Profit attributable to owners of the Company used in calculating basic EPS *(RMB'000)*	**26,280,293**	25,853,870
Weighted average number of ordinary shares in issue *(thousand shares)*	**7,470,497**	7,581,647
Basic EPS *(RMB per share)*	**3.52**	3.41

11. EARNINGS PER SHARE (Continued)

(b) Diluted

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

For the six months ended 30 June 2026 and 2025, the Restricted Share Incentive Schemes and Stock Ownership Schemes granted by the Group's subsidiaries had either anti-dilutive effect or insignificant dilutive effect to the Group's diluted earnings per share.

	Unaudited Six months ended 30 June	
	2026	2025
Adjusted profit attributable to owners of the Company used in calculating diluted EPS *(RMB'000)*	**26,381,974**	25,959,578
Weighted average number of ordinary shares in issue *(thousand shares)*	**7,470,497**	7,581,647
Adjustments for potential shares arising from share schemes and convertible bonds *(thousand shares)*	**69,807**	38,991
Weighted average number of ordinary shares used in calculating diluted EPS *(thousand shares)*	**7,540,304**	7,620,638
Diluted EPS *(RMB per share)*	**3.50**	3.41

12. PROPERTY, PLANT AND EQUIPMENT

	Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
Buildings	**20,926,448**	21,982,813
Overseas land	**1,872,723**	1,843,220
Machinery and equipment	**17,611,076**	17,084,039
Motor vehicles	**711,495**	761,353
Electronic equipment and others	**3,199,255**	3,311,969
Construction in progress	**2,959,813**	3,054,828
Leasehold improvements	**930,110**	893,034
Total	**48,210,920**	48,931,256

(a) Certain property, plant and equipment as at 30 June 2026 and 31 December 2025 respectively, were pledged as securities for bank loan facilities and financing leases.

(b) Depreciation of the Group's property, plant and equipment has been recognized as follows:

	Unaudited Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Cost of revenue	**1,758,324**	1,316,541
General and administrative expenses	**717,141**	593,169
Research and development expenses	**306,222**	387,095
Selling and marketing expenses	**221,411**	168,408
	3,003,098	2,465,213

13. LEASE

This note provides information for leases where the Group is a lessee.

(a) Amounts recognized in the condensed consolidated statement of financial position

	Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
Right-of-use assets		
Buildings	**2,764,848**	2,667,431
Machinery and equipment	**56,207**	249,610
Land use rights and others	**6,876,247**	7,024,892
Trademark use rights	**1,502,992**	1,610,049
	11,200,294	11,551,982
Lease liabilities		
Current	**1,393,097**	1,395,306
Non-current	**1,919,149**	1,901,053
	3,312,246	3,296,359

Certain Leasehold land and land use rights were pledged as securities for bank loan facilities as at 30 June 2026 and 31 December 2025.

13. LEASE (Continued)

(b) Amounts recognized in the condensed consolidated statement of profit or loss

The condensed consolidated statement of profit or loss shows the following amounts relating to leases:

	Unaudited Six months ended 30 June	
	2026 **RMB'000**	2025 RMB'000
Depreciation charge of right-of-use assets		
Buildings	**681,040**	652,036
Machinery and equipment	**26,416**	66,084
Land use rights and others	**155,379**	87,727
Trademark use rights	**24,620**	27,781
	887,455	833,628
Interest expense (included in finance cost) (Note 8)	**77,586**	79,139
Expense relating to short-term leases (included in cost of goods sold and general and administrative expenses)	**586,316**	631,688
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in operating expenses and general and administrative expenses)	**14,067**	12,170
Expense relating to variable lease payments not included in lease liabilities (included in operating expenses and general and administrative expenses)	**295,162**	222,061

The total cash outflow for leases during the six months ended 30 June 2026 and 2025 were approximately RMB1,702,118,000 and RMB1,682,864,000, respectively.

14. INTANGIBLE ASSETS

	Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
Goodwill	**31,576,620**	34,256,859
Trademark rights	**6,554,961**	6,998,188
Patents and non-patent technologies	**2,285,951**	2,514,562
Others	**3,318,279**	3,724,291
	43,735,811	47,493,900

(a) Amortization of the Group's intangible assets has been recognized as follows:

	Unaudited Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Cost of revenue	**583,684**	498,560
General and administration expenses	**86,793**	75,460
Research and development expenses	**7,663**	5,262
	678,140	579,282

15. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
Prepayments and other assets		
Prepayments (a)	**5,858,779**	4,757,531
Deductible value-added tax	**6,708,447**	9,039,873
Others	**11,904,467**	13,188,516
	24,471,693	26,985,920
Less: non-current portion	**(3,248,399)**	(3,250,682)
	21,223,294	23,735,238
Other receivables and other assets		
Other receivables	**3,249,750**	3,254,887
Long-term receivables (b)	**437,584**	409,635
Futures margin	**3,205,306**	2,455,090
	6,892,640	6,119,612
Less: provision for impairment		
– Other receivables	**(77,129)**	(64,296)
– Long-term receivables	**(35,376)**	(14,299)
	(112,505)	(78,595)
Less: non-current portion	**(183,012)**	(139,663)
	6,597,123	5,901,354
Prepayments, other receivables and other assets	**27,820,417**	29,636,592

(a) The non-current portion of prepayments mainly comprise prepaid construction equipment.

(b) Long-term receivables mainly comprise finance lease receivables.

16. TRADE AND NOTE RECEIVABLES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
Trade and note receivables at FVOCI	**7,659,731**	14,935,344

Trade and note receivables at FVOCI were mainly bank acceptance notes transferred, discounted and endorsed for the purpose of daily treasury management and were qualified for derecognition.

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9.

17. LOAN RECEIVABLES

	Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
Loan receivables to individuals	**668,472**	708,140
Loan receivables to corporations	**14,574,408**	11,960,850
	15,242,880	12,668,990
Less: Provision for impairment	**(313,534)**	(267,525)
	14,929,346	12,401,465
Less: Non-current portion	**(448,686)**	(622,248)
	14,480,660	11,779,217

17. LOAN RECEIVABLES (Continued)

By type of collateral held:

	Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
Unsecured loans	**739,296**	705,269
Guaranteed loans	**827,481**	685,761
Pledged loans	**13,676,103**	11,277,960
	15,242,880	12,668,990

Impairment on loan receivables is measured as either 12-month expected credit losses or lifetime credit loss. On such basis, the Group's loan receivables was mainly concentrated in Stage 1.

18. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Movement of investments in associates and joint ventures is analyzed as follows:

	Unaudited Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
At the beginning of the period	**4,775,044**	5,223,478
Additions and transfers	**371,855**	35,304
Disposals	**(374,182)**	(4,000)
Share of profit, net	**510,025**	469,118
Share of other comprehensive income/(losses)	**21,775**	(38,872)
Share of other equity movement	**(2,873)**	(175)
Dividends	**(580,775)**	(205,641)
Currency translation differences	**(27,053)**	5,073
	4,693,816	5,484,285
Less: Impairment loss	**(65,582)**	–
At the end of the period	**4,628,234**	5,484,285

18. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (Continued)

Investments in associates and joint ventures of the Group mainly included the investments in Guangdong Shunde Rural Commercial Bank Co., Ltd. and Carrier Midea North America LLC.

There was no associate nor joint venture of the Group as at 30 June 2026 which, in the opinion of the directors, was material to the Group.

19. OTHER FINANCIAL ASSETS AT AMORTIZED COST

	Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
Constant Return Financial Products	**227,742,569**	211,078,087
Less: Non-current portion	**(69,005,745)**	(54,288,425)
	158,736,824	156,789,662

As at 30 June 2026 and 31 December 2025, constant return financial products of the Group were mainly included term bank deposits with initial terms over one year, custom deposits and certificates of deposits deposited in financial institutions, which were subsequently measured at amortized cost.

Certain other financial assets at amortized cost were pledged as guaranteed deposits for notes payables as at 30 June 2026 and 31 December 2025.

Other Financial assets at amortized cost are subject to the impairment assessment according to IFRS 9, the identified impairment loss was immaterial as at 30 June 2026 and 31 December 2025.

20. OTHER FINANCIAL ASSETS AT FVPL AND FVOCI

(a) Other financial assets at FVPL

	Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
Non-current:		
– Equity securities (a)	**7,269,509**	4,437,255
Current:		
– Structured deposits	**3,017,637**	150,013
– Listed securities	**109,899**	496,261
– Others	**28,155**	64,443
	3,155,691	710,717
	10,425,200	5,147,972

(a) Equity securities mainly comprise unlisted securities. The fair values of these equity securities are measured using a valuation technique with unobservable inputs and hence classified as Level 3 of the fair value hierarchy.

(b) Other financial assets at FVOCI

	Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
Non-current:		
– Equity securities	**29,672**	29,901

Other financial assets at FVOCI is subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial as at 30 June 2026 and 31 December 2025.

21. DERIVATIVE FINANCIAL INSTRUMENTS

	Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
Assets:		
– Cross-currency interest rate swaps -held for trading	**125,921**	358,900
– Foreign currency and futures contracts – used for hedging (a)	**68,655**	746,305
– Others – held for trading (b)	**4,654,512**	2,213,093
	4,849,088	3,318,298
Less: Non-current portion	**–**	(348,834)
	4,849,088	2,969,464
Liabilities:		
– Cross-currency interest rate swaps -held for trading	**3,332**	92,008
– Foreign currency and futures contracts – used for hedging (a)	**214,267**	21,480
– Others – held for trading (b)	**915,394**	850,959
	1,132,993	964,447
Less: Non-current portion	**(3,332)**	(92,008)
	1,129,661	872,439

(a) Foreign currency and futures contracts mainly included foreign currency forwards, foreign currency options and futures contracts.

(b) Others mainly included foreign currency forwards, foreign currency options, futures contracts and cross-currency swaps.

22. INVENTORIES

	Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
Finished goods	**40,856,995**	47,835,452
Raw materials	**10,881,124**	12,104,641
Work in progress	**3,129,040**	4,235,990
Consigned processing materials	**401,623**	446,794
Contract fulfilment costs	**1,186,447**	1,105,308
	56,455,229	65,728,185
Less: Provision for impairment loss	**(1,014,260)**	(1,099,351)
	55,440,969	64,628,834

23. CONTRACT ASSETS

	Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
Contract assets (i)	**6,229,781**	4,346,255
Less: allowance for credit losses	**(105,061)**	(77,754)
	6,124,720	4,268,501

(i) Contract assets are mainly related to robotics and automation system construction service.

(a) The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9.

24. TRADE AND NOTE RECEIVABLES AT AMORTIZED COST

	Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
Trade and note receivables		
– Trade receivables	**64,042,458**	42,169,868
– Note receivables	**6,296,132**	5,310,603
	70,338,590	47,480,471
Less: allowance for credit losses		
– Trade receivables	**(2,087,632)**	(1,719,771)
– Note receivables	**(61,814)**	(63,840)
	(2,149,446)	(1,783,611)
	68,189,144	45,696,860

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

	Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
Below 3 months	**51,854,953**	33,445,481
Between 3 and 6 months	**6,416,241**	3,989,458
Between 6 months and 1 year	**3,021,431**	2,447,480
Between 1 and 2 years	**1,370,996**	937,373
Over 2 years	**1,378,837**	1,350,076
	64,042,458	42,169,868

24. TRADE AND NOTE RECEIVABLES AT AMORTIZED COST (Continued)

(a) (Continued)

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

Certain trade and note receivables at amortized cost were pledged for bank loan facilities, notes receivable discounted and notes payables as at 30 June 2026 and 31 December 2025, respectively.

(b) The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9.

(c) The carrying amount of trade receivables approximated their fair values. The provision and reversal of provision for impairment of receivables have been included in the statement of profit or loss. Amounts charged to the allowance account are written off when there is no expectation of recovery.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above.

25. CASH AND CASH EQUIVALENTS, TERM DEPOSITS AND RESTRICTED CASH

(a) Cash and cash equivalents

	Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
Cash at banks and in hand	**73,378,712**	67,487,046
Short-term bank deposits with initial terms within three months	**640,649**	699,164
Other deposits at financial institutions	**594,883**	322,460
	74,614,244	68,508,670

25. CASH AND CASH EQUIVALENTS, TERM DEPOSITS AND RESTRICTED CASH (Continued)

(b) Term deposits and restricted cash

	Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
Term bank deposits (i)	**8,496,066**	11,942,612
Guarantee deposits (ii)	**5,257,097**	3,964,169
Statutory reserve deposits at Central Bank	**2,172,615**	751,376
Interest receivable	**102,761**	80,323
	16,028,539	16,738,480

(i) Term bank deposits are bank deposits with original maturities of over three months and due within one year.

(ii) Guarantee deposits mainly consist of the deposits for letter of bank acceptance notes, letters of guarantee and letters of credit.

26. BORROWINGS

	Unaudited As at 30 June 2026			Audited As at 31 December 2025		
	Current RMB'000	**Non-current RMB'000**	**Total RMB'000**	Current RMB'000	Non-current RMB'000	Total RMB'000
Secured						
Bank loans	**27,414,080**	**315,000**	**27,729,080**	19,503,017	146,156	19,649,173
Unsecured						
Bank loans	**20,465,633**	**15,102,300**	**35,567,933**	28,828,004	12,512,687	41,340,691
Debentures	**10,364,493**	**6,665,757**	**17,030,250**	–	3,194,774	3,194,774
Total unsecured borrowings	**30,830,126**	**21,768,057**	**52,598,183**	28,828,004	15,707,461	44,535,465
Total borrowings	**58,244,206**	**22,083,057**	**80,327,263**	48,331,021	15,853,617	64,184,638

26. BORROWINGS (Continued)

(a) As at 30 June 2026 and 31 December 2025, the annual interest rate of main short-term borrowings were ranged from 0.50% to 4.55%, and 0.70% to 5.04%, respectively.

As at 30 June 2026 and 31 December 2025, the annual interest rate range of main long-term borrowings were ranged from 1.80% to 3.65% and 1.80% to 3.65%, respectively.

(b) At 30 June 2026 and 31 December 2025, the Group's borrowings were repayable as follows:

	Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
Within 1 year	**58,244,206**	48,331,021
Between 1 and 2 years	**2,561,401**	6,306,803
Between 2 and 5 years	**12,733,900**	9,422,026
Over 5 years	**6,787,756**	124,788
	80,327,263	64,184,638

(c) Fair value

For the majority of the borrowings, the fair values are not materially different from their carrying amounts, since either the interest rates on those borrowings is close to current market rates, or the borrowings are of a short-term nature.

27. TRADE AND NOTE PAYABLES

	Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
Trade and note payables		
– Trade payables	**109,516,782**	103,680,491
– Notes payables	**47,519,044**	27,121,881
	157,035,826	130,802,372

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

	Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
Below 3 months	**85,786,007**	93,560,011
Between 3 and 6 months	**18,496,944**	5,611,433
Between 6 months and 1 year	**2,808,461**	2,211,610
Over 1 year	**2,425,370**	2,297,437
	109,516,782	103,680,491

28. CONTRACT LIABILITIES

	Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
Contract liabilities		
– advances on sales and services	**41,497,654**	43,296,958
– advances for construction projects	**3,960,463**	3,696,102
	45,458,117	46,993,060

(i) More than 90% of contract liabilities included in the carrying amount as at 31 December 2025 were transferred to operating revenue during the six months ended 30 June 2026.

29. OTHER PAYABLES AND ACCRUALS

	Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
Sales rebate accruals	**56,972,705**	52,952,866
Marketing and transportation expenses accruals	**11,858,154**	9,451,890
Salaries, wages and benefits	**7,676,877**	11,022,310
Endorsed note receivables without been derecognized and not yet due	**3,142,116**	2,518,105
Other taxes payable	**3,039,740**	2,678,872
Other payables (a)	**6,340,917**	4,823,476
Others	**26,188,146**	28,823,160
	115,218,655	112,270,679
Less: non-current portion		
– Salaries, wages and benefits	**(1,225,911)**	(1,376,865)
– Others	**(1,132,988)**	(1,230,082)
	112,859,756	109,663,732

(a) Other payables mainly comprise restricted stock repurchase obligations, redemption liability and deposits.

30. OTHER FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
Liabilities to fund investors	**565,372**	706,439

31. DEFERRED INCOME

	Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
Government grant	**2,883,271**	2,638,278

32. SHARE CAPITAL

	Unaudited Six months ended 30 June 2026		
	Domestic listed A shares RMB'000	Overseas listed H shares RMB'000	Number of shares '000
At the beginning of the period	**6,946,296**	**650,849**	**7,597,145**
Issuance of shares under share schemes	**16,294**	**–**	**16,294**
At the end of the period	**6,962,590**	**650,849**	**7,613,439**

32. SHARE CAPITAL (Continued)

	Unaudited Six months ended 30 June 2025		
	Domestic listed A shares RMB'000	Overseas listed H shares RMB'000	Number of shares '000
At the beginning of the period	7,005,107	650,849	7,655,956
Issuance of shares under share schemes	22,782	–	22,782
Cancellation of shares	(11,091)	–	(11,091)
Treasury shares cancelled under share schemes	(1,493)	–	(1,493)
At the end of the period	7,015,305	650,849	7,666,154

(a) The share schemes represent the stock option incentive plans, restricted share incentive schemes and the stock ownership schemes granted by the Company.

33. TREASURY SHARES

	Unaudited Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
At the beginning of the period	**8,151,117**	5,728,446
Repurchase of shares for share schemes	**1,490,207**	2,482,781
Repurchase of shares (to be cancelled)	**5,476,600**	–
Cancellation of shares	**–**	(814,851)
Treasury shares transferred to the grantees or cancelled under share schemes	**–**	(174,503)
At the end of the period	**15,117,924**	7,221,873

33. TREASURY SHARES (Continued)

(i) As at 30 June 2026, the Company's total treasury shares amounted to approximately RMB15,117,924,000. It was mainly composed of approximately RMB5,980,996,000 reserved for share schemes to be launched in future years, as well as approximately RMB3,660,328,000 related to restricted share incentive schemes and stock ownership schemes that had not yet met the vesting conditions. The rest of the treasury shares came from the 68,679,031 ordinary shares repurchased by the Company for a total consideration of RMB5,476,600,000 during the six months ended 30 June 2026. This batch of repurchased shares was originally earmarked for share-based payment arrangements, and the Board of Directors approved a change to its intended use to cancellation on 29 April 2026. As the relevant cancellation formalities had not been completed as at 30 June 2026, this portion of shares was still recorded as treasury shares as of the reporting date.

(ii) As at 31 December 2025, treasury stock mainly comprised treasury shares of approximately RMB4,490,789,000 used for share schemes in future years, as well as restricted share incentive schemes and stock ownership schemes amounting to approximately RMB3,660,328,000 that have not met vesting condition, amounting to approximately RMB8,151,117,000 in total.

34. RETAINED EARNINGS

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
At the beginning of the period	**167,227,785**	153,591,297
Net profit	**26,446,037**	26,013,690
Dividends	**(28,389,299)**	(26,714,435)
Appropriation to general reserves (Note 35)	**(148,231)**	(209,880)
Reversal of general reserves (Note 35)	**4,572**	3,844
At the end of the period	**165,140,864**	152,684,516

35. RESERVES

Six months ended 30 June 2026	Unaudited								
	Share-based payments reserves RMB'000	Share premium RMB'000	Statutory reserves RMB'000	General reserves RMB'000	Special reserves RMB'000	Hedging reserves RMB'000	Foreign currency translation RMB'000	Other reserves RMB'000	Total RMB'000
At 1 January 2026	**1,209,662**	**41,840,397**	**10,702,928**	**935,764**	**26,600**	**533,820**	**(1,191,451)**	**2,489,772**	**56,547,492**
Appropriation to general reserves	-	-	-	148,231	-	-	-	-	148,231
Reversal of general reserves	-	-	-	(4,572)	-	-	-	-	(4,572)
Appropriation to special reserves	-	-	-	-	1,239	-	-	-	1,239
Special reserves utilization	-	-	-	-	(1,173)	-	-	-	(1,173)
Share-based payment:									
– Share-based compensation expenses	466,319	-	-	-	-	-	-	-	466,319
– Exercise of the stock option	(267,827)	1,210,957	-	-	-	-	-	-	943,130
– Exercise or lapse of other share schemes	(752)	19,862	-	-	-	-	-	-	19,110
Equity component of convertible bonds issued	-	-	-	-	-	-	-	1,079,497	1,079,497
Share of OCI of investments in associates and joint ventures and OCI reclassified to profit and loss, net of tax	-	-	-	-	-	-	-	21,775	21,775
Cash flow hedging reserve, net of tax	-	-	-	-	-	(661,462)	-	-	(661,462)
Remeasurement of defined benefit plan, net of tax	-	-	-	-	-	-	-	31,983	31,983
Currency translation differences	-	-	-	-	-	-	(3,364,020)	-	(3,364,020)
Others	-	-	-	-	-	-	-	(2,873)	(2,873)
At 30 June 2026	**1,407,402**	**43,071,216**	**10,702,928**	**1,079,423**	**26,666**	**(127,642)**	**(4,555,471)**	**3,620,154**	**55,224,676**

35. RESERVES (Continued)

Six months ended 30 June 2025	Unaudited								
	Share-based payments reserves RMB'000	Share premium RMB'000	Statutory reserves RMB'000	General reserves RMB'000	Special reserves RMB'000	Hedging reserves RMB'000	Foreign currency translation RMB'000	Other reserves RMB'000	Total RMB'000
At 1 January 2025	1,644,020	46,347,283	10,702,928	1,107,801	18,275	199,158	(780,683)	1,992,505	61,231,287
Appropriation to general reserves	–	–	–	209,880	–	–	–	–	209,880
Reversal of general reserves	–	–	–	(3,844)	–	–	–	–	(3,844)
Appropriation to special reserves	–	–	–	–	2,133	–	–	–	2,133
Special reserves utilization	–	–	–	–	(926)	–	–	–	(926)
Cancellation of shares	–	(803,760)	–	–	–	–	–	–	(803,760)
Share-based payment:									
– Share-based compensation expenses	539,448	–	–	–	–	–	–	–	539,448
– Exercise of the stock option	(342,349)	1,761,217	–	–	–	–	–	–	1,418,868
– Exercise or lapse of other share schemes	–	(112,539)	–	–	–	–	–	–	(112,539)
Share of OCI of investments in associates and joint ventures and OCI reclassified to profit and loss, net of tax	–	–	–	–	–	–	–	(38,872)	(38,872)
Cash flow hedging reserve, net of tax	–	–	–	–	–	(128,594)	–	–	(128,594)
Cost of hedging reserve, net of tax	–	–	–	–	–	(43,454)	–	–	(43,454)
Remeasurement of defined benefit plan, net of tax	–	–	–	–	–	–	–	22,288	22,288
Other financial assets at FVOCI, net of tax									
– Fair value changes	–	–	–	–	–	–	–	(2)	(2)
Currency translation differences	–	–	–	–	–	–	385,597	–	385,597
Transaction with NCI (Note 38)	–	–	–	–	–	–	–	628,504	628,504
Business combinations	–	–	–	–	6,899	–	–	(334,154)	(327,255)
Others	–	4,823	–	–	–	–	–	(2,352)	2,471
At 30 June 2025	1,841,119	47,197,024	10,702,928	1,313,837	26,381	27,110	(395,086)	2,267,917	62,981,230

36. NOTES TO CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of profit before income tax to net cash generated from operations:

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Profit before income tax for the period	**31,844,556**	31,343,289
Adjustments for:		
Interest income (Note 5)	**(3,189,121)**	(3,993,492)
Finance costs, net (Note 8)	**343,511**	1,491,869
Depreciation and amortization of non-current assets (Note 7)	**5,002,775**	4,270,742
Net losses on disposal of property, plant and equipment and other non-current assets (Note 6)	**178,365**	20,653
Net impairment losses on financial assets and contract assets	**634,473**	356,526
Impairment provision for investments in associates	**65,582**	–
Impairment provision for goodwill, inventories and other assets	**1,559,216**	356,196
Share of profit of associates and joint ventures, net (Note 18)	**(510,025)**	(469,118)
Net (gains)/losses on financial instruments (Note 6)	**(6,798,533)**	1,189,078
Net losses /(gains) on foreign exchange and disposal of other assets	**3,149,823**	(825,327)
Share-based compensation expenses and others	**485,173**	559,219
Changes in working capital:		
Increase in trade and note receivables	**(18,607,363)**	(15,558,919)
Increase in contract assets	**(1,806,552)**	(167,368)
Increase in loan receivables	**(2,573,890)**	(2,506,881)
Decrease in inventories	**9,062,647**	13,680,715
Increase in trade and note payables	**27,216,548**	11,776,607
Decrease in contract liabilities	**(1,524,498)**	(10,522,912)
Increase in other payables and accruals	**552,371**	9,966,174
Changes in other assets and liabilities	**(2,094,788)**	1,306,363
Cash generated from operations	**42,990,270**	42,273,414

37. RELATED PARTY TRANSACTIONS

(a) Parent entities

Name	Type	Place of incorporation	Ownership interest As at 30 June 2026	Ownership interest As at 31 December 2025
Midea Holding Co., Ltd.	Ultimate parent entity	Foshan	**28.49%**	28.55%

The Company's ultimate holding company is Midea Holding Co., Ltd., and the ultimate controlling person is Mr. He Xiangjian.

(b) Names and relationships with related parties

Related parties are those parties that have the ability to control, jointly control or exercise significant influence over the other party in holding power over the investee; exposure or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties maybe individuals or other entities.

Save as disclosed in this report, the directors of the Company are of the view that the following parties were significant related parties of the Group that had transactions or balances with the Group during the six months ended 30 June 2026 and 2025:

Name of the related party	Relationship with the Group
Orinko Advanced Plastics Co., Ltd. and its subsidiaries	Controlled by immediate family members of the Company's ultimate Controlling Shareholder
Midea Real Estate Holding Limited and its subsidiaries	Controlled by the Company's ultimate Controlling Shareholder
Carrier Global Corporation and its subsidiaries	Holding company of a principal subsidiary's Substantial Shareholder together with its subsidiaries

37. RELATED PARTY TRANSACTIONS (Continued)

(c) Transactions with related parties

Save as disclosed elsewhere in this report, the following transactions were carried out between the Group and its related parties during the six months ended 30 June 2026 and 2025. 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.

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Purchases of goods and services:		
Controlled by immediate family members of the Company's ultimate Controlling Shareholder	**794,197**	715,077
Associates and joint ventures of the Group	**2,652,486**	595,431
Holding company of a principal subsidiary's Substantial Shareholder together with its subsidiaries	**226,368**	370,778
Controlled by the Company's ultimate Controlling Shareholder	**41,526**	29,822
	3,714,577	1,711,108
Sales of goods and rendering of services:		
Holding company of a principal subsidiary's Substantial Shareholder together with its subsidiaries	**3,351,522**	3,484,900
Associates and joint ventures of the Group	**1,380,609**	753,805
Controlled by the Company's ultimate Controlling Shareholder	**76,234**	64,494
Controlled by immediate family members of the Company's ultimate Controlling Shareholder	**71,751**	52,724
	4,880,116	4,355,923
Interest income:		
Associates and joint ventures of the Group	**100,240**	99,786
Dividend income:		
Associates and joint ventures of the Group (Note 18)	**580,775**	205,641

37. RELATED PARTY TRANSACTIONS (Continued)

(d) Balance with related parties

	Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
Cash and cash equivalents		
Associates and joint ventures of the Group	**1,624,354**	627,929
Other financial assets at amortized cost		
Associates and joint ventures of the Group	**2,644,483**	6,294,127
Trade and note receivables at amortized cost		
Holding company of a principal subsidiary's Substantial Shareholder together with its subsidiaries	**1,365,918**	329,555
Associates and joint ventures of the Group	**423,863**	347,652
Controlled by the Company's ultimate Controlling Shareholder	**42,164**	34,767
Controlled by immediate family members of the Company's ultimate Controlling Shareholder	**21,313**	5,977
	1,853,258	717,951
Trade and note payables		
Holding company of a principal subsidiary's Substantial Shareholder together with its subsidiaries	**81,155**	151,294
Associates and joint ventures of the Group	**305,999**	260,941
Controlled by immediate family members of the Company's ultimate Controlling Shareholder	**99,912**	163,517
Controlled by the Company's ultimate Controlling Shareholder	**1,796**	2,483
	488,862	578,235

37. RELATED PARTY TRANSACTIONS (Continued)

(d) Balance with related parties (Continued)

	Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
Contract liabilities		
Controlled by the Company's ultimate Controlling Shareholder	**3,425**	3,936
Controlled by immediate family members of the Company's ultimate Controlling Shareholder	**381**	7,969
Associates and joint ventures of the Group	**32,594**	40,298
Holding company of a principal subsidiary's Substantial Shareholder together with its subsidiaries	**13,537**	86,982
	49,937	139,185
Other payables and accruals		
Controlled by the Company's ultimate Controlling Shareholder	**2,945**	5,073
Controlled by immediate family members of the Company's ultimate Controlling Shareholder	**942**	1,905
Associates and joint ventures of the Group	**5,070**	5,719
	8,957	12,697
Prepayments, other receivables and other assets		
Associates and joint ventures of the Group	**1,182**	2,923
Controlled by the Company's ultimate Controlling Shareholder	**11,225**	2,180
Controlled by immediate family members of the Company's ultimate Controlling Shareholder	**10,272**	2,304
Holding company of a principal subsidiary's Substantial Shareholder together with its subsidiaries	**213**	205
	22,892	7,612

37. RELATED PARTY TRANSACTIONS (Continued)

(e) Key management compensation

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Key management compensation	**114,626**	124,254

38. CONTINGENCIES

As at 30 June 2026, the amounts of the maximum potential loss in tax disputes involving Brazilian subsidiaries with 51% interests held by the Company were approximately BRL559 million (equivalent to approximately RMB735 million). Some of these cases have been ongoing for more than 10 years. The above amounts included the principal, penalties, related interest, etc. According to the agreement signed between the Company and the original shareholders of the Brazilian subsidiaries prior to the acquisition (the "Original Shareholders"), the Original Shareholders have committed to compensating the Company according to verdict results of the above tax disputes. As at 30 June 2026, the maximum remaining compensation commitment of the Original Shareholders was approximately BRL131 million (equivalent to approximately RMB173 million). As at the date of this report, the relevant cases were still ongoing. Upon consulting the Group's external legal counsel, management believes that the probability of losing the lawsuits is low. Accordingly, management has made appropriate provision based on its best estimate.

39. COMMITMENTS

	Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
Contracted, but not provided for purchase of property, plant and equipment	**4,805,381**	3,913,097
Investment commitments	**3,387,443**	2,213
	8,192,824	3,915,310

40. SUBSEQUENT EVENTS

Save as the events disclosed elsewhere in this report, there are no other significant events that occurred subsequent to 30 June 2026 which may result in adjustments or additional disclosure to be made in this Interim Financial Information.


Midea