

Midea Group Co., Ltd.
Interim Report for the First Quarter 2018



April 2018

Section I Important Reminders

- 1. The Board of Directors, the Supervisory Committee as well as all the directors, supervisors and senior management staff of Midea Group Co., Ltd. (hereinafter referred to as the “Company”) have warranted that this Report contains no false record, misleading statement or material omission. And they shall be jointly and severally liable for the factuality, accuracy and completeness of the information given in this Report.**
- 2. All the directors have attended the Q1 report review board meeting.**
- 3. The financial statements contained in this Report have not been audited by a certified public auditors (CPAs) firm.**
- 4. Mr. Fang Hongbo, Chairman of the Board and President of the Company, and Mr. Xiao Mingguang, Director of Finance of the Company, have represented and warranted that the financial statements in this Report are factual, accurate and complete.**
- 5. This Report has been prepared in both Chinese and English. Should there be any discrepancy between the two versions, the Chinese version shall prevail.**

Section II Company Profile

1. Major Accounting Data and Financial Indicators

Does the Company adjust retrospectively or restate accounting data of previous years?

Yes No

	Jan.-Mar. 2018	Jan.-Mar. 2017	YoY Change (%)
Operating revenues (RMB'000)	69,737,528	59,755,914	16.70%
Net profits attributable to shareholders of the Company (RMB'000)	5,256,231	4,352,587	20.76%
Net profits attributable to shareholders of the Company before non-recurring profits and losses (RMB'000)	5,077,715	4,263,125	19.11%
Net cash flows from operating activities (RMB'000)	4,429,092	7,008,571	-36.80%
Basic earnings per share (RMB/share)	0.80	0.67	19.40%
Diluted earnings per share (RMB/share)	0.79	0.67	17.91%
Weighted average ROE (%)	6.87%	6.87%	0.00%
	31 Mar. 2018	31 Dec. 2017	Change (%)
Total assets (RMB'000)	252,566,526	248,106,858	1.80%
Net assets attributable to shareholders of the Company (RMB'000)	79,225,982	73,737,437	7.44%

Total share capital of the Company on the last trading session before disclosure:

Total share capital of the Company on the last trading session before disclosure (share)	6,584,022,574
Fully diluted earnings per share based on the latest share capital above (RMB/share)	0.80

Non-recurring profits and losses

Applicable N/A

Unit: RMB'000

Item	Jan.-Mar. 2018	Note
Profit or loss from disposal of non-current assets	-6,398	
Except for effectively hedging business related to normal	-60,955	

business operations of the Company, profit or loss arising from the change in the fair value of held-for-trading financial assets and liabilities, as well as investment profit or loss produced from the disposal of held-for-trading financial assets and liabilities and available-for-sale financial assets		
Other	349,864	
Less: Corporate income tax	38,179	
Minority interests (after tax)	65,816	
Total	178,516	--

Explain the reasons if the Company classifies an item as a non-recurring profit/loss according to the definition in the <Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Non-Recurring Profits and Losses>, or classifies any non-recurring profit/loss item mentioned in the said explanatory announcement as a recurring profit/loss item

Applicable N/A

No such cases for the Reporting Period.

2. Total number of shareholders and shareholdings of the top ten shareholders at the period-end

2.1 Total number of common shareholders and shareholdings of the top ten common shareholders at the period-end

Unit: share

Total number of common shareholders at the period-end	162,344	Total number of preference shareholders with resumed voting rights at the period-end (if any)	0			
Top ten shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Number of shares held	Number of restricted shares held	Pledged or frozen shares	
					Status of shares	Number of shares
Midea Holding Co., Ltd.	Domestic non-state-owned	33.60%	2,212,046,613		Pledg	781,565,000

	corporation				ed	
Hong Kong Securities Clearing Company Limited	Foreign corporation	9.61%	632,798,394			
China Securities Finance Co., Ltd.	State-owned corporation	3.76%	247,322,399			
Fang Hongbo	Domestic individual	2.08%	136,990,492	102,742,869		
Hillhouse Capital Management Limited – HCM China Fund	Foreign corporation	1.64%	107,658,338			
Huang Jian	Domestic individual	1.34%	88,005,400		Pledged	22,999,900
Xiaomi Technology Co., Ltd.	Domestic non-state-owned corporation	1.25%	82,500,000	82,500,000		
Central Huijin Asset Management Ltd.	State-owned corporation	1.19%	78,474,900			
UBS AG	Foreign corporation	0.98%	64,238,216			
Li Jianwei	Domestic individual	0.96%	63,434,834		Pledged	8,703,000
Top ten non-restricted common shareholders						
Name of shareholder	Number of non-restricted common shares held at the period-end	Type of shares				
		Type	Number			
Midea Holding Co., Ltd.	2,212,046,613	RMB common stock	2,212,046,613			
Hong Kong Securities Clearing Company Limited	632,798,394	RMB common stock	632,798,394			
China Securities Finance Co., Ltd.	247,322,399	RMB common stock	247,322,399			
Hillhouse Capital Management Limited – HCM China Fund	107,658,338	RMB common stock	107,658,338			
Huang Jian	88,005,400	RMB common stock	88,005,400			
Central Huijin Asset Management Ltd.	78,474,900	RMB common stock	78,474,900			
UBS AG	64,238,216	RMB common stock	64,238,216			
Li Jianwei	63,434,834	RMB common stock	63,434,834			
Yuan Liqun	62,405,900	RMB common stock	62,405,900			
Fu Xuan	48,327,697	RMB common stock	48,327,697			
Explanation of related relationship or/and acting-in-concert parties among the above-mentioned shareholders	N/A					
Top ten non-restricted common shareholders taking	N/A					

part in securities margin trading (if any)	
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Did any of the top 10 common shareholders or the top 10 non-restricted common shareholders of the Company conduct any promissory repurchase during the Reporting Period

Yes No

No such cases in the Reporting Period.

2.2 Total number of preference shareholders and shareholdings of the top ten preference shareholders at the period-end

Applicable N/A

Section III Significant Events

1. Major changes of main items in financial statements and financial indicators within the Report Period, as well as the reasons for the changes

√ Applicable □ N/A

Unit: RMB'000

Financial statement items (consolidated)	31 March 2018/January-March 2018	31 December 2017/January-March 2017	Change (%)	Reasons for the changes
Short-term borrowings	1,456,746	2,584,102	-43.63%	Mainly due to the repayment of borrowings
Derivative financial liabilities	126,607	90,432	40.00%	Mainly due to the changes in the fair value of derivative financial assets
Interest payable	49,248	94,801	-48.05%	Mainly due to the payment of interest
Dividends payable	14,659	95,317	-84.62%	Mainly due to the dividend payouts by subsidiaries
Other comprehensive income	-31,306	-244,692	87.21%	Mainly due to fair value changes in the hedging business
Interest expenses	150,518	93,334	61.27%	Mainly due to the changes in the operation of Midea Group Finance
Finance expenses	95,978	-183,364	152.34%	Mainly due to the changes in foreign exchange profit /loss
Investment income	317,938	726,487	-56.24%	Mainly due to the decreased investment income from disposal of available-for-sale financial assets
Profit/loss on disposal of assets	-13,053	-7,146	-82.66%	Mainly due to the increased losses on disposal of non-current assets
Non-operating income	60,554	128,126	-52.74%	Mainly due to the decreased other income
Non-operating expenses	25,846	47,585	-45.68%	Mainly due to the decreased donation expenses
Net cash flows from operating activities	4,429,092	7,008,571	-36.80%	Mainly due to the increased deposits in the central bank
Net cash flows from investing activities	-7,250,092	-26,909,489	73.06%	Mainly due to the decreased cash paid to acquire investments

Net cash flows from financing activities	-2,254,205	28,551,856	- 107.90%	Mainly due to the decreased borrowings
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2. Progress, influence and solutions of significant events

Applicable N/A

3. Overdue commitments of the Company's actual controller, shareholders, related parties and acquirer, as well as the Company and other commitment makers in the Report Period or ongoing at the period-end

Applicable N/A

No such cases in the Reporting Period.

4. Operating result forecast for January-June 2018

Warning of possible loss or considerable YoY change of the accumulated net profit made during the period-start until the end of the next Report Period according to predictions as well as any explanations for these reasons:

Applicable N/A

5. Securities investment

Applicable N/A

No such cases in the Reporting Period.

6. Investments in financial derivatives

Applicable N/A

Unit: RMB'0,000

Operator	Relationship	Related party	Type of derivative	Initial investment amount	Start date	End date	Opening investment amount	Purchased in Reporting Period	Sold in Reporting Period	Impairment provision	Closing investment amount	Proportion of the closing investm	Actual gain/loss in Reporting Period
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		transaction or not					Period				amount in the Company's closing net assets		
Futures company	N/A	No	Futures contracts	6,588.20	1 January 2018	31 December 2018	6,588.20	-	-	-	-14,250.80	-0.18%	-24,604.90
Bank	N/A	No	Forward exchange contracts	55,599.50	1 January 2018	31 December 2018	55,599.50	-	-	-	60,899.90	0.77%	37,455.80
Total				62,187.70	--	--	62,187.70	-	-	-	46,649.10	0.59%	12,850.90
Capital source for derivative investment				All the Company's own funds									
Lawsuits involved (if applicable)				N/A									
Disclosure date of the board announcement approving the derivative investment (if any)				31 March 2018									
Disclosure date of the general meeting				24 April 2018									
Analysis of risks and control measures of derivative products held in the Report Period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)				<p>In order to reduce the price risk of the Company's bulk purchases of raw materials as a result of significant fluctuations in raw material prices, the Company not only carried out futures business for some of the materials, but also made use of bank financial instruments and promoted forex funds business, with the purpose of reducing the risks associated with exchange and interest rate fluctuations, realizing the preservation and appreciation of forex assets, reducing forex liabilities, and achieving locked-in costs. The Company has undertaken extensive evaluation and risk control with regard to derivative investment positions, details of which are as follows:</p> <p>1. Legal risk: The Company's futures business and forex funds businesses are conducted in compliance with laws and regulations, with clearly defined responsibilities and obligations between the Company and agencies.</p> <p>Control measures: The Company has designated relevant departments with the responsibility for enhancing expertise in laws, regulations and market rules, conducting strict examination and verification of contracts, defining responsibility and obligations, and strengthening compliance</p>									

	<p>checks, so as to ensure that the Company's derivatives investment and position operations meet the requirements of the laws and regulations and internal management system of the Company.</p> <p>2. Operational risk: Risks caused by imperfect internal processes, staff, systems and external issues may cause the Company to incur losses during the course of its futures business and forex funds business.</p> <p>Control measures: The Company has not only developed relevant management systems that clearly define the assignment of responsibility and approval process for the futures business and forex funds businesses, but has also established a well-developed monitoring mechanism, aimed at effectively reducing operational risk by strengthening its risk control over the business, decision-making and trading processes.</p> <p>3. Market risk: Uncertainties caused by changes in the prices of bulk commodities and exchange rate fluctuations in foreign exchange markets could lead to greater market risk in the futures business and forex funds business. Meanwhile, the inability to raise sufficient funds in a timely manner in order to establish and maintain hedging positions in futures operations, or forex funds required for performance in forex funds operations that are unable to be credited into account could also result in loss and default risks.</p> <p>Control measures: The futures business and forex funds business of the Company are always conducted by adhering to prudent operation principles. For futures business, futures transaction volumes and applications have been strictly determined according to the requirements for production and operations, and a stop-loss mechanism has been implemented. Furthermore, to determine the prepared margin amount which may be required to be supplemented, a futures risk measuring system has been established to measure and calculate the margin amount already in use, floating profit and loss, margin amount available and margin amount required for intended positions. As for forex funds business, a hierarchical management mechanism has been implemented, whereby the operating unit which has submitted applications for funds business should conduct a risk analysis on the conditions and environment that could affect the operating profit and loss, evaluate the possible greatest profit and loss, and report the greatest acceptable margin ratio or total margin amount, so that the Company can update the operating status of the funds business on a timely basis thus ensuring the arrangement of proper funds before expiry dates.</p>
<p>Changes in market prices or fair values of the invested derivatives during the Reporting Period. Analysis of the derivative's fair value should include the specific methods of use and the relevant assumptions and parameters.</p>	<p>1. Profit/loss from futures hedging contracts incurred during the Reporting Period was RMB-246.049 million;</p> <p>2. Profit/loss from forward forex contracts incurred during the Reporting Period was RMB374.558 million;</p> <p>3. Public quotations in futures market or forward forex quotations announced by Bank of China are used in the analysis of the derivatives fair value.</p>
<p>Whether significant changes occurred to</p>	<p>No change</p>

the Company's accounting policy and specific accounting principles of derivatives in the Reporting Period compared to the previous Reporting Period	
Specific opinion from independent directors on the Company's derivatives investment and risk control	The Company's independent directors are of the view that: the futures hedging business is an effective instrument for the Company to eliminate price volatility and implement risk prevention measures through enhanced internal controls, thereby improving the operation and management of the Company; the Company's foreign exchange risk management capability can be further improved through the forex funds business, so as to maintain and increase the value of foreign exchange assets; the abovementioned investment in derivatives can help the Company to fully exploit its competitive advantages. Therefore, it is practical for the Company to carry out derivatives investment business and the risks are controllable.

7. Visits received during the Reporting Period

Applicable N/A

Date	Type of visit	Type of visitor	Discussions
25-26 January 2018	Field research	Institution	Please refer to <i>Investor Relations Activities from 25 January 2018 to 26 January 2018</i> on the website of www.cninfo.com.cn
28 February-13 March 2018	Field research	Institution	Please refer to <i>Investor Relations Activities from 28 February 2018 to 13 March 2018</i> on the website of www.cninfo.com.cn

8. Irregular provision of guarantees

Applicable N/A

No such cases in the Reporting Period.

9. Occupation of the Company's funds by the controlling shareholder or its related parties for non-operating purposes

Applicable N/A

No such cases in the Reporting Period.

Section IV Financial Statements

1. Financial statements

Balance Sheet

Prepared by Midea Group Co., Ltd.

31 March 2018

Unit: RMB'000

ASSETS	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
	Consolidated	Consolidated	Company	Company
Current assets:				
Cash at bank and on hand	55,377,981	48,274,200	41,687,514	29,349,926
Derivative financial assets	258,397	353,327	-	-
Notes receivable	14,003,019	10,854,226	-	-
Accounts receivable	19,752,160	17,528,717	-	-
Advances to suppliers	1,913,028	1,672,248	24,687	23,877
Loans and advances	12,172,804	12,178,953	-	-
Dividends receivable	-	-	337,071	897,040
Other receivables	2,987,106	2,657,568	5,723,527	8,403,564
Inventories	26,507,604	29,444,166	-	-
Including: completed but unsettled	4,754,133	4,023,467	-	-
Other current assets	41,468,331	46,847,271	22,178,673	27,311,464
Total current assets	174,440,430	169,810,676	69,951,472	65,985,871
Non-current assets:				
Available-for-sale financial assets	1,911,318	1,831,051	56,868	56,868
Long-term receivables	378,298	362,248	-	-
Long-term equity investments	2,609,177	2,633,698	24,672,593	24,540,601
Investment properties	426,418	420,802	582,638	597,200
Fixed assets	22,238,599	22,600,724	1,204,597	1,245,998

Construction in progress	1,130,466	879,576	46,837	36,313
Intangible assets	14,948,700	15,167,036	229,501	231,154
Goodwill	28,721,347	28,903,785	-	-
Long-term prepaid expenses	854,373	859,106	129,245	121,452
Deferred income tax assets	4,211,447	4,023,334	176,738	152,069
Other non-current assets	695,953	614,822	14,029	9,700
Total non-current assets	78,126,096	78,296,182	27,113,046	26,991,355
TOTAL ASSETS	252,566,526	248,106,858	97,064,518	92,977,226

Legal representative:

Fang Hongbo

Principal in charge of accounting function:

Xiao Mingguang

Head of accounting department:

Chen Lihong

Balance Sheet (Continued)

Prepared by Midea Group Co., Ltd.	31 March 2018		Unit: RMB'000	
LIABILITIES AND SHAREHOLDERS' EQUITY	31 March 2018	31 December 2017	31 March 2018	31 December 2017
	Consolidated	Consolidated	Company	Company
Current liabilities:				
Short-term borrowings	1,456,746	2,584,102	-	-
Customer deposits and deposits from banks and other financial institutions	81,648	108,926	-	-
Derivative financial liabilities	126,607	90,432	-	-
Notes payable	26,068,591	25,207,785	-	-
Accounts payable	36,018,842	35,144,777	-	-
Advances from customers	14,534,967	17,409,063	-	-
Including: Settled but not completed	2,435,234	1,670,855	-	
Employee benefits payable	3,884,557	5,247,500	426,550	427,806
Taxes payable	3,850,449	3,544,154	31,446	45,179
Interest payable	49,248	94,801	169,945	146,513
Dividends payable	14,659	95,317	-	-
Other payables	2,960,873	3,170,405	60,893,670	57,867,535
Current portion of non-current liabilities	106,314	136,605	-	-
Other current liabilities	29,806,504	26,257,990	30,886	40,830
Total current liabilities	118,960,005	119,091,857	61,552,497	58,527,863
Non-current liabilities:				
Long-term borrowings	32,717,337	32,986,325	-	-
Debentures payable	4,385,628	4,553,054	-	-
Long-term payable	262,585	248,036	-	-
Payables for specific projects	2,500	2,500	-	-
Provisions	327,022	330,736	-	-

Deferred revenue	563,506	536,443	-	-
Long-term employee benefits payable	2,449,055	2,465,854	-	-
Deferred income tax liabilities	3,988,290	3,972,823	-	-
Other non-current liabilities	1,003,466	994,059	-	-
Total non-current liabilities	45,699,389	46,089,830	-	-
Total liabilities	164,659,394	165,181,687	61,552,497	58,527,863
Shareholders' equity:				
Share capital	6,584,023	6,561,053	6,584,023	6,561,053
Capital surplus	16,060,707	15,911,504	8,347,309	7,726,237
Less: Treasury stock	(520,087)	(366,842)	(520,087)	(366,842)
Other comprehensive income	(31,306)	(244,692)	105,297	33,459
General reserve	366,947	366,947	-	-
Surplus reserve	3,882,232	3,882,232	3,882,232	3,882,232
Undistributed profits	52,883,466	47,627,235	17,113,247	16,613,224
Total equity attributable to shareholders of the Company	79,225,982	73,737,437	35,512,021	34,449,363
Minority interests	8,681,150	9,187,734	-	-
Total shareholders' equity	87,907,132	82,925,171	35,512,021	34,449,363
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	252,566,526	248,106,858	97,064,518	92,977,226

Legal representative:

Fang Hongbo

Principal in charge of accounting function:

Xiao Mingguang

Head of accounting department:

Chen Lihong

Income Statement

Prepared by Midea Group Co., Ltd.

January-March 2018

Unit: RMB'000

Item	January-March 2018	January-March 2017	January-March 2018	January- March 2017
	Consolidated	Consolidated	Company	Company
1. Total revenue	70,287,509	59,988,619	414,674	334,192
Including: Operating revenue	69,737,528	59,755,914	414,674	334,192
Interest income	549,959	232,704	-	-
Fee and commission income	22	1	-	-
2. Total Cost	(63,943,697)	(55,281,140)	(55,101)	(161,996)
Including: Cost of sales	(51,869,174)	(44,782,859)	(14,077)	(9,683)
Interest expenses	(150,518)	(93,334)	-	-
Fee and commission expenses	(808)	(756)	-	-
Taxes and surcharges	(403,126)	(361,767)	(13,485)	(1,854)
Selling and distribution expenses	(7,468,456)	(6,820,223)	-	-
General and administrative expenses	(3,757,242)	(3,178,001)	(103,980)	(79,016)
Finance expenses	(95,978)	183,364	76,092	(70,893)
Asset impairment loss	(198,395)	(227,564)	349	(550)
Add: Profit/(loss) on changes in fair value	(118,467)	(168,515)	-	-
Investment income	317,938	726,487	117,752	289,640
Including: Share of profit of associates and joint ventures	75,515	87,936	58,704	42,380
Profit/(loss) on disposal of assets	(13,053)	(7,146)	263	(88)
Other income	224,233	250,987	-	-
3. Operating profit	6,754,463	5,509,292	477,588	461,748
Add: Non-operating income	60,554	128,126	1,769	337
Less: Non-operating expenses	(25,846)	(47,585)	(4,003)	(920)
4. Total profit	6,789,171	5,589,833	475,354	461,165
Less: Income tax expenses	(1,143,376)	(903,968)	24,669	(79,866)
5. Net profit	5,645,795	4,685,865	500,023	381,299
Net profit from continuing operations	5,645,795	4,685,865	500,023	381,299

Net profit from discontinued operations	-	-	-	-
Attributable to shareholders of the Company	5,256,231	4,352,587	500,023	381,299
Minority interests	389,564	333,278	-	-
6. Other comprehensive income net of tax	137,056	(179,644)	71,838	(12,985)
Attributable to shareholders of the Company	213,386	(190,696)	71,838	(12,985)
(1) Other comprehensive income items which will not be reclassified subsequently to profit or loss	8,985	6,365	-	-
(2) Other comprehensive income items which will be reclassified subsequently to profit or loss	204,401	(197,061)	71,838	(12,985)
1) Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss	22,831	(18,790)	17,101	(12,985)
2) Changes in fair value of available-for-sale financial assets	45,797	(309,321)	54,737	-
3) Reclassification of held-to-maturity investments into available-for-sale financial assets	-	-	-	-
4) Effective portion of cash flow hedging profit or loss	33,437	97,869	-	-
5) Translation of foreign currency financial statements	102,336	33,181	-	-
Attributable to minority shareholders	(76,330)	11,052	-	-
7. Total comprehensive income	5,782,851	4,506,221	571,861	368,314
Attributable to shareholders of the Company	5,469,617	4,161,891	571,861	368,314
Attributable to minority shareholders	313,234	344,330	-	-
8. Earnings per share				
Basic earnings per share (RMB Yuan)	0.80	0.67	N/A	N/A
Diluted earnings per share (RMB Yuan)	0.79	0.67	N/A	N/A

Legal representative:

Fang Hongbo

Principal in charge of accounting function:

Xiao Mingguang

Head of accounting department:

Chen Lihong

Cash Flow Statement

Prepared by Midea Group Co., Ltd.

January-March 2018

Unit: RMB'000

Item	January-March 2018	January-March 2017	January-March 2018	January- March 2017
	Consolidated	Consolidated	Company	Company
1. Cash flows from operating activities				
Cash received from sales of goods or rendering of services	55,069,088	47,125,873	-	-
Net increase in customer deposits and deposits from banks and other financial institutions	-	34,128	-	-
Net decrease in loans and advances	6,203	-	-	-
Cash received from interest, fee and commission	465,657	246,210	-	-
Refund of taxes and surcharges	1,855,685	1,384,056	-	-
Cash received relating to other operating activities	1,555,171	1,160,334	6,054,301	6,368,959
Sub-total of cash inflows	58,951,804	49,950,601	6,054,301	6,368,959
Cash paid for goods and services	(35,207,473)	(26,421,269)	-	-
Net increase in loans and advances	-	(349,405)	-	-
Net decrease in customer deposits and deposits from banks and other financial institutions	(27,278)	-	-	-
Net increase in deposits with central bank	(1,422,269)	(317,043)	-	-
Cash paid for interest, fee and commission	(151,332)	(94,090)	-	-
Cash paid to and on behalf of employees	(7,569,431)	(6,338,017)	(43,024)	(12,672)
Payments of taxes and surcharges	(2,826,238)	(2,729,906)	(13,485)	(35,399)
Cash paid relating to other operating activities	(7,318,691)	(6,692,300)	(43,781)	(2,466,800)
Sub-total of cash outflows	(54,522,712)	(42,942,030)	(100,290)	(2,514,871)
Net cash flows from operating activities	4,429,092	7,008,571	5,954,011	3,854,088
2. Cash flows from investing activities				
Cash received from disposal of investments	11,755,659	26,720,523	6,507,371	17,024,406

Cash received from returns on investments	470,848	490,466	834,942	654,204
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	23,595	13,902	-	12,049
Net cash received from disposal of subsidiaries and other business units	-	-	-	-
Cash received relating to other investing activities	-	-	-	-
Sub-total of cash inflows	12,250,102	27,224,891	7,342,313	17,690,659
Cash paid to acquire fixed assets, intangible assets and other long-term assets	(927,703)	(510,405)	(112,978)	(36,702)
Cash paid to acquire investments	(18,424,204)	(28,410,748)	(2,302,699)	(22,291,936)
Net cash paid to acquire subsidiaries and other business units	(148,287)	(25,213,227)	-	-
Cash paid relating to other investing activities	-	-	-	-
Sub-total of cash outflows	(19,500,194)	(54,134,380)	(2,415,677)	(22,328,638)
Net cash flows from investing activities	(7,250,092)	(26,909,489)	4,926,636	(4,637,979)
3. Cash flows from financing activities				
Cash received from capital contributions	1,013,304	161,107	491,953	161,107
Including: Cash received from capital contributions by minority shareholders of subsidiaries	521,351	-	-	-
Cash received from borrowings	978,979	29,829,202	-	1,600,000
Cash received from issuing short-term financing bonds	-	-	-	-
Cash received relating to other financing activities	-	-	-	-
Sub-total of cash inflows	1,992,283	29,990,309	491,953	1,761,107
Cash repayments of borrowings	(2,138,653)	(1,153,671)	-	-
Cash payments for short-term financing bonds	-	-	-	-
Cash payments for interest expenses and distribution of dividends or profits	(325,629)	(189,407)	(74,404)	(125,351)
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries	(80,657)	(91,200)	-	-
Cash payments relating to other financing activities	(1,782,206)	(95,375)	-	-
Sub-total of cash outflows	(4,246,488)	(1,438,453)	(74,404)	(125,351)

Net cash flows from financing activities	(2,254,205)	28,551,856	417,549	1,635,756
4. Effect of foreign exchange rate changes on cash and cash equivalents	(357,924)	48,314	-	-
5. Net decrease in cash and cash equivalents	(5,433,129)	8,699,252	11,298,196	851,865
Add: Cash and cash equivalents at beginning of period	21,831,653	12,513,730	25,978,543	8,174,915
6. Cash and cash equivalents at end of period	16,398,524	21,212,982	37,276,739	9,026,780

Legal representative:

Fang Hongbo

Principal in charge of accounting function:

Xiao Mingguang

Head of accounting department:

Chen Lihong

2. Auditor's report

Is this Report audited by a CPAs firm?

Yes No

This Report is un-audited by a CPAs firm.

Midea Group Co., Ltd.

Legal Representative: Fang Hongbo

28 April 2018