

**Midea Group Co., Ltd.**  
**Interim Report for the First Quarter 2020**



**April 2020**

## **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 CEO of the Company, and Ms. Zhong Zheng, 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. 2020 | Jan.-Mar. 2019 | YoY Change (%) |
|--|----------------|----------------|----------------|
| Operating revenue (RMB'000)  | 58,013,031     | 75,205,780     | -22.86%        |
| Net profit attributable to shareholders of the Company (RMB'000)                                       | 4,810,977      | 6,129,026      | -21.51%        |
| Net profit attributable to shareholders of the Company before non-recurring gains and losses (RMB'000) | 4,816,912      | 6,084,881      | -20.84%        |
| Net cash flows from operating activities (RMB'000)   | 7,668,597      | 11,842,782     | -35.25%        |
| Basic earnings per share (RMB/share)   | 0.70           | 0.94           | -25.53%        |
| Diluted earnings per share (RMB/share)   | 0.69           | 0.93           | -25.81%        |
| Weighted average ROE (%)   | 4.62%          | 7.08%          | -2.46%         |
|  | 31 Mar. 2020   | 31 Dec. 2019   | Change (%)     |
| Total assets (RMB'000)   | 301,668,584    | 301,955,419    | -0.09%         |
| Net assets attributable to shareholders of the Company (RMB'000)                                       | 106,004,841    | 101,669,163    | 4.26%          |

Non-recurring profits and losses

☒ Applicable ☐ N/A

Unit: RMB'000

| Item   | Jan.-Mar. 2020 | Note |
|--|----------------|------|
| Profit or loss from disposal of non-current assets   | 3,841          |      |
| Except for effectively hedging business related to normal business operations of the Company, profit or loss arising from the change in the fair value of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other non-current financial assets, as well as investment profit or loss produced from the disposal of financial assets held-for- | -59,056        |      |

|  |         |    |
|--|---------|----|
| trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and investments in other debt obligations |         |    |
| Other  | 143,555 |    |
|  |         |    |
| Less: Corporate income tax   | 35,798  |    |
| Minority interests (after tax)   | 58,477  |    |
| Total  | -5,935  | -- |

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, preference shareholders with resumed voting rights and shareholdings of the top ten common shareholders at the period-end

Unit: share

| Total number of common shareholders at the period-end | 246,617                              | 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 corporation | 31.60   | 2,212,046,613         |                                  | Pledged                  | 215,000,000      |
| Hong Kong Securities Clearing Company Limited         | Foreign corporation                  | 15.38   | 1,076,367,324         |                                  |                          |                  |

|   |                         |      |             |             |         |            |
|---|-------------------------|------|-------------|-------------|---------|------------|
| China Securities Finance Co., Ltd.                                | State-owned corporation | 2.83 | 198,145,134 |             |         |            |
| Fang Hongbo   | Domestic individual     | 1.96 | 136,990,492 | 102,742,869 |         |            |
| Canada Pension Plan Investment Board — own funds (stock exchange) | Foreign corporation     | 1.72 | 120,379,067 |             |         |            |
| Central Huijin Asset Management Ltd.                              | State-owned corporation | 1.29 | 90,169,354  |             |         |            |
| Huang Jian  | Domestic individual     | 1.26 | 88,032,200  |             |         |            |
| UBS AG  | Foreign corporation     | 1.07 | 74,946,069  |             |         |            |
| Yuan Liquan   | Domestic individual     | 0.82 | 57,722,992  |             | Pledged | 15,884,900 |
| Li Jianwei  | Foreign individual      | 0.74 | 51,700,000  |             |         |            |

## Top 10 non-restricted common shareholders

| Name of shareholder   | Number of non-restricted common shares held at the period-end | Type of shares   |               |
|---|---|------------------|---------------|
|   |   | Type             | Shares        |
| Midea Holding Co., Ltd.   | 2,212,046,613   | RMB common stock | 2,212,046,613 |
| Hong Kong Securities Clearing Company Limited                     | 1,076,367,324   | RMB common stock | 1,076,367,324 |
| China Securities Finance Co., Ltd.                                | 198,145,134   | RMB common stock | 198,145,134   |
| Canada Pension Plan Investment Board — own funds (stock exchange) | 120,379,067   | RMB common stock | 120,379,067   |
| Central Huijin Asset Management Ltd.                              | 90,169,354  | RMB common stock | 90,169,354    |
| Huang Jian  | 88,032,200  | RMB common stock | 88,032,200    |
| UBS AG  | 74,946,069  | RMB common stock | 74,946,069    |
| Yuan Liquan   | 57,722,992  | RMB common stock | 57,722,992    |
| Li Jianwei  | 51,700,000  | RMB common stock | 51,700,000    |
| Merrill Lynch International                                       | 46,957,200  | RMB common       | 46,957,200    |

|   |   | stock |  |
|---|---|-------|--|
| Explanation of related relationship or/and acting-in-concert parties among the above-mentioned shareholders | N/A   |       |  |
| Top ten non-restricted common shareholders taking part in securities margin trading (if any)                | <p>1. The Company's shareholder Huang Jian holds 88,022,200 shares in the Company through his common securities account and 10,000 shares in the Company through his account of collateral securities for margin trading, representing a total holding of 88,032,200 shares in the Company.</p> <p>2. The Company's shareholder Yuan Liqun holds 31,330,890 shares in the Company through her common securities account and 26,392,102 shares in the Company through her account of collateral securities for margin trading, representing a total holding of 57,722,992 shares in the Company.</p> |       |  |

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 2020/January-March 2020 | 31 December 2019/January-March 2019 | Change (%) | Reasons for the changes  |
|--|----------------------------------|-------------------------------------|------------|--|
| Notes receivable                         | 1,821,324                        | 4,768,520                           | -61.81%    | Mainly due to the decreased sales revenue  |
| Receivables financing                    | 3,101,119                        | 7,565,776                           | -59.01%    | Mainly due to the decreased sales revenue  |
| Derivative financial liabilities         | 113,084                          | 27,100                              | 317.28%    | Mainly due to the changes in the fair value of derivative financial instruments              |
| Employee benefits payable                | 4,280,740                        | 6,436,109                           | -33.49%    | Mainly due to the payment of employee benefits   |
| Long-term payables                       | 20,967                           | 33,646                              | -37.68%    | Mainly due to the repayment of long-term payables  |
| Other comprehensive income               | -1,294,983                       | -711,554                            | -81.99%    | Mainly due to the changes in the fair value of hedging instruments                           |
| Taxes and surcharges                     | 281,138                          | 489,405                             | -42.56%    | Mainly due to the decreased sales revenue  |
| Selling and distribution expenses        | 5,656,993                        | 9,513,634                           | -40.54%    | Mainly due to the decreased sales revenue  |
| Financial expenses                       | -267,397                         | -481,058                            | 44.41%     | Mainly due to the decreased interest income  |
| Investment income                        | 409,709                          | -146,977                            | 378.76%    | Mainly due to the changes in the fair value of derivative financial instruments              |
| Gains on changes in fair value           | 20,570                           | 230,915                             | -91.09%    | Mainly due to the changes in the fair value of derivative financial instruments              |
| Credit impairment losses                 | -131,813                         | -288,288                            | 54.28%     | Mainly due to the YoY decrease in the increment in accounts receivable at the end of Q1 2020 |

|   |            |             |          |  |
|---|------------|-------------|----------|--|
| Income tax expenses                       | 720,263    | 1,177,710   | -38.84%  | Mainly due to the decreased profit before tax  |
| Minority interests                        | -587       | 412,219     | -100.14% | Mainly due to the decreased minority interests in Little Swan  |
| Net cash flows from operating activities  | 7,668,597  | 11,842,782  | -35.25%  | Mainly due to the decreased cash received from sales of goods or rendering of services on the year-on-year basis |
| Net cash flows from investing activities  | -5,485,574 | -16,811,399 | 67.37%   | Mainly due to the increased cash received from disposal of investments on the year-on-year basis                 |
| Net cash flows from financing activities  | 300,610    | 4,139,282   | -92.74%  | Mainly due to the decreased cash received from borrowings on the year-on-year basis                              |
| Net increase in cash and cash equivalents | 2,540,236  | -990,300    | 356.51%  | Mainly due to the increased net cash flows from investing activities on the year-on-year basis                   |

## 2. Progress, influence and solutions of significant events

☐ Applicable ☒ N/A

Progress of any share repurchase

☒ Applicable ☐ N/A

The Proposal on the Plan for the Repurchase of Some Public Shares was approved at the 18th Meeting of the 3rd Board of Directors on 21 February 2020. As such, the Company was agreed to repurchase, with its own funds, no less than 40,000,000 shares and no more than 80,000,000 shares by way of centralized bidding at a price not exceeding RMB 65/share. The Report on the Repurchase of Some Public Shares was disclosed on 25 February 2020.

As of 29 April 2020, the Company has cumulatively repurchased 14,265,055 shares (0.2038% of the Company's total share capital as of that date) by way of centralized bidding in its securities account for repurchase. With the highest trading price being RMB 54.18/share and the lowest being RMB 46.30/share, the total payment amounted to RMB 701,292,302.13 (exclusive of trading fees). The repurchase was in line with the requirements of applicable laws and regulations, as well as the repurchase plan of the Company.



Progress of any repurchased share reduction through centralized price bidding

☐ 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 2020

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

Unit: RMB'000

| Type of securities                  | Code of securities | Abbreviation of securities | Initial investment cost | Measurement method | Opening carrying amount | Profit or loss from change in fair value during the period | Cumulative fair value change charged to equity | Purchased in the period | Sold in the period | Profit or loss in the period | Closing carrying amount | Accounting title                 | Funding source |
|-------------------------------------|--------------------|----------------------------|-------------------------|--------------------|-------------------------|--|--|-------------------------|--------------------|------------------------------|-------------------------|----------------------------------|----------------|
| Domestically/ Overseas listed stock | SEHK: 01810        | XIAOMI -W                  | 1,272,584               | Fair value method  | 936,358                 | -30,326  | 39,915   | -                       | -                  | -                            | 945,947                 | Financial asset held for trading | Own funds      |
| Domestically/ Overseas listed stock | NYSE: DNK          | Danke                      | 172,190                 | Fair value method  | -                       | -63,326  | 3,991  | 172,190                 | -                  | -                            | 112,855                 | Financial asset held for trading | Own funds      |

|   |               |                              |           |                                 |           |         |        |         |   |   |           |   |                  |
|---|---------------|------------------------------|-----------|---------------------------------|-----------|---------|--------|---------|---|---|-----------|---|------------------|
| as listed stock                             |               |                              |           | met hod                         |           |         |        |         |   |   |           | trading                                   |                  |
| Domes tically/<br>Overse as<br>listed stock | SH:68<br>8018 | Espress<br>if<br>System<br>s | 14,625    | Fair<br>valu<br>e<br>met<br>hod | 150,993   | 21,177  | -      | -       | - | - | 172,170   | Financial<br>asset<br>held for<br>trading | Own<br>fund<br>s |
| Total                                       |               |                              | 1,459,399 | --                              | 1,087,351 | -72,475 | 43,906 | 172,190 | - | - | 1,230,972 |   |                  |

## 6. Entrusted asset management

☐ Applicable ☒ N/A

No such cases in the Reporting Period.

## 7. Investments in financial derivatives

☒ Applicable ☐ N/A

Unit: RMB'000

| Opera<br>ting<br>party     | Rel<br>atio<br>nshi<br>p<br>with<br>the<br>Co<br>mpa<br>ny | Rel<br>ated<br>tran<br>sac<br>tion | Type<br>of<br>deriva<br>tive | Initial<br>investme<br>nt<br>amount | Starting<br>date  | Ending<br>date             | Opening<br>investme<br>nt<br>amount | Purch<br>ased<br>in<br>Repor<br>ting<br>Period | Sold<br>in<br>Repor<br>ting<br>Period | Amou<br>nt<br>provid<br>ed for<br>impair<br>ment<br>(if<br>any) | Closing<br>investme<br>nt<br>amount | Closing<br>investme<br>nt<br>amount<br>as a<br>percenta<br>ge of the<br>Company<br>'s closing<br>net<br>assets | Actual<br>gain/loss in<br>Reporting<br>Period |
|----------------------------|--|------------------------------------|------------------------------|-------------------------------------|-------------------|----------------------------|-------------------------------------|--|---------------------------------------|---|-------------------------------------|--|---|
| Futur<br>es<br>comp<br>any | No   | No                                 | Futur<br>es<br>contra<br>cts | 1,377                               | 1 January<br>2020 | 31<br>Decem<br>ber<br>2020 | 1,377                               | -  | -                                     | -   | -300,023                            | -0.2830%   | -309,733                                      |
| Bank                       | No   | No                                 | FX<br>deriva<br>tives        | 267,475                             | 1 January<br>2020 | 31<br>Decem<br>ber<br>2020 | 267,475                             | -  | -                                     | -   | -105,052                            | -0.0991%   | -233,348                                      |

|  |   |    |    |         |   |   |   |          |          |          |
|--|---|----|----|---------|---|---|---|----------|----------|----------|
| Total  | 268,852   | -- | -- | 268,852 | - | - | - | -405,075 | -0.3821% | -543,081 |
| Source of derivatives investment funds   | All from the Company's own funds  |    |    |         |   |   |   |          |          |          |
| Litigation involved (if applicable)  | N/A   |    |    |         |   |   |   |          |          |          |
| Disclosure date of the announcement about the board's consent for the derivative investment (if any)   | 30 April 2020   |    |    |         |   |   |   |          |          |          |
| Disclosure date of the announcement about the general meeting's consent for the derivative investment (if any)   | -   |    |    |         |   |   |   |          |          |          |
| Risk analysis of positions held in derivatives during the Reporting Period and explanation of control measures (Including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.) | <p>For the sake of eliminating the cost 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 avoiding the risks of exchange and interest rate fluctuation, realizing the preservation and appreciation of forex assets, reducing forex liabilities, as well as achieving locked-in costs. The Company has performed sufficient evaluation and control against derivatives investment and position risks, details of which are described as follows:</p> <p>1. Legal risk: The Company's futures business and forex funds businesses shall be conducted in compliance with laws and regulations, with clearly covenanted responsibility and obligation relationship between the Company and the agencies.</p> <p>Control measures: The Company has designated relevant responsible departments to enhance learning of laws and regulations and market rules, conducted strict examination and verification of contracts, defined responsibility and obligation well, and strengthened compliance check, 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: Imperfect internal process, staff, systems and external issues may cause the Company to suffer from loss 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 defined the assignment of responsibility and approval process for the futures business and forex funds business, but also established a comparatively well-developed monitoring mechanism, aiming to effectively reduce operational risk by strengthening risk control over the business, decision-making and trading processes.</p> <p>3. Market risk: Uncertainties caused by changes in the prices of bulk commodity and exchange</p> |    |    |         |   |   |   |          |          |          |

|  |   |
|--|---|
|  | <p>rate fluctuations in foreign exchange market could lead to greater market risk in the futures business and forex funds business. Meanwhile, inability to timely raise sufficient funds to establish and maintain hedging positions in futures operations, or the forex funds required for performance in forex funds operations being 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 shall always be conducted by adhering to prudent operation principles. For futures business, the futures transaction volume and application have been determined strictly according to the requirements of production &amp; operations, and the stop-loss mechanism has been implemented. Besides, to determine the prepared margin amount which may be required to be supplemented, the futures risk measuring system has been established to measure and calculate the margin amount occupied, floating gains and losses, 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 application for funds business should conduct risk analysis on the conditions and environment affecting operating profit and loss, evaluate the possible greatest revenue and loss, and report the greatest acceptable margin ratio or total margin amount, so that the Company can update operating status of the funds business on a timely basis to ensure proper funds arrangement before the expiry dates.</p> |
| Changes in market prices or fair value of derivative products during the Reporting Period, specific methods used and relevant assumption and parameter settings shall be disclosed for analysis of fair value of derivatives | <ol style="list-style-type: none"> <li>1. Loss from futures contracts during the Reporting Period was RMB-309,733,000.</li> <li>2. Loss from FX derivatives during the Reporting Period was RMB-233,348,000.</li> <li>3. Public quotations in futures market or forward forex quotations announced by the Bank of China are used in the analysis of derivatives fair value.</li> </ol>  |
| Explanation of significant changes in accounting policies and specific financial accounting principles in respect of the Company's derivatives for the Reporting Period as compared to the previous Reporting Period         | No change   |
| Special opinions expressed by independent directors  | 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 control, thereby improving the operation and management   |

|  |   |
|--|---|
| concerning the Company's derivatives investment and risk control | 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 and the abovementioned investment in derivatives can help the Company to fully bring out its competitive advantages. Therefore, it is practicable for the Company to carry out derivatives investment business, and the risks are controllable. |
|--|---|

## 8. Visits received during the Reporting Period

√Applicable □N/A

| Date            | Type of visit  | Type of visitor | Discussions   |
|-----------------|----------------|-----------------|---|
| 14 January 2020 | Field research | Institution     | Please refer to Investor Relations Activities on 14 January 2020 on the website of <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> |
| 14 March 2020   | Field research | Institution     | Please refer to Investor Relations Activities on 14 March 2020 on the website of <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>   |
| 24 March 2020   | Field research | Institution     | Please refer to Investor Relations Activities on 24 March 2020 on the website of <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>   |

## 9. Irregular provision of guarantees

□ Applicable √ N/A

No such cases in the Reporting Period.

## 10. 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.  
RMB'000

31 March 2020

Unit:

| ASSETS                             | 31 March 2020      | 31 December 2019   | 31 March 2020      | 31 December 2019   |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                    | Consolidated       | Consolidated       | Company            | Company            |
| <b>Current assets:</b>             |                    |                    |                    |                    |
| Cash at bank and on hand           | 78,514,856         | 70,916,841         | 61,538,598         | 52,291,056         |
| Financial assets held for trading  | 1,230,972          | 1,087,351          | -                  | -                  |
| Derivative financial assets        | 168,109            | 197,412            | -                  | -                  |
| Notes receivable                   | 1,821,324          | 4,768,520          | -                  | -                  |
| Accounts receivable                | 20,652,085         | 18,663,819         | -                  | -                  |
| Receivables financing              | 3,101,119          | 7,565,776          | -                  | -                  |
| Advances to suppliers              | 2,784,413          | 2,246,177          | 96,179             | 36,877             |
| Contractual assets                 | 4,261,155          |                    |                    |                    |
| Loans and advances                 | 11,380,290         | 10,869,396         | -                  | -                  |
| Other receivables                  | 3,069,722          | 2,712,974          | 20,750,436         | 18,369,865         |
| Inventories                        | 24,358,547         | 32,443,399         | -                  | -                  |
| Other current assets               | 64,501,344         | 65,011,027         | 44,356,921         | 42,665,884         |
| <b>Total current assets</b>        | <b>215,843,936</b> | <b>216,482,692</b> | <b>126,742,134</b> | <b>113,363,682</b> |
| <b>Non-current assets:</b>         |                    |                    |                    |                    |
| Long-term receivables              | 1,176,115          | 1,208,079          | -                  | -                  |
| Loans and advances                 | 663,800            | 790,101            | -                  | -                  |
| Long-term equity investments       | 2,847,066          | 2,790,806          | 52,781,313         | 52,605,859         |
| Other non-current financial assets | 2,158,084          | 1,750,107          | 487,564            | 487,564            |

|                                 |                    |                    |                    |                    |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|
| Investment properties           | 391,134            | 399,335            | 508,153            | 518,828            |
| Fixed assets                    | 21,394,653         | 21,664,682         | 834,063            | 878,239            |
| Construction in progress        | 1,329,405          | 1,194,650          | 177,936            | 155,681            |
| Intangible assets               | 15,358,682         | 15,484,179         | 696,855            | 700,836            |
| Goodwill                        | 28,151,704         | 28,207,065         | -                  | -                  |
| Long-term prepaid expenses      | 1,237,807          | 1,267,127          | 104,127            | 123,548            |
| Deferred tax assets             | 5,851,789          | 5,768,993          | 208,723            | 189,888            |
| Other non-current assets        | 5,264,409          | 4,947,603          | 4,407,745          | 4,359,507          |
| <b>Total non-current assets</b> | <b>85,824,648</b>  | <b>85,472,727</b>  | <b>60,206,479</b>  | <b>60,019,950</b>  |
| <b>TOTAL ASSETS</b>             | <b>301,668,584</b> | <b>301,955,419</b> | <b>186,948,613</b> | <b>173,383,632</b> |

Legal representative:  
Fang Hongbo

Principal in charge of accounting:  
Zhong Zheng

Head of accounting department:  
Chen Lihong

## Balance Sheet (Continued)

Prepared by Midea Group Co., Ltd.

31 March 2020

Unit:  
RMB'000

| LIABILITIES AND<br>SHAREHOLDERS' EQUITY  | 31 March 2020      | 31 December 2019   | 31 March 2020      | 31 December 2019   |
|--|--------------------|--------------------|--------------------|--------------------|
|  | Consolidated       | Consolidated       | Company            | Company            |
| <b>Current liabilities:</b>  |                    |                    |                    |                    |
| Short-term borrowings  | 6,998,003          | 5,701,838          | 4,858,808          | 4,550,064          |
| Customer deposits and deposits<br>from banks and other financial<br>institutions | 71,697             | 62,477             | -                  | -                  |
| Derivative financial liabilities   | 113,084            | 27,100             | -                  | -                  |
| Notes payable  | 23,112,674         | 23,891,600         | -                  | -                  |
| Accounts payable   | 44,659,962         | 42,535,777         | -                  | -                  |
| Advances from customers  |                    | 16,231,854         |                    | -                  |
| Contractual liabilities  | 13,547,238         | -                  | -                  |                    |
| Employee benefits payable  | 4,280,740          | 6,436,109          | 558,524            | 566,861            |
| Taxes payable  | 4,195,244          | 5,096,267          | 682,284            | 1,059,246          |
| Other payables   | 3,554,730          | 3,800,568          | 116,401,888        | 103,624,998        |
| Current portion of non-current<br>liabilities                                    | 1,454,745          | 1,460,117          | -                  | -                  |
| Other current liabilities  | 38,254,705         | 39,074,777         | 5,763              | 19,539             |
| <b>Total current liabilities</b>   | <b>140,242,822</b> | <b>144,318,484</b> | <b>122,507,267</b> | <b>109,820,708</b> |
| <b>Non-current liabilities:</b>  |                    |                    |                    |                    |
| Long-term borrowings   | 41,368,988         | 41,298,377         | 4,000,000          | 4,000,000          |
| Long-term payables   | 20,967             | 33,646             | -                  | -                  |
| Provisions   | 348,857            | 353,269            | -                  | -                  |
| Deferred income  | 623,746            | 617,155            | -                  | -                  |
| Long-term employee benefits<br>payable   | 2,368,378          | 2,418,563          | -                  | -                  |
| Deferred tax liabilities   | 4,291,992          | 4,556,002          | 59,032.00          | 59,032             |



|  |                    |                    |                    |                    |
|--|--------------------|--------------------|--------------------|--------------------|
| Other non-current liabilities                            | 821,272            | 863,826            | -                  | -                  |
| <b>Total non-current liabilities</b>                     | <b>49,844,200</b>  | <b>50,140,838</b>  | <b>4,059,032</b>   | <b>4,059,032</b>   |
| <b>Total liabilities</b>                                 | <b>190,087,022</b> | <b>194,459,322</b> | <b>126,566,299</b> | <b>113,879,740</b> |
| <b>Shareholders' equity:</b>                             |                    |                    |                    |                    |
| Share capital  | 6,999,467          | 6,971,900          | 6,999,467          | 6,971,900          |
| Capital surplus  | 20,399,899         | 19,640,313         | 27,333,335         | 26,592,959         |
| Less: Treasury stock                                     | (4,442,515)        | (3,759,732)        | (4,442,515)        | (3,759,732)        |
| Other comprehensive income                               | (1,294,983)        | (711,554)          | 1,735              | 1,735              |
| General risk reserve                                     | 366,947            | 366,947            | -                  | -                  |
| Surplus reserve  | 6,447,658          | 6,447,658          | 6,447,658          | 6,447,658          |
| Undistributed profits                                    | 77,528,368         | 72,713,631         | 24,042,634         | 23,249,372         |
| Total equity attributable to shareholders of the Company | 106,004,841        | 101,669,163        | 60,382,314         | 59,503,892         |
| Minority interests                                       | 5,576,721          | 5,826,934          | -                  | -                  |
| <b>Total shareholders' equity</b>                        | <b>111,581,562</b> | <b>107,496,097</b> | <b>60,382,314</b>  | <b>59,503,892</b>  |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>        | <b>301,668,584</b> | <b>301,955,419</b> | <b>186,948,613</b> | <b>173,383,632</b> |

Legal representative:  
Fang Hongbo

Principal in charge of accounting:  
Zhong Zheng

Head of accounting department:  
Chen Lihong

## Income Statement

Prepared by Midea Group Co., Ltd.

January-March 2020

Unit:

RMB'000

| Item  | January-March<br>2020 | January-March<br>2019 | January-March<br>2020 | January-March<br>2019 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | Consolidated          | Consolidated          | Company               | Company               |
| <b>1. Total revenue</b>   | <b>58,355,915</b>     | <b>75,500,426</b>     | <b>382,710</b>        | <b>467,215</b>        |
| Including: Operating revenue                                    | 58,013,031            | 75,205,780            | 382,710               | 467,215               |
| Interest income   | 342,786               | 294,332               | -                     | -                     |
| Fee and commission income                                       | 98                    | 314                   | -                     | -                     |
| <b>2. Total cost</b>  | <b>(53,240,225)</b>   | <b>(67,660,134)</b>   | <b>166,944</b>        | <b>305,480</b>        |
| Including: Cost of sales  | (43,428,300)          | (53,877,858)          | (10,696)              | (13,345)              |
| Interest costs  | (53,023)              | (75,120)              | -                     | -                     |
| Fee and commission expenses                                     | (1,976)               | (2,456)               | -                     | -                     |
| Taxes and surcharges  | (281,138)             | (489,405)             | (14,860)              | (7,116)               |
| Selling and distribution expenses                               | (5,656,993)           | (9,513,634)           | -                     | -                     |
| General and administrative expenses                             | (2,008,521)           | (1,977,121)           | (129,126)             | (109,198)             |
| Research and development expenses                               | (2,077,671)           | (2,205,598)           | -                     | -                     |
| Financial expenses  | 267,397               | 481,058               | 321,626               | 435,139               |
| Including: Interest expenses                                    | (272,142)             | (224,786)             | (397,286)             | (297,552)             |
| Interest income   | 778,923               | 953,378               | 718,942               | 736,263               |
| Add: Other income   | 81,818                | 66,516                | 1,687                 | -                     |
| Investment income   | 409,709               | (146,977)             | 222,065               | 71,992                |
| Including: Investment income from associates and joint ventures | 137,588               | 105,865               | 74,300                | 66,507                |
| Gains on changes in fair value                                  | 20,570                | 230,915               | 86,529                | 33,665                |

|  |                  |                  |                |                |
|--|------------------|------------------|----------------|----------------|
| Asset impairment losses  | 1,430            | (12,317)         | -              | -              |
| Credit impairment losses   | (131,813)        | (288,288)        | (6,179)        | (147)          |
| Gains on disposal of assets  | 3,841            | (6,369)          | -              | -              |
| <b>3. Operating profit</b>   | <b>5,501,245</b> | <b>7,683,772</b> | <b>853,756</b> | <b>878,205</b> |
| Add: Non-operating income  | 46,134           | 57,022           | 842            | 4,372          |
| Less: Non-operating expenses   | (16,726)         | (21,839)         | (12,629)       | (85)           |
| <b>4. Total profit</b>   | <b>5,530,653</b> | <b>7,718,955</b> | <b>841,969</b> | <b>882,492</b> |
| Less: Income tax expenses  | (720,263)        | (1,177,710)      | (52,467)       | (128,539)      |
| <b>5. Net profit</b>   | <b>4,810,390</b> | <b>6,541,245</b> | <b>789,502</b> | <b>753,953</b> |
| (1) Classified by continuity of operations   |                  |                  |                |                |
| Net profit from continuing operations  | 4,810,390        | 6,541,245        | 789,502        | 753,953        |
| Net profit from discontinued operations  | -                | -                | -              | -              |
| (2) Classified by ownership of the equity  |                  |                  |                |                |
| Attributable to shareholders of the Company  | 4,810,977        | 6,129,026        | 789,502        | 753,953        |
| Minority interests   | (587)            | 412,219          | -              | -              |
| <b>6. Other comprehensive income, net of tax</b>   | <b>(834,341)</b> | <b>2,436</b>     | <b>-</b>       | <b>3,990</b>   |
| Other comprehensive income attributable to shareholders of the Company, net of tax                 | (583,429)        | 40,641           | -              | 3,990          |
| (1) Other comprehensive income items which will not be reclassified subsequently to profit or loss | (34,092)         | (38,094)         | -              | -              |
| 1) Changes arising from remeasurement of defined benefit plan                                      | (34,092)         | (38,094)         | -              | -              |
| (2) Other comprehensive income items which will be reclassified subsequently to profit or loss     | (549,337)        | 78,735           | -              | 3,990          |
| 1) Other comprehensive income that will be transferred   | 1,606            | (1,994)          | -              | 3,990          |

|  |                  |                  |                |                |
|--|------------------|------------------|----------------|----------------|
| subsequently to profit or loss under the equity method                       |                  |                  |                |                |
| 2) Cash flow hedging reserve   | (326,367)        | 90,207           | -              | -              |
| 3) Translation of foreign currency financial statements                      | (224,576)        | (9,478)          | -              | -              |
| Other comprehensive income attributable to minority shareholders, net of tax | (250,912)        | (38,205)         | -              | -              |
| <b>7. Total comprehensive income</b>   | <b>3,976,049</b> | <b>6,543,681</b> | <b>789,502</b> | <b>757,943</b> |
| Attributable to shareholders of the Company                                  | 4,227,548        | 6,169,667        | 789,502        | 757,943        |
| Minority interests   | (251,499)        | 374,014          | -              | -              |
| <b>8. Earnings per share</b>   |                  |                  |                |                |
| (1) Basic earnings per share   | 0.70             | 0.94             | N/A            | N/A            |
| (2) Diluted earnings per share   | 0.69             | 0.93             | N/A            | N/A            |

Legal representative:

Principal in charge of accounting:  
department:

Head of accounting

Fang Hongbo

Zhong Zheng

Chen Lihong

## Cash Flow Statement

Prepared by Midea Group Co., Ltd.

January-March 2020

Unit:  
RMB'000

| Item  | January-March<br>2020 | January-March<br>2019 | January-March<br>2020 | January-<br>March 2019 |
|---|-----------------------|-----------------------|-----------------------|------------------------|
|   | Consolidated          | Consolidated          | Company               | Company                |
| <b>1. Cash flows from operating activities</b>  |                       |                       |                       |                        |
| Cash received from sales of goods or rendering of services                                    | 54,493,549            | 61,230,159            | -                     | -                      |
| Net increase in customer deposits and deposits from banks and other financial institutions    | 9,220                 | 47,252                | -                     | -                      |
| Net decrease in deposits with the Central Bank  | 26,198                | 228,122               | -                     | -                      |
| Cash received from interest, fee and commission   | 356,968               | 433,884               | -                     | -                      |
| Refund of taxes and surcharges  | 1,481,374             | 2,255,964             | -                     | -                      |
| Cash received relating to other operating activities  | 771,562               | 675,619               | 13,336,223            | 12,053,410             |
| <b>Sub-total of cash inflows</b>  | <b>57,138,871</b>     | <b>64,871,000</b>     | <b>13,336,223</b>     | <b>12,053,410</b>      |
| Cash paid for goods and services  | (29,986,705)          | (32,531,577)          | -                     | -                      |
| Net increase in loans and advances  | (420,707)             | (1,486,229)           | -                     | -                      |
| Net decrease in borrowings from the Central Bank  | -                     | (48,758)              | -                     | -                      |
| Cash paid for interest, fee and commission  | (55,731)              | (79,055)              | -                     | -                      |
| Cash paid to and on behalf of employees   | (8,895,742)           | (8,147,054)           | (9,783)               | (11,503)               |
| Payments of taxes and surcharges  | (2,621,587)           | (3,835,224)           | (2,964)               | (49,908)               |
| Cash paid relating to other operating activities  | (7,489,802)           | (6,900,321)           | (2,828,386)           | (322,665)              |
| <b>Sub-total of cash outflows</b>   | <b>(49,470,274)</b>   | <b>(53,028,218)</b>   | <b>(2,841,133)</b>    | <b>(384,076)</b>       |
| <b>Net cash flows from operating activities</b>   | <b>7,668,597</b>      | <b>11,842,782</b>     | <b>10,495,090</b>     | <b>11,669,334</b>      |
| <b>2. Cash flows from investing activities</b>  |                       |                       |                       |                        |
| Cash received from disposal of investments  | 22,580,275            | 10,793,208            | 20,960,000            | 3,406,557              |
| Cash received from returns on investments   | 1,005,097             | 233,728               | 980,079               | 198,723                |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | 8,683                 | 64,509                | -                     | -                      |

|  |                     |                     |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|
| <b>Sub-total of cash inflows</b>   | <b>23,594,055</b>   | <b>11,091,445</b>   | <b>21,940,079</b>   | <b>3,605,280</b>    |
| Cash paid to acquire fixed assets, intangible assets and other long-term assets              | (884,830)           | (1,143,943)         | (47,168)            | (40,220)            |
| Cash paid to acquire investments   | (28,183,538)        | (26,581,092)        | (27,760,000)        | (25,408,375)        |
| Net cash paid to acquire subsidiaries and other business units                               | (11,261)            | (177,809)           | -                   | -                   |
| <b>Sub-total of cash outflows</b>  | <b>(29,079,629)</b> | <b>(27,902,844)</b> | <b>(27,807,168)</b> | <b>(25,448,595)</b> |
| <b>Net cash flows from investing activities</b>  | <b>(5,485,574)</b>  | <b>(16,811,399)</b> | <b>(5,867,089)</b>  | <b>(21,843,315)</b> |
| <b>3. Cash flows from financing activities</b>   |                     |                     |                     |                     |
| Cash received from capital contributions   | 361,920             | 777,348             | 361,920             | 698,761             |
| Including: Cash received from capital contributions by minority shareholders of subsidiaries | -                   | 78,587              | -                   | -                   |
| Cash received from borrowings  | 1,403,478           | 5,122,321           | 308,744             | 5,727,000           |
| <b>Sub-total of cash inflows</b>   | <b>1,765,398</b>    | <b>5,899,669</b>    | <b>670,664</b>      | <b>6,425,761</b>    |
| Cash repayments of borrowings  | (260,351)           | (663,249)           | -                   | (993,000)           |
| Cash payments for interest expenses and distribution of dividends or profits                 | (383,344)           | (262,635)           | (400,222)           | (195,585)           |
| Including: Cash payments for dividends or profit to minority shareholders of subsidiaries    | (62,631)            | -                   | -                   | -                   |
| Cash paid relating to other financing activities   | (821,093)           | (834,503)           | (802,059)           | (691,717)           |
| <b>Sub-total of cash outflows</b>  | <b>(1,464,788)</b>  | <b>(1,760,387)</b>  | <b>(1,202,281)</b>  | <b>(1,880,302)</b>  |
| <b>Net cash flows from financing activities</b>  | <b>300,610</b>      | <b>4,139,282</b>    | <b>(531,617)</b>    | <b>4,545,459</b>    |
| <b>4. Effect of foreign exchange rate changes on cash and cash equivalents</b>               | <b>56,603</b>       | <b>(160,965)</b>    | <b>-</b>            | <b>-</b>            |
| <b>5. Net increase in cash and cash equivalents</b>  | <b>2,540,236</b>    | <b>(990,300)</b>    | <b>4,096,384</b>    | <b>(5,628,522)</b>  |
| Add: Cash and cash equivalents at beginning of period  | 30,441,760          | 17,952,282          | 12,408,650          | 10,181,934          |
| <b>6. Cash and cash equivalents at end of period</b>   | <b>32,981,996</b>   | <b>16,961,982</b>   | <b>16,505,034</b>   | <b>4,553,412</b>    |

Legal representative:  
department:

Fang Hongbo

Principal in charge of accounting:

Zhong Zheng

Head of accounting

Chen Lihong

## 2. Adjustments to the Financial Statements

### 2.1 Adjustments to the financial statements at the beginning of the first execution year of any new standards governing revenue or leases which have been implemented since 2020

√ Applicable □ N/A

## Balance Sheet

Prepared by Midea Group Co., Ltd.

31 March 2020

Unit:  
RMB'000

| ASSETS                             | Consolidated       |                    |             | Company            |                    |            |
|------------------------------------|--------------------|--------------------|-------------|--------------------|--------------------|------------|
|                                    | 31 December 2019   | 1 January 2020     | Adjustment  | 31 December 2019   | 1 January 2020     | Adjustment |
| <b>Current assets:</b>             |                    |                    |             |                    |                    |            |
| Cash at bank and on hand           | 70,916,841         | 70,916,841         | -           | 52,291,056         | 52,291,056         | -          |
| Financial assets held for trading  | 1,087,351          | 1,087,351          | -           | -                  | -                  | -          |
| Derivative financial assets        | 197,412            | 197,412            | -           | -                  | -                  | -          |
| Notes receivable                   | 4,768,520          | 4,768,520          | -           | -                  | -                  | -          |
| Accounts receivable                | 18,663,819         | 18,663,819         | -           | -                  | -                  | -          |
| Receivables financing              | 7,565,776          | 7,565,776          | -           | -                  | -                  | -          |
| Advances to suppliers              | 2,246,177          | 2,246,177          | -           | 36,877             | 36,877             | -          |
| Contractual assets                 |                    | 4,009,176          | 4,009,176   |                    |                    | -          |
| Loans and advances                 | 10,869,396         | 10,869,396         | -           | -                  | -                  | -          |
| Other receivables                  | 2,712,974          | 2,712,974          | -           | 18,369,865         | 18,369,865         | -          |
| Inventories                        | 32,443,399         | 28,434,223         | (4,009,176) | -                  | -                  | -          |
| Other current assets               | 65,011,027         | 65,011,027         | -           | 42,665,884         | 42,665,884         | -          |
| <b>Total current assets</b>        | <b>216,482,692</b> | <b>216,482,692</b> | <b>-</b>    | <b>113,363,682</b> | <b>113,363,682</b> | <b>-</b>   |
| <b>Non-current assets:</b>         |                    |                    |             |                    |                    |            |
| Long-term receivables              | 1,208,079          | 1,208,079          | -           | -                  | -                  | -          |
| Loans and advances                 | 790,101            | 790,101            | -           | -                  | -                  | -          |
| Long-term equity investments       | 2,790,806          | 2,790,806          | -           | 52,605,859         | 52,605,859         | -          |
| Other non-current financial assets | 1,750,107          | 1,750,107          | -           | 487,564            | 487,564            | -          |
| Investment properties              | 399,335            | 399,335            | -           | 518,828            | 518,828            | -          |
| Fixed assets                       | 21,664,682         | 21,664,682         | -           | 878,239            | 878,239            | -          |

|                                 |                    |                    |          |                    |                    |          |
|---------------------------------|--------------------|--------------------|----------|--------------------|--------------------|----------|
| Construction in progress        | 1,194,650          | 1,194,650          | -        | 155,681            | 155,681            | -        |
| Intangible assets               | 15,484,179         | 15,484,179         | -        | 700,836            | 700,836            | -        |
| Goodwill                        | 28,207,065         | 28,207,065         | -        | -                  | -                  | -        |
| Long-term prepaid expenses      | 1,267,127          | 1,267,127          | -        | 123,548            | 123,548            | -        |
| Deferred tax assets             | 5,768,993          | 5,768,993          | -        | 189,888            | 189,888            | -        |
| Other non-current assets        | 4,947,603          | 4,947,603          | -        | 4,359,507          | 4,359,507          | -        |
| <b>Total non-current assets</b> | <b>85,472,727</b>  | <b>85,472,727</b>  | <b>-</b> | <b>60,019,950</b>  | <b>60,019,950</b>  | <b>-</b> |
| <b>TOTAL ASSETS</b>             | <b>301,955,419</b> | <b>301,955,419</b> | <b>-</b> | <b>173,383,632</b> | <b>173,383,632</b> | <b>-</b> |



## Balance Sheet (Continued)

Prepared by Midea Group Co., Ltd.

31 March 2020

Unit:  
RMB'000

| LIABILITIES AND<br>SHAREHOLDERS' EQUITY  | Consolidated           |                    |              | Company                |                    |                |
|--|------------------------|--------------------|--------------|------------------------|--------------------|----------------|
|  | 31<br>December<br>2019 | 1 January<br>2020  | Adjustment   | 31<br>December<br>2019 | 1 January<br>2020  | Adjust<br>ment |
| <b>Current liabilities:</b>  |                        |                    |              |                        |                    |                |
| Short-term borrowings  | 5,701,838              | 5,701,838          | -            | 4,550,064              | 4,550,064          | -              |
| Customer deposits and<br>deposits from banks and<br>other financial institutions | 62,477                 | 62,477             | -            | -                      | -                  | -              |
| Derivative financial liabilities   | 27,100                 | 27,100             | -            | -                      | -                  | -              |
| Notes payable  | 23,891,600             | 23,891,600         | -            | -                      | -                  | -              |
| Accounts payable   | 42,535,777             | 42,535,777         | -            | -                      | -                  | -              |
| Advances from customers  | 16,231,854             |                    | (16,231,854) | -                      | -                  | -              |
| Contractual liabilities  |                        | 18,436,559         | 18,436,559   |                        | -                  | -              |
| Employee benefits payable  | 6,436,109              | 6,436,109          | -            | 566,861                | 566,861            | -              |
| Taxes payable  | 5,096,267              | 5,096,267          | -            | 1,059,246              | 1,059,246          | -              |
| Other payables   | 3,800,568              | 3,800,568          | -            | 103,624,998            | 103,624,998        | -              |
| Current portion of non-current<br>liabilities                                    | 1,460,117              | 1,460,117          | -            | -                      | -                  | -              |
| Other current liabilities  | 39,074,777             | 36,870,072         | (2,204,705)  | 19,539                 | 19,539             | -              |
| <b>Total current liabilities</b>   | <b>144,318,484</b>     | <b>144,318,484</b> | <b>-</b>     | <b>109,820,708</b>     | <b>109,820,708</b> | <b>-</b>       |
| <b>Non-current liabilities:</b>  |                        |                    |              |                        |                    |                |
| Long-term borrowings   | 41,298,377             | 41,298,377         | -            | 4,000,000              | 4,000,000          | -              |
| Long-term payables   | 33,646                 | 33,646             | -            | -                      | -                  | -              |
| Provisions   | 353,269                | 353,269            | -            | -                      | -                  | -              |
| Deferred income  | 617,155                | 617,155            | -            | -                      | -                  | -              |
| Long-term employee benefits<br>payable   | 2,418,563              | 2,418,563          | -            | -                      | -                  | -              |
| Deferred tax liabilities   | 4,556,002              | 4,556,002          | -            | 59,032                 | 59,032             | -              |
| Other non-current liabilities  | 863,826                | 863,826            | -            | -                      | -                  | -              |
| <b>Total non-current liabilities</b>   | <b>50,140,838</b>      | <b>50,140,838</b>  | <b>-</b>     | <b>4,059,032</b>       | <b>4,059,032</b>   | <b>-</b>       |
| <b>Total liabilities</b>   | <b>194,459,322</b>     | <b>194,459,322</b> | <b>-</b>     | <b>113,879,740</b>     | <b>113,879,740</b> | <b>-</b>       |
| <b>Shareholders' equity:</b>   |                        |                    |              |                        |                    |                |
| Share capital  | 6,971,900              | 6,971,900          | -            | 6,971,900              | 6,971,900          | -              |
| Capital surplus  | 19,640,313             | 19,640,313         | -            | 26,592,959             | 26,592,959         | -              |
| Less: Treasury stock   | (3,759,732)            | (3,759,732)        | -            | (3,759,732)            | (3,759,732)        | -              |

|  |                    |                    |          |                    |                    |          |
|--|--------------------|--------------------|----------|--------------------|--------------------|----------|
| Other comprehensive income                               | (711,554)          | (711,554)          | -        | 1,735              | 1,735              | -        |
| General risk reserve                                     | 366,947            | 366,947            | -        | -                  | -                  | -        |
| Surplus reserve  | 6,447,658          | 6,447,658          | -        | 6,447,658          | 6,447,658          | -        |
| Undistributed profits                                    | 72,713,631         | 72,713,631         | -        | 23,249,372         | 23,249,372         | -        |
| Total equity attributable to shareholders of the Company | 101,669,163        | 101,669,163        | -        | 59,503,892         | 59,503,892         | -        |
| Minority interests                                       | 5,826,934          | 5,826,934          | -        | -                  | -                  | -        |
| <b>Total shareholders' equity</b>                        | <b>107,496,097</b> | <b>107,496,097</b> | <b>-</b> | <b>59,503,892</b>  | <b>59,503,892</b>  | <b>-</b> |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>        | <b>301,955,419</b> | <b>301,955,419</b> | <b>-</b> | <b>173,383,632</b> | <b>173,383,632</b> | <b>-</b> |

## 2.2 Retrospective restatement of comparative data due to the first execution of any new standards governing revenue or leases which have been implemented since 2020

☐ Applicable ☒ N/A

## 3. Auditor's report

Is this Report audited by a CPAs firm?

☐ Yes ☒ No

Midea Group Co., Ltd.

Legal Representative: Fang Hongbo

30 April 2020