

Midea Group Co., Ltd.
The Report for the Third Quarter of 2015



October 2015

Section I Important Reminders

1.1 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 records, misleading statements or material omissions. And they shall be jointly and severally liable for the factuality, accuracy and completeness of the information given in this Report.

1.2 All the directors have attended the Q3 report review board meeting.

1.3 The financial statements contained in this Report have not been audited by a certified public auditors (CPAs) firm.

1.4 Mr. Fang Hongbo, Chairman of the Board and President of the Company, and Ms. Yuan Liqun, responsible person for the Company’s financial affairs, have represented and warranted that the financial statements in this Report are factual, accurate and complete.

1.5 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 Financial Highlights & Changes in Shareholders

I Major accounting data and financial indexes

Does the Company adjust retrospectively or restate accounting data of previous years due to changes in accounting policy or correction of any accounting error?

Yes No

	30 Sept. 2015	31 Dec. 2014	Increase/decrease (%)	
Total assets (RMB'000)	134,346,267.15	120,292,088.16	11.68%	
Net assets attributable to shareholders of the Company (RMB'000)	47,681,320.04	39,470,499.84	20.80%	
	Jul.-Sept. 2015	YoY increase/decrease (%)	Jan.-Sept. 2015	YoY increase/decrease (%)
Sales revenues (RMB'000)	28,865,271.89	-9.10%	111,374,415.67	2.10%
Net profits attributable to shareholders of the Company (RMB'000)	2,687,980.08	14.73%	11,012,102.69	23.00%
Net profits attributable to shareholders of the Company after extraordinary gains and losses (RMB'000)	1,942,547.54	-0.93%	9,375,584.54	8.66%
Net cash flows from operating activities (RMB'000)	--	--	17,970,483.89	29.72%
Basic EPS (RMB Yuan/share)	0.63	12.50%	2.60	22.64%
Diluted EPS (RMB Yuan/share)	0.63	12.50%	2.59	22.17%
Weighted average ROE (%)	5.75%	-0.60%	25.46%	0.11%

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)	4,265,714,504
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Whether the Company's share capital changed and the change affected the owners' equity due to reasons such as the issuance of new shares, allotment of shares, equity incentive plans, and repurchases during the time from the end of the Report Period to the date when this Report is released

Yes No

Items and amounts of extraordinary gains and losses

Applicable Inapplicable

Unit: RMB'000

Item	Amount as of Jan.-Sept. 2015	Note
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Gains/losses on the disposal of non-current assets (including the offset part of asset impairment provisions)	-112,520.56	
Government grants recognized in the current period, except for those acquired in the ordinary course of business or granted at certain quotas or amounts according to the country's unified standards	972,255.42	
Gain/loss on entrusting others with investments or asset management	1,008,769.95	
Gain/loss on debt restructuring	5,157.17	
Gains and losses on change in fair value from tradable financial assets and tradable financial liabilities, as well as investment income from disposal of tradable financial assets and tradable financial liabilities and financial assets available for sale, except for effective hedging related to the normal businesses of the Company	419,620.53	
Reversal of impairment provisions for the accounts receivable on which impairment tests were carried out separately	341.34	
Non-operating income and expenses other than the above	140,774.83	
Less: Income tax effects	505,422.96	
Minority interests effects (after tax)	292,457.57	
Total	1,636,518.15	

Explain the reasons if the Company classifies an item as an extraordinary gain/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Extraordinary Gains and Losses, or classifies any extraordinary gain/loss item mentioned in the said explanatory announcement as a recurrent gain/loss item

Applicable Inapplicable

No such cases in the Report Period.

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

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						86,834
Shareholdings of the top ten common shareholders						
Name of shareholder	Nature of	Shareholdin	Number of the	Number of	Pledged or frozen	

	shareholder	g percentage (%)	shares held	restricted shares held	shares	
					Status of shares	Number of shares
Midea Holding Co., Ltd.	Domestic non-state-owned corporation	35.08	1,496,250,000	1,496,250,000	Pledged	253,530,000
Rongrui Equity Investment (Zhuhai) Partnership (limited partnership)	Domestic non-state-owned corporation	7.14	304,500,000	0		
China Securities Finance Co., Ltd.	State-owned corporation	2.99	127,545,960	0		
Fang Hongbo	Domestic individual	2.14	91,326,995	90,000,000		
Tianjin CDH Jiatai Equity Investment Partnership (limited partnership)	Domestic non-state-owned corporation	1.83	78,000,000	0		
Huang Jian	Domestic individual	1.76	75,063,997	75,000,000		
Ningbo Maysun Equity Investment Partnership (limited partnership)	Domestic non-state-owned corporation	1.76	75,000,000	75,000,000		
Yuan Liqun	Domestic individual	1.42	60,500,000	60,000,000		
CDH M-Tech (HK) Co., Ltd.	Overseas corporation	1.41	60,000,000	0		
CDH Spark (HK) Co., Ltd.	Overseas corporation	1.35	57,500,000	0		
Shareholdings of the 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			
Rongrui Equity Investment (Zhuhai) Partnership (limited partnership)	304,500,000	RMB ordinary shares	304,500,000			
China Securities Finance Co., Ltd.	127,545,960	RMB ordinary shares	127,545,960			
Tianjin CDH Jiatai Equity Investment Partnership (limited partnership)	78,000,000	RMB ordinary shares	78,000,000			
CDH M-Tech (HK) Co., Ltd.	60,000,000	RMB ordinary shares	60,000,000			
CDH Spark (HK) Co., Ltd.	57,500,000	RMB ordinary shares	57,500,000			

Central Huijin Investment Ltd.	52,316,600	RMB ordinary shares	52,316,600
Fidelity Investments Management (HK) Ltd.—Clients' Capital	35,990,029	RMB ordinary shares	35,990,029
UBS AG	33,167,480	RMB ordinary shares	33,167,480
Merrill Lynch International	32,383,329	RMB ordinary shares	32,383,329
China Life Insurance Company Ltd.—Dividend—Individual Dividend-005L-FH002Shen	31,397,701	RMB ordinary shares	31,397,701
Explanation of the associated relationship or/and acting-in-concert parties among the above-mentioned shareholders	Mr. Fang Hongbo and Ms. Yuan Liqun, both individual shareholders, serve as the board chairman and a senior executive respectively in Midea Group. CDH Jiatai, CDH M-Tech and CDH Spark are related parties to each other, with a combined stake of 4.59% in Midea Group. The Company does not know if any associated relationship exists among other shareholders of tradable shares or if other shareholders of tradable shares belong to acting-in-concert parties specified in the Administrative Measures for Information Disclosure Regarding Changes of Shareholdings in Listed Companies.		
Top ten non-restricted common shareholders taking part in securities margin trading (if any)	Inapplicable		

Note: Up to 15 October 2015, according to the latest register of shareholders (including the top 100 shareholders) provided by the Shenzhen branch of China Securities Depository and Clearing Co., Ltd, China Securities Finance Co., Ltd directly holds 127,545,960 shares (a stake of 2.99%) in the Company, ranking as the Company's second biggest shareholder with tradable shares. Meanwhile, dozens of funds jointly hold 101,069,000 shares (a stake of 2.40%) in the Company through an asset management scheme of China Securities Finance Co., Ltd. In addition, Central Huijin Investment Ltd directly holds 52,316,600 shares (a stake of 1.23%) in the Company, ranking as the Company's sixth biggest shareholder with tradable shares. The aforesaid 12 shareholders all together hold 280,931,560 shares in the Company, representing a stake of 6.62%.

Did any of the top 10 common shareholders or the top 10 non-restricted common shareholders of the Company carry out any agreed buy-back in the Report Period?

Yes No

No such cases in the Report Period.

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

Applicable Inapplicable

Section III Significant Events

I Major changes in main accounting statement items and financial indicators within the Report Period, as well as the reasons for the changes

√ Applicable □ Inapplicable

Unit: RMB'000

Balance sheet items	30 September 2015	31 December 2014	Increase/de crease (%)	Main reasons for the change
Monetary funds	9,317,623.10	6,203,282.81	50.20%	The business scale grew and the operating efficiency improved
Derivative financial assets	233,141.63	162,513.84	43.46%	Fair value changes of derivative financial instruments
Notes receivable	25,817,870.76	17,097,233.37	51.01%	Sales increased
Dividends receivable	12,384.26	45,943.22	-73.04%	Dividends from associates
Other receivables	2,040,093.07	1,180,767.53	72.78%	Sales increased
Inventories	8,565,322.09	15,020,030.26	-42.97%	The operating efficiency improved
Available-for-sale financial assets	3,998,949.88	1,655,494.72	141.56%	Equity investment increased
Savings absorbed and amounts due from banks and other financial institutions	76,511.30	7,493.81	920.99%	Operational changes in the finance subsidiary
Derivative financial liabilities	165,972.11	74,960.70	121.41%	Fair value changes of derivative financial instruments
Notes payable	23,734,326.46	12,648,496.99	87.65%	Procurement increased
Interest payable	6,737.13	22,912.17	-70.60%	The U.S. commercial papers decreased
Dividends payable	194,704.59	93,799.03	107.58%	Profits distribution by subsidiaries
Non-current liabilities due within one year	0	611,900.00	-100.00%	All the non-current liabilities due within one year were repaid
Long-term borrowings	7,416.80	19,205.03	-61.38%	Some long-term borrowings were repaid
Bonds payable	0	153,026.30	-100.00%	Due bonds were honored
Specialized payables	116,311.16	851,825.49	-86.35%	An alteration and relocation amount was received

Retained profits	28,570,042.99	21,814,315.69	30.97%	The business scale grew and the operating efficiency improved
Income statement items (January-September)	January-September 2015	January-September 2014	Increase/Decrease (%)	Main reasons for the change
Interest income	656,236.20	503,212.87	30.41%	The business of the finance subsidiary expanded
Handling charge and commission income	3,203.05	1,566.93	104.42%	The business of the finance subsidiary expanded
Interest expenses	448,162.77	243,027.70	84.41%	The business of the finance subsidiary expanded
Financial expenses	100,874.91	-11,698.64	962.28%	Interest income decreased
Asset impairment losses	87,844.03	257,035.18	-65.82%	The growth in accounts receivable slowed down
Gains on fair value changes	45,766.08	-598,637.76	107.65%	Fair value changes of the derivative financial instruments
Investment gains	1,593,820.49	839,388.23	89.88%	Gains on financial products increased
Non-operating income	1,224,383.79	706,470.73	73.31%	Governmental subsidy increased
Cash flow statement items (January-September)	January-September 2015	January-September 2014	Increase/Decrease (%)	Main reasons for the change
Net cash flows from investing activities	-9,849,714.92	-24,179,641.66	59.26%	Changes in investment and financial products
Net cash flows from financing activities	-6,899,879.20	-1,314,530.93	-424.89%	Borrowings decreased

II Progress, influence and solutions of significant events

√ Applicable □ Inapplicable

1. The Pre-Plan for the First Repo of Some Public Shares was reviewed and approved at the 30th Meeting of the First Board of Directors on 26 June 2015 and later at the Second Special General Meeting for 2015 on 13 July 2015. According to the Pre-Plan, the Company would repurchase some of its shares under the price of RMB48.54/share and the total price for the repo should not exceed RMB1 billion. 29,591,644 shares were bought back during the period from 21 July 2015 to 31 July 2015, accounting for 0.69% of the Company's total shares. With the highest price at RMB35.74/share and the lowest at RMB30.69/share, the total repo price stood at RMB999,997,670.86, reaching the limit. As such, this repo plan has been carried out. And the Company cancelled the repo shares of 29,591,644 with the Shenzhen branch of China Securities Depository and Clearing Co., Ltd. on 6 August 2015.

2. In order to prepare for the fast-growing market demand for robots as well as to push forward Midea's strategy of automation and form a competitive edge in cost, the Company and Yaskawa Electric (China) Co., Ltd, a subsidiary solely owned by the Japan-based Yaskawa Electric Corporation, reached consensus upon amicable negotiation and signed a joint venture contract on 4 August 2015 regarding a joint investment of RMB400 million in the incorporation of Guangdong Yaskawa Midea Industrial Robot Co., Ltd and Guangdong Midea Yaskawa Service Robot Co., Ltd.

Overview of the significant event	Date of disclosure	Website for disclosure
Announcement on the Cancellation of the First Repo Shares & the Corresponding Share Changes	7 August 2015	www.cninfo.com.cn
Announcement of Midea Group Co., Ltd on the Release of the Robot Business Strategy & the Incorporation of a Robot Joint Venture with Yaskawa Electric	5 August 2015	www.cninfo.com.cn

III Undertakings made by the Company and its shareholders interested in 5% or more of the shares of the Company made in the Report Period or subsisting to the Report Period

√ Applicable □ Inapplicable

Undertaking	Undertaking giver	Details of undertaking	Undertaking date	Term	Particulars on the performance
Undertakings given in offering documents or shareholding alternation documents	Controlling shareholder, actual controller	<p>1. Undertaking of Midea Holding Ltd. (hereinafter referred to as "Midea Holding"), and He Xiangjian, respectively the controlling shareholder and actual controller of Midea Group Co., Ltd., towards the lock-up period of shares.</p> <p>He Xiangjian and Midea Holding have undertaken as follows: Within 36 months from the listing date of Midea Group's stocks, they will neither transfer or entrust others to manage their directly and indirectly held shares of Midea Group issued prior to this issuance, nor sell them to Midea Group. If they break the above undertaking, they will assume all liabilities arising therefrom.</p> <p>2. Undertaking of Midea Holding and the actual controller He Xiangjian towards the maintenance of the independence of Midea Group.</p> <p>He Xiangjian and Midea Holding have undertaken as follows: He Xiangjian, Midea Holding and their controlled enterprises will remain independent from Midea Group in respect of personnel, finance, assets, business and institutions, etc. in accordance with relevant laws and regulations and regulatory documents. They will faithfully fulfill the</p>	2013-3-28	<p>Apart from the first item of undertakings, its duration validity spans 36 months from the day of Midea Group's listing which is 18 September 2013 to 18 September 2016, all other items are</p>	<p>1. There has been no violation of this undertaking.</p> <p>2. There is no violation of this undertaking.</p>

	<p>above undertaking, and assume the corresponding legal liability. If they fail to fulfill their obligations and responsibilities conferred by the undertaking, they will bear the corresponding legal liabilities according to relevant laws, rules, regulations and regulatory documents.</p> <p>3. Undertaking of Midea Holding and the actual controller He Xiangjian towards avoiding competition within the industry.</p> <p>In order to avoid possible competition within the industry between Midea Group and Midea Holding and its controlled enterprises as well as He Xiangjian, his immediate family and his controlled companies, He Xiangjian and Midea Holding have undertaken as follows:</p> <p>(1) None of the entities or individuals mentioned above is or will be engaged in the same or similar business as the existing main business of Midea Group and its controlled companies. They are not or will not engage or participate in such business that is competitive to the existing main business of Midea Group and its controlled companies by controlling other economic entities, institutions or economic organizations;</p> <p>(2) If Midea Group and its controlled companies expand their business on the basis of the existing ones to those where the above mentioned related entities or individuals are already performing production and operation, as long as He Xiangjian is still the actual controller of Midea Group, and Midea Holding the controlling shareholder, they will agree on solving the problem of competition within the industry arising therefrom, within</p>		indefinite.	<p>3. There has been no violation of this undertaking.</p>
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	<p>a reasonable period;</p> <p>(3) If Midea Group and its controlled companies expand their business scope on the basis of the existing ones to those where the above mentioned related subjects have not gone into production or operation, as long as He Xiangjian is still the actual controller of Midea Group, and Midea Holding the controlling shareholder, they would undertake as not to engage in any business competing with the new ones of Midea Group and its controlled companies;</p> <p>(4) In accordance with effective laws, regulations or other regulatory documents of People's Republic of China, as long as He Xiangjian is identified as the actual controller of Midea Group, and Midea Holding the controlling shareholder, they will not change or terminate this undertaking.</p> <p>(5) He Xiangjian and Midea Holding shall faithfully fulfill the above undertaking, and assume the corresponding legal responsibilities. If they fail to fulfill their obligations and responsibilities conferred by the undertaking, they would bear the corresponding legal responsibilities according to relevant laws, rules, regulations and regulatory documents.</p> <p>4. Undertaking of Midea Holding and the actual controller He Xiangjian towards the regulation of related transactions.</p> <p>In order to regulate matters of related transactions that may occur in the future between Midea Group and Midea Holding and its controlled companies as well as He Xiangjian, his immediate family and his controlled companies, He Xiangjian and Midea Holding</p>			<p>4. There has been no violation of this undertaking.</p>
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	<p>have undertaken as follows:</p> <p>(1) They will regulate any related transactions with Midea Group and its controlled companies using their utmost efforts to reduce them. For unavoidable related transactions with Midea Group and its controlled companies, including but not limited to commodity trading, providing services to each other or as agent, they will sign legal normative agreements with Midea Group, and go through approval procedures in accordance with related laws, regulations, rules, other regulatory documents, and relevant provisions of the Articles of Association of Midea Group. They guarantee to offer fair prices for related transactions, and fulfill the information disclosure obligations in respect of the related transactions according to related laws, regulations, rules, other regulatory documents, and relevant provisions of the Articles of Association of Midea Group. They also guarantee not to illegally transfer funds or profits from Midea Group, or damage the interests of its shareholders at their advantages during the related transactions.</p> <p>(2) They shall fulfill the obligation of withdrawing from voting that involves the above mentioned related transactions at the general meeting of Midea Group;</p> <p>(3) The related subject mentioned above shall not require Midea Group to offer more favorable conditions than those to any independent third party in any fair market transactions.</p> <p>(4) In accordance with effective laws, regulations or other regulatory documents of People's Republic of China, as long as He Xiangjian is identified as the actual controller</p>			
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	<p>of Midea Group, and Midea Holding the controlling shareholder, they shall not change or terminate this undertaking.</p> <p>(5) He Xiangjian and Midea Holding will faithfully fulfill the above undertaking and assume the corresponding legal liabilities. If they fail to fulfill their obligations and responsibilities conferred by the undertaking, they will bear the corresponding legal responsibilities according to relevant laws, rules, regulations and regulatory documents.</p> <p>5. Related undertaking by He Xiangjian, the actual controller of Midea Group, on Midea Trade Union Committee transferring its limited equity of Midea Group.</p> <p>On 4 January , 2001, the Midea Trade Union Committee signed the "Equity Transfer Contract" with five people, i.e. He Xiangjian, Chen Dajiang, Feng Jingmei, Chen Kangning and Liang Jieyin, where it transferred all limited equity of Midea Group (22.85%) respectively to those five people. According to the confirmation letter issued by members of the Midea Trade Union Committee at that time, the equity transfer price was determined after mutual discussion on the basis of their true opinions, therefore there was no dispute or potential dispute.</p> <p>On 28 June, 2013, Foshan Shunde Beijiao General Union, superior department of Midea Trade Union Committee, issued a confirmation letter to the fact that Midea Trade Union Committee funded the establishment of Midea Group Co., Ltd. In addition, the letter also confirmed that the council of Midea Trade Union Committee is entitled to dispose any property of the committee, and such property disposal does not need agreement from all</p>			<p>5. So far, this shareholding transfer has not brought about any loss caused by any dispute or potential disputes. There has been no violation of this undertaking.</p>
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	<p>staff committee members.</p> <p>Midea Holding and He Xiangjian, respectively the controlling shareholder and actual controller of Midea Group Co., Ltd. have undertaken as follows: For any loss of Midea Group caused by any dispute or potential dispute arising from the matters of equity transfer mentioned above, they are willing to assume full liability for such loss.</p> <p>6. Undertakings on Issues about Payment of the Staff Social Insurance and the Housing Provident Fund involved in Midea Group's Overall Listing</p> <p>Midea Holding and He Xiangjian: Midea Holding have undertaken to be liable for (1) paying such expenses and related expenses on time based on the requirements of relevant state departments, if Midea Group is required to be liable for the payment of staff social insurance and the housing provident fund and the payment required by relevant state authorities prior to this merger, (2) paying corresponding compensation for all direct and indirect losses incurred by Midea Group and its subsidiaries due to this merger, (3) indemnifying and holding harmless Midea Group and its subsidiaries in time from such expenses where Midea Group and its subsidiaries are required to pay them in advance.</p> <p>7. Undertakings on issues about asset alteration, asset flaw and house leasing of Midea Group and its subsidiaries</p> <p>Midea Holding and He Xiangjian have undertaken as follows:</p> <p>(1) Midea Holding will do its utmost to assist and urge Midea Group (including its subsidiaries) to complete renaming procedures of related assets, such as land, houses,</p>			<p>6. So far, the payment of the staff social insurance and the housing provident fund has not brought about any controversy or potential disputes. There has been no violation of this undertaking.</p> <p>7.1 The Process of Property Ownership Certificate:</p> <p>The Report discloses that the Company is trying to get the Property Ownership Certificate for 177 of its properties, which cover an area of 2,148,485.65 square</p>
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	<p>trademarks, patents and stock rights, declared in the related files of this merger. Midea Holding will be liable for all compensations of losses caused by issues about renaming procedures of related assets mentioned above to Midea Group.</p> <p>(2) Midea Holding shall do its utmost to assist Midea Group (including its subsidiaries) to apply for ownership certificates of land and property declared in related files of this merger.</p> <p>(3) For those houses without ownership certificates due to incomplete formalities in the past, Midea Holding shall assist Midea Group (including its controlled subsidiaries) in going through relevant construction-related formalities again and obtaining the corresponding house ownership certificates. If the competent authorities require Midea Group to dismantle buildings that can not acquire the real estate registration procedures re-application, Midea Holding shall do its utmost to provide assistance and be liable for any related expenses used in dismantling such buildings by Midea Group (including its subsidiaries).</p> <p>(4) Under any circumstances that Midea Group suffers from losses incurred through no longer using those properties or failing to obtain or collect in time, the ownership certificates of those properties currently being used or any losses caused by other reasons, Midea Holding shall compensate any loss for these reasons in time and in full. Midea Holding shall compensate the actual loss Midea Group suffers, from any circumstances above resulting from penalties subjected to by competent authorities or</p>		<p>meters. So far, 51 applications have been approved, the total area covers 1,638,892.27 square meters, which accounts for 76.28% of total area; 11 applications are under process, covering an area of 447,465.15 square meters, accounting for 20.83% of the total area. These 11 properties are in possession of ownership certificates have not brought about any controversy or dispute. Another property with an area of 1,966.69 square meters (0.09% of the total area) has been disposed. The remaining 114 properties, spanning an area of 60,161.54 square meters account for 2.8% of the total area. These properties are all small unit size auxiliary facilities such as security booth, transformer room, power room, pump room, gas station and so on, for which property ownership certificates cannot be granted or applied for. So far these 114 properties have not been required to be dismantled by competent departments so that these buildings are still in regular use, which has not brought about any controversy or any company loss caused by disputes. There is no violation of</p>
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	<p>through claims by any third party.</p> <p>(5) Based on issues of defective house leasing declared in related files of this merger, Midea Holding shall provide sufficient compensations for all economic losses incurred by Midea Group (including its subsidiaries) where the leasehold relations above become invalid or other disputes occur, which are caused by rights claims from a third party or by means of an administrative authority exercising a right and therefore results in any economic losses due to eviction from rental houses, or any penalties subjected to by competent government departments or any recourse from related parties.</p> <p>(6) Based on the issues of defective land leasing declared in related files of this merger, when leasehold relations become invalid caused by defects of land leasing or when other disputes occur, resulting in any economic losses to Midea Group (including its subsidiaries) or through any penalties administered by competent government departments. Likewise if the lessor can't compensate for losses caused by such defective leasing, Midea Holding shall compensate Midea Group for losses caused by such defective land leasing</p> <p>Midea Holding will compensate any losses of Midea Group where a violation of guarantees and undertakings referred to previously occurs or such guarantees and undertakings are not consistent with the reality.</p>		<p>undertakings.</p> <p>7.2 The Use of Rental Houses of This Company</p> <p>The Report discloses that as of 31 December 2012, our company used 113 leasing houses in total, of which our company can't get the property certificate of 100 leasing houses from the leasing party. So far the contracts of 82 out of the 113 rental houses haven't been signed to extend the leasehold. The property certificates of 2 of the remaining 31 houses have been obtained while the other 29 certificates haven't been obtained. These 29 rental houses haven't rendered our company any economic loss or penalty caused by defective property rights, which result in removing to other rental houses.</p> <p>7.3 Land Use Rights of Leasing Use</p> <p>The "Report" discloses that as of 31 December, 2012, our company has had one case of using rental houses, covering a total area of 57,506.95 square meters for which the lessor of the rental land mentioned above did not provide any legal ownership files showing or detailing ownership of this land. So far this rental land</p>
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				<p>has not rendered our company any controversy or any loss caused by disputes. There has been no violation of undertakings.</p> <p>7.4 The Procedures of Renaming Land Owner Under Process Caused by the Alteration of the Company's Name</p> <p>The Report discloses that there are still 10 cases in the process of registering a new land owner caused by changing the company's name of our company and its subsidiaries. So far, five cases have been approved and the other five cases are still under review, which have not rendered any loss to the company. There has been no violation of undertakings.</p> <p>7.5 Processing the Renaming Procedures of Some Trademarks</p> <p>So far, 8 of the 62 trademarks cases involved in the Report have applied for cancellation of the subjects through their owners and these trademarks shall no longer be in use. The company will not apply for the renaming procedures for those trademarks. The</p>
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					renaming procedures of the remaining 54 cases have been processed and this undertaking has been fulfilled. There has been no violation of this undertaking.
	Other shareholders	Shareholders of Midea Group, Ningbo Maysun, Fang Hongbo, Huang Jian, Cai Qiwu, Yuan Liqun, Huang Xiaoming, Li Jianwei, Zheng Weikang, promise that since Midea Group is listed on the Shenzhen Stock Exchange Center, the transferal or delegation of others to manage these issued shares who have direct or indirect ownership of Midea Group, has been forbidden for a period of 36 months. Midea Group is not allowed to buy back those shares either.	2013-3-28	36 months from 18 September 2013, the date of Midea Group's listing, to 18 September 2016	There has been no violation of this undertaking.
Undertakings given in time of IPO or refinancing	The Company	1. In strict accordance with the rules of the CSRC, the Shenzhen Stock Exchange and the Company regarding the use of raised funds, the Company shall have a special account for its raised funds and use the funds only for the previously set purposes. 2. The funds raised in this private issue (after the issue expenses) shall all be used as working capital. 3. The Company shall not use the funds raised in this private issue to make any financial investment such as purchasing held-for-trading financial assets and available-for-sale financial assets, lending the funds to others and entrusted investments or to directly or indirectly invest in marketable securities.	2015-6-15	The undertakings shall expire when the raised funds have been used up.	There has been no violation of this undertaking.
	Xiaomi Technology	Xiaomi Technology has given an undertaking that it shall not transfer the shares that it had subscribed for in this private offering of Midea Group within 36 months from the	2015-6-26	36 months from	There has been no violation of this undertaking.

	y	completion date of this offering (26 June 2015, the listing date for this offering).		the listing date of this private offering, i.e. to 26 June 2018	
Whether the undertaking is fulfilled in time	Yes				
Specific reasons for failing to fulfill any undertaking and plan for the next step (if any)	Inapplicable				

IV Operating result forecast for the year of 2015

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 Inapplicable

V Securities investment

Applicable Inapplicable

No such cases in the Report Period.

VI Shareholdings in other listed companies

Applicable Inapplicable

No such cases in the Report Period.

VII Investments in financial derivatives

Applicable Inapplicable

Unit: RMB'0,000

Operator	Relationship	Related-party transaction or not	Type of derivative	Initial investment amount	Start date	End date	Opening investment amount	Impairment provision	Closing investment amount	Proportion of the closing investment amount in the Company's closing net assets	Actual gain/loss in Report Period
Futures company	No	No	Futures contracts	-327.94	2015-01-01	2015-12-31	-327.94	0.00	149.04	0.00%	1,448.21
Bank	No	No	Forward exchange contracts	-19,490.04	2015-01-01	2015-12-31	-19,490.04	0.00	-15,240.51	-0.32%	60,523.60
Total				-19,817.98			-19,817.98	0.00	-15,091.47	-0.32%	61,971.81
Capital source for derivative investment				All the Company's own funds							
Disclosure date of the board announcement approving the				2015-03-31							

derivative investment (if any)	
Disclosure date of the general meeting announcement approving the derivative investment (if any)	2015-01-22
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 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 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 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 revenue 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>

Changes in market prices or fair values of the invested derivatives during the Report Period. Analysis of the derivative's fair value should include the specific methods of use and the relevant assumptions and parameters.	<p>1. Profit/loss from futures hedging contracts incurred during the Report Period was RMB14,482,100;</p> <p>2. Profit/loss from forward forex contracts incurred during the Report Period was RMB605,236,000;</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>
Whether significant changes occurred to the Company's accounting policy and specific accounting principles of derivatives in the Report Period compared to the previous Report Period	No change
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 realize its competitive advantages. Therefore, it is practical for the Company to carry out derivatives investment business when the risks are controllable.

VIII Visits received during the Report Period

Applicable Inapplicable

Date	Place	Type of visit	Type of visitor	Visitor
2015-7-7	The Company	Field research	Institution	Fidelity Investment
2015-7-8	The Company	Field research	Institution	AIA
2015-7-9	The Company	Field research	Institution	Fidelity Fund
2015-7-14	The Company	Field research	Institution	UBS Global Asset Management (Singapore)
2015-7-17	The Company	Field research	Institution	Sinolink Securities
2015-7-17	The Company	Teleconference	Institution	Yunsong Capital
2015-7-24	Shanghai	Strategy meeting	Institution	SWHK, UG, Fullgoal Fund, Nuode Fund, China Merchants Fund, Rosefinch, APS, Orient Securities Asset Management, Huashang Fund, CITIC Securities International

2015-8-31	The Company	Business results presentation	Institution	<p>Essence Securities, Baishan Investment, Baoying Fund, Bisheng asset, Bosera Funds, Fortune Securities Asset Management, Chongzhi Asset, Dachang FMC, Deutsche Bank, First Capital, Orient Securities, Wells Fargo Funds, Gaoguan Investment, Hillhouse Capital, Goldman Sachs Gao Hua Securities, Everbright Pramerica Fund, Everbright Trust, GF Securities, Sinolink Securities, Guotai Junan Securities, UBS SDIC, Guosen Securities, Homeocapital, Hongliu Investment, Houde Asset, Citibank, CR Yuanta Fund, Huatai Securities, HSBC Jintrust, Jitian Investment, Jiayin Securities, BoCom-Schroders Fund, Greenwoods Asset, Invesco-Great Wall, King Tower China Growth Fund, kaiyu Capital, Kunpeng investment, Lanhai Investment, Macquaire Capital Securities, Morgan Stanley, China Southern Fund, Penghua Fund, Pingshi Investment, Qian Hai Life Insurance, Qian Hai Rui Sui, PICC Assets, Rongtong Fund, Credit Suisse, UBS Securities, Shangcheng Assets, Shenwan Hongyuan, YJA Investments, Sino Life Asset Management Co.,Ltd., Tianma Asset, Co-power Investment, Spruces Capital, Galaxy Securities, Yinhua Fund, Ginkgo Investment, Ginkgo Investment, Xingyu Investment, Golden Trust Sinopac Fund, Yunsong Capital, Great Wall Fund, Great Wall Self-operation, Changjiang Securities, Long-term Investment, Chang Xin Asset Management, Zheshang Securities, RIGHT SHARE, Central Asset, CICC, China-Europe Rabbit Fund, CITICS, CITIC Asset Management, Zhuoyue Dingsheng, Allianz, GMT capital, Janchor Partners Limited, Jpmorgan, Oxbow Capital Management, Stone, Yiheng Capital, Zeal AM</p>
2015-9-1	Shenzhen	Road show	Institution	<p>JP Morgan Asset Management, Value Partners Ltd, FIL Investment Management (Hong Kong) Limited, Baring Asset Management Asia Ltd HK, Harvest Global Investments Limited, Och-Ziff Capital Management, Acion Partners, Bosvalen Asset Management, Evenstar Capital, ICBC International Capital Limited, Lbn Advisers Ltd, Millennium Capital Management (Hong Kong) Ltd, Neuberger Investment Management Asia Limited, Pictet Asia Ltd, Point72 Asset Management, Springs Capital, TPG-Axon Capital Management, Goldman Sachs Investment Partners, UBS Global Asset Management (Hong Kong) Limited, RBC Investment Management (Asia) Ltd, NF Trinity Capital (Nan Fung), Myriad Asset Management Limited</p>
2015-9-7	Shenzhen	Strategy meeting	Institution	<p>Wellington Management Company, Sumitomo Mitsui Trust Bank, Ginkgo Capital, Boyu Cappital, Lbn Advisers, Cathay Life Insurance, Lloyd George Advisory, Tt International, CITIC Securities, Cloud Ridge Capital Management, Harvest Fund Management, Tpg Axon Cappital Management, Kiara Advisors, Edmond De Rothschild, Trivest Advisors, Shanghai Chongyang Investment, China Reinsurance Group, Fountaincap Research & Investment</p>

2015-9-8	Shenzhen	Strategy meeting	Institution	Morgan Stanley Investment Management, APAC, Deepwater Capital, Harvest Global Investments Limited, China Investment Corporation, Senrigan Capital Group Ltd, Taconic Capital, Trilogy Partners Limited, Alphalex Capital Management Limited, Indus Capital Partners LLC, UBS Wealth Management Asia, Baring Asset Management Asia Ltd HK, China Investment Corporation, ICBC International Capital Limited, Wellington Management Co LLP
2015-9-10	Shanghai	Strategy meeting	Institution	Sumitomo Mitsui AM Co Ltd, 1832 Asset Management L.P, Invesco Hong Kong Ltd, One North Capital Pte Ltd, Schroder Investment Management (Hong Kong) Ltd, Sparx Asia Investment Advisors Ltd, Sparx Asia Investment Advisors Ltd, BNY Mellon Investment Management Hong Kong Limited, Petrel Capital, Portfolia Inc., Samsung Asset Management Hong Kong, Schroder Investment Management (Hong Kong) Ltd, Teng Yue Partners, Government of Singapore Investment Corporation Pte Ltd, GIC (Shanghai) Co. Ltd., HAI Tong Asset Management (HK) Ltd, Ellis Munro Asset Management, Matthews International CAP MGT, Turiya Advisors Asia, Athenaeum Limited, Tiger Pacific Capital LP, Tokio Marine Asset Management PTE LTD, ABU Dhabi Investment Authority, Genesis Capital Investment (HK) Limited, Neuberger Berman China Ltd, Pinpoint China Fund
2015-9-11	Shenzhen	Strategy meeting	Institution	T Rowe Price International Ltd, Allianz, Barings Asset Management, Midas International Asset Management Ltd., Mirae Asset Global Investment, Funde Asset Management (HK) Ltd., Goldman Sachs Asset Management, Huatai Financial Holdings HK Ltd, Munsun, Orient Finance Holdings (HK) Ltd., Pinpoint Asset Management, Sift Capital, Sinolife, FMR, Janchor Partners, Ashmore Investment Management
2015-9-14	The Company	Teleconference	Institution	Cadian Capital Management
2015-9-14	The Company	Teleconference	Institution	China Life Insurance, FH Trust, Central Reinsurance Corp., Fund Push, Fubon Life Insurance, JS Funds, FH Trust, Prudential, MassMutual Mercuries Life
2015-9-15	Britain	Strategy meeting	Institution	Alta Advisers, Cederberg Capital, Credo Capital, Laxey Partners (UK) Ltd, Sloane Robinson LLP, Visium Asset UK LLP, J.P. Morgan Asset Management, NN Investment Management, Nomura Asset Management, Pictet Asset Management, Lansdowne, Manulife Asset Management, Millennium Management, Schroders, Veritas Asset Management, Wellington Management International Ltd, Investec Asset Management, Aviva Investors, Carrhae Capital, Columbia Threadneedle, FIM Asset Management, Hermes Fund Managers, Genesis, Henderson Global Investors, Deutsche Asset and Wealth Management, Carmignac, Columbia Threadneedle, Pioneer Investments, GLG Partners, First State Stewart Investments, BlackRock, Martin Currie Investment, Baillie Gifford, Edinburgh Partners, Standard Life Investments
2015-9-15	The	Field research	Institution	Goldman Sachs

	Company			
2015-9-16	The Company	Field research	Institution	ABC-CA Fund, Singapore Government Funds
2015-9-17	Hong Kong	Strategy meeting	Institution	Wellington Management Co. LLP, Invesco Taiwan Ltd, Invesco Hong Kong Ltd, Mackenzie Investments, Norges Bank, Comgest S.A., Templeton Investment Counsel LLC, Newport Asia LLC, UBS Global Asset Mgt (Hong Kong), Khazanah Nasional Berhad, Pictet Gem London, Eastspring Investments Singapore (MAIN), Indus Capital Partners LLC, Baring Asset Management (Asia) Ltd, BOCI-Prudential Asset Management Limited, Neuberger Berman Asia Ltd, Bessemer Investment Management LLC, Pine River Capital Mgmt (HK) Ltd, Allianz Global Investors Asia Pacific, Manulife Asset Management (HK) Ltd, Soros Fund Management LLC, Global Long Short Master Ireland Ltd, Global Long Short Master Ireland Ltd, JP Morgan Asset Mgmt UK Ltd (GEM Team), Capital Research Global Investors, First State Investment (Singapore)
2015-9-21	The Company	Field research	Institution	Thornburg
2015-9-21	Shenzhen	Strategy meeting	Institution	Tiger Pacific, Nezu, JPMorgan Asset Management, Allianz Global Investors, Greystone, JK Capital, One North Capital Pte Ltd, Prime Capital, Teng Yue Partners, AXA Investment Managers, Boseru Fund Management, City National Rochdale, Comgest, Indus Capital, Keywise Capital, Route One Investment Company, Sumeru Capital, UBS
2015-9-22	The Company	Field research	Institution	Hermes Investment Management
2015-9-22	The Company	Field research	Institution	Daiwa Asset Management, Bessemer Investment Management, Hermes Investment Management, Newport Asia LLC, Wells Capital Management
2015-9-22	The Company	Field research	Institution	Mitsubishi UFJ Trust International
Main talking points with investors and materials provided by the Company			<p>Main talking points with investors included: (1) the status quo and outlook of the industry; (2) the Company's condition of business and development strategies; and (3) other information provided in the periodical reports and announcements disclosed by the Company.</p> <p>Materials provided by the Company: the Company's periodical reports, announcements and other information disclosed.</p> <p>Besides institutional investors, the Company pays great attention to communications with individual investors and other minority investors, replying to investors' concerns and suggestions via phone, email, the interactive Q&A platform of the stock exchange, etc.</p>	

IX Irregular provision of guarantees

Applicable Inapplicable

No such cases in the Report Period.

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

Applicable Inapplicable

No such cases in the Report Period.

Section IV Financial Statements

I Financial statements

Balance Sheet

Prepared by: Midea Group Co., Ltd.

Unit: RMB'000

Assets	30 September 2015		31 December 2014	
	Consolidated	The Company	Consolidated	The Company
Current assets:				
Monetary funds	9,317,623.10	14,680,503.81	6,203,282.81	8,452,623.95
Deposits in the Central Bank	1,174,438.29		1,279,592.47	
Deposits in other banks and financial institutions	2,104,593.55		2,126,444.99	
Derivative financial assets	233,141.63		162,513.84	
Notes receivable	25,817,870.76	2,822,631.23	17,097,233.37	693,828.61
Accounts receivable	10,771,235.94		9,362,102.75	
Accounts paid in advance	1,723,858.16	27,494.28	1,414,470.45	1,102.42
Loans and advances granted	6,037,029.18		5,940,800.47	
Interest receivable				
Dividend receivable	12,384.26	872,350.14	45,943.22	280,771.02
Other accounts receivable	2,040,093.07	6,531,241.17	1,180,767.53	2,418,306.21
Inventories	8,565,322.09		15,020,030.26	
Assets held for sale				
Non-current assets due within 1 year				
Other current assets	31,581,986.07	22,316,609.54	26,593,892.46	22,892,049.61

Total current assets	99,379,576.10	47,250,830.17	86,427,074.62	34,738,681.82
Non-current assets:				
Available-for-sale financial assets	3,998,949.88	1,222,645.08	1,655,494.72	1,230,277.80
Held-to-maturity investments				
Long-term accounts receivable				
Long-term equity investment	956,150.33	21,608,360.64	951,874.39	16,548,882.73
Investing real estate	138,838.10	287,818.87	171,634.90	323,355.75
Fixed assets	18,631,440.22	1,314,426.56	19,521,814.06	1,653,024.17
Construction in progress	806,670.78	196,964.72	661,882.29	42,386.34
Engineering materials				
Disposal of fixed assets				
Intangible assets	3,337,858.86	257,331.55	3,431,958.12	280,656.35
R&D expense				
Goodwill	2,948,594.50		2,931,791.41	
Long-term deferred expenses	763,601.94	62,288.91	758,576.10	68,787.68
Deferred income tax assets	3,005,429.68	724.32	3,779,987.55	4,483.56
Other non-current assets	379,156.76			
Total of non-current assets	34,966,691.05	24,950,560.65	33,865,013.54	20,151,854.38
Total assets	134,346,267.15	72,201,390.82	120,292,088.16	54,890,536.20

Legal representative: Fang Hongbo

Person-in-charge of the accounting work: Yuan Liquan

Chief of the accounting division: Chen Jianwu

Balance Sheet (Continued)

Prepared by: Midea Group Co., Ltd.

Unit: RMB'000

Liabilities and shareholders' equity	30 September 2015		31 December 2014	
	Consolidated	The Company	Consolidated	The Company
Current liabilities:				
Short-term borrowings	5,255,758.14		6,070,879.03	500,000.00
Borrowings from the Central Bank				
Customer bank deposits and amounts due to banks and other financial institutions	76,511.30		7,493.81	
Intra-group borrowings				
Derivative financial liabilities	165,972.11	2,423.68	74,960.70	54.78
Financial assets sold and repurchased	511,702.46			
Notes payable	23,734,326.46		12,648,496.99	
Accounts payable	17,120,037.76	7,301.43	20,137,454.46	2,671.39
Accounts received in advance	3,649,653.28		3,992,540.46	
Payroll payable	1,667,890.34	5,149.53	2,199,776.95	16,865.00
Tax payable	2,548,977.47	146,050.77	3,280,150.71	51,951.23
Interest payable	6,737.13	266,413.64	22,912.17	217,050.96
Dividend payable	194,704.59		93,799.03	
Other accounts payable	1,009,065.88	51,007,475.24	1,223,548.76	36,057,338.71
Liabilities held for sale				
Non-current liabilities due within 1 year			611,900.00	
Other current liabilities	23,794,458.77		22,778,936.05	
Total current liabilities	79,735,795.69	51,434,814.29	73,142,849.12	36,845,932.07

Non-current liabilities:				
Long-term borrowings	7,416.80		19,205.03	
Bonds payable			153,026.30	
Long-term payables				
Specific payables	116,311.16		851,825.49	
Estimated liabilities	23,938.23		25,573.83	
Deferred income	369,315.29		342,235.91	
Deferred income tax liabilities	22,858.49		25,917.24	
Other non-current liabilities				
Total non-current liabilities	539,839.97		1,417,783.80	
Total liabilities	80,275,635.66	51,434,814.29	74,560,632.92	36,845,932.07
Shareholders' equity:				
Share capital	4,265,714.50	4,265,714.50	4,215,808.47	4,215,808.47
Other equity instruments				
Of which: preference shares				
Perpetual bonds				
Capital reserves	14,560,928.10	6,239,623.58	13,024,883.19	5,356,080.10
Less: treasury stock				
Other composite income	-945,673.79	-30.67	-774,298.83	
Surplus reserves	1,189,791.32	1,189,791.32	1,189,791.32	1,189,791.32
Provisions for general risks	40,516.92			
Retained profits	28,570,042.99	9,071,477.80	21,814,315.69	7,282,924.24
Total equity attributable to shareholders of the Company	47,681,320.04	20,766,576.53	39,470,499.84	18,044,604.13
Minority interests	6,389,311.45		6,260,955.40	
Total shareholders' equity				

	54,070,631.49	20,766,576.53	45,731,455.24	18,044,604.13
Total liabilities and shareholders' equity	134,346,267.15	72,201,390.82	120,292,088.16	54,890,536.20

Legal representative: Fang Hongbo

Person-in-charge of the accounting work: Yuan Liquan

Chief of the accounting division: Chen Jianwu

Income Statement

Prepared by: Midea Group Co., Ltd.

Unit: RMB'000

Item	January-September 2015		January-September 2014	
	Consolidated	The Company	Consolidated	The Company
I Operating revenues	112,033,854.92	683,222.28	109,588,937.73	534,175.93
Including: Sales income	111,374,415.67	683,222.28	109,084,157.93	534,175.93
Interest income	656,236.20		503,212.87	
Handling charge and commission income	3,203.05		1,566.93	
II Operating costs	100,582,801.85	1,062,011.67	98,437,374.16	529,872.11
Including: Cost of sales	82,112,451.41	20,688.84	81,481,479.40	20,174.08
Interest expenses	448,162.77		243,027.70	
Handling charge and commission expenses	1,564.10		1,204.73	
Taxes and associate charges	737,243.39	2,713.93	621,111.05	10,663.23
Selling and distribution expenses	11,598,555.14		10,761,772.36	
Administrative expenses	5,496,106.10	366,530.80	5,083,442.38	257,056.21
Financial expenses	100,874.91	672,618.93	-11,698.64	247,659.87
Asset impairment loss	87,844.03	-540.83	257,035.18	-5,681.28
Add: Gain/(loss) from change in fair value (“-” means loss)	45,766.08	-2,368.90	-598,637.76	-35,657.94
Gain/(loss) from investment (“-” means loss)	1,593,820.49	6,480,996.38	839,388.23	3,871,395.51
Including: share of profits in associates and joint ventures	78,080.83	17,323.41	49,190.10	1,215.68
III Business profits (“-” means loss)	13,090,639.64	6,099,838.09	11,392,314.04	3,840,041.39
Add: non-operating income	1,224,383.79	62,080.40	706,470.73	13,581.02
Including: Gains on disposal of non-current assets	41,433.56	23,874.31	52,031.73	42.01
Less: non-operating expense	184,525.29	8,525.50	223,702.62	9,707.07
Including: Losses on disposal of non-current assets	138,447.08	3,734.46	175,127.20	8,769.43

IV Total profits (“-” means loss)	14,130,498.14	6,153,392.99	11,875,082.15	3,843,915.34
Less: Income tax expense	2,301,994.20	149,030.96	2,035,610.94	54,512.17
V Net profits (“-” means loss)	11,828,503.94	6,004,362.03	9,839,471.21	3,789,403.17
Including: Net profit achieved by combined parties before the combinations				
Net profit attributable to shareholders of the Company	11,012,102.69	6,004,362.03	8,952,956.27	3,789,403.17
Minority shareholders’ income	816,401.25		886,514.94	
VI After-tax net amount of other composite incomes	-335,083.27	-30.67	-338,546.68	
After-tax net amount of other composite incomes attributable to owners of the Company	-171,374.96	-30.67	-307,849.07	
(I) Other composite incomes that will not be reclassified into gains and losses				
1. Changes in net liabilities or assets with a defined benefit plan upon re-measurement				
2. Enjoyable shares in other composite incomes in investees that cannot be reclassified into gains and losses under the equity method				
(II) Other composite incomes that will be reclassified into gains and losses	-171,374.96	-30.67	-307,849.07	
1. Enjoyable shares in other composite incomes in investees that will be reclassified into gains and losses under the equity method	-3,903.89	-30.67		
2. Gains and losses on fair value changes of available-for-sale financial assets	-89,148.82		-2.50	

3. Gains and losses on reclassifying held-to-maturity investments into available-for-sale financial assets				
4. Effective hedging gains and losses on cash flows	67,083.77		-205,497.94	
5. Foreign-currency financial statement translation difference	-145,406.02		-102,348.63	
6. Other				
After-tax net amount of other composite incomes attributable to minority shareholders	-163,708.31		-30,697.61	
VII Total composite incomes	11,493,420.67	6,004,331.36	9,500,924.53	3,789,403.17
Attributable to owners of the Company	10,840,727.73	6,004,331.36	8,645,107.20	3,789,403.17
Attributable to minority shareholders	652,692.94		855,817.33	
VIII Earnings per share				
(I) Basic earnings per share (RMB Yuan/share)	2.60		2.12	
(II) Diluted earnings per share (RMB Yuan/share)	2.59		2.12	

Legal representative: Fang Hongbo

Person-in-charge of the accounting work: Yuan Liquan

Chief of the accounting division: Chen Jianwu

Income Statement

Prepared by: Midea Group Co., Ltd.

Unit: RMB'000

Item	July-September 2015		July-September 2014	
	Consolidated	The Company	Consolidated	The Company
I Operating revenues	29,158,784.51	213,239.18	31,880,719.37	168,600.18
Including: Sales income	28,865,271.89	213,239.18	31,753,306.09	168,600.18
Interest income	292,403.82		126,354.65	
Handling charge and commission income	1,108.80		1,058.63	
II Operating costs	26,950,389.47	392,705.83	29,419,094.89	331,256.12
Including: Cost of sales	22,233,545.67	6,347.50	24,138,196.09	12,106.43
Interest expenses	131,091.28		51,474.27	
Handling charge and commission expenses	675.82		477.12	
Taxes and associate charges	168,607.62	1,776.35	174,283.28	5,829.08
Selling and distribution expenses	2,612,455.75		3,138,092.30	
Administrative expenses	1,891,348.97	100,910.47	1,734,117.98	84,042.66
Financial expenses	101,652.51	284,406.06	276,855.06	230,522.71
Asset impairment loss	-188,988.15	-734.55	-94,401.21	-1,244.76
Add: Gain/(loss) from change in fair value ("-" means loss)	263,230.09	-8,994.90	189,715.92	-27,328.82
Gain/(loss) from investment ("-" means loss)	412,615.64	1,672,607.35	412,941.14	372,323.97
Including: share of profits in associates and joint ventures	34,954.32	11,261.09	14,212.71	1,170.91
III Business profits ("-" means loss)	2,884,240.77	1,484,145.80	3,064,281.54	182,339.21
Add: non-operating income	573,792.38	11,936.62	153,047.67	5,103.51
Including: Gains on disposal of non-current assets	3,261.08	23,874.31	12,000.30	
Less: non-operating expense	84,108.92	4,066.22	90,590.60	836.98
Including: Losses on disposal of non-current assets	61,002.46		75,335.81	
IV Total profits ("-" means loss)	3,373,924.23	1,492,016.20	3,126,738.61	186,605.74
Less: Income tax expense	493,987.91	31,996.33	504,895.47	50,670.52

V Net profits (“-” means loss)	2,879,936.32	1,460,019.87	2,621,843.14	135,935.22
Including: Net profit achieved by combined parties before the combinations				
Net profit attributable to shareholders of the Company	2,687,980.08	1,460,019.87	2,342,823.51	135,935.22
Minority shareholders’ income	191,956.24		279,019.63	
VI After-tax net amount of other composite incomes	-458,608.76	-30.67	52,659.54	
After-tax net amount of other composite incomes attributable to owners of the Company	-386,133.13	-30.67	116,414.24	
(I) Other composite incomes that will not be reclassified into gains and losses				
1. Changes in net liabilities or assets with a defined benefit plan upon re-measurement				
2. Enjoyable shares in other composite incomes in investees that cannot be reclassified into gains and losses under the equity method				
(II) Other composite incomes that will be reclassified into gains and losses	-386,133.13	-30.67	116,414.24	
1. Enjoyable shares in other composite incomes in investees that will be reclassified into gains and losses under the equity method	1,517.25	-30.67	-2,917.31	
2. Gains and losses on fair value changes of available-for-sale financial assets	-100,067.14		18.33	
3. Gains and losses on reclassifying held-to-maturity investments into available-for-sale financial assets				
4. Effective hedging gains and losses on cash flows	-293,331.53		191,796.36	
5. Foreign-currency financial statement translation difference	5,748.29		-72,483.14	

6. Other				
After-tax net amount of other composite incomes attributable to minority shareholders	-72,475.63		-63,754.70	
VII Total composite incomes	2,421,327.56	1,459,989.20	2,674,502.68	135,935.22
Attributable to owners of the Company	2,301,846.95	1,459,989.20	2,459,237.75	135,935.22
Attributable to minority shareholders	119,480.61		215,264.93	
VIII Earnings per share				
(I) Basic earnings per share (RMB Yuan/share)	0.63		0.56	
(II) Diluted earnings per share (RMB Yuan/share)	0.63		0.56	

Legal representative: Fang Hongbo

Person-in-charge of the accounting work: Yuan Liquan

Chief of the accounting division: Chen Jianwu

Cash Flow Statement

Prepared by: Midea Group Co., Ltd.

Unit: RMB'000

Item	January-September 2015		January-September 2014	
	Consolidated	The Company	Consolidated	The Company
I Cash flows from operating activities:				
Cash received from sale of commodities and rendering of services	92,229,531.23		78,057,006.28	
Net increase in customer bank deposits and amounts due from banks and other financial institutions	69,017.49		104.31	
Net increase in loans from the Central Bank			-59,709.63	
Cash received as interest, handling charges and commissions	659,439.25		504,779.80	
Tax refunds received	3,216,937.11		2,909,213.40	
Cash received in relation to other operating activities	3,700,556.13	14,319,778.45	1,754,268.97	19,292,418.87
Subtotal of cash inflows from operating activities	99,875,481.21	14,319,778.45	83,165,663.13	19,292,418.87
Cash paid for goods and services	53,838,373.36		38,895,396.31	
Net increase in lendings to and advances for customers	67,921.97		2,362,954.65	
Net increase in funds deposited in the Central Bank and amounts due to banks and other financial institutions	-141,562.29		417,840.83	
Cash paid as interest, handling charges and commissions	451,072.44		245,672.29	
Cash paid to and for employees	8,776,444.53	147,910.08	7,876,851.14	29,958.39
Various taxes paid	6,747,190.75	14,243.77	6,913,017.12	6,722.99
Cash paid in relation to other operating activities	12,165,556.56	6,138,998.45	12,600,226.71	1,632,429.98
Subtotal of cash outflows from operating activities	81,904,997.32	6,301,152.30	69,311,959.05	1,669,111.36
Net cash flows from operating activities	17,970,483.89	8,018,626.15		

			13,853,704.08	17,623,307.51
II Cash flows from investing activities:				
Cash received from withdrawal of investments	6,736.94	12,000.00	5,440,020.00	24,901.98
Cash received as returns on investments	1,529,728.78	4,917,338.05	682,830.12	3,492,060.54
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	212,939.60	354.15	1,299,396.24	36,984.39
Net cash received from disposal of subsidiaries or other business units		273,077.20		
Cash received in relation to other investing activities				
Subtotal of cash inflows from investing activities	1,749,405.32	5,202,769.40	7,422,246.36	3,553,946.91
Cash paid to acquire fixed assets, intangible assets and other long-term assets	1,898,205.21	394,332.40	1,610,167.83	179,619.71
Cash paid for investment	9,703,810.37	4,832,289.84	29,296,675.30	22,372,749.70
Net cash paid to acquire subsidiaries and other business units	-2,895.34		695,044.89	
Cash paid in relation to other investing activities				
Subtotal of cash outflows from investing activities	11,599,120.24	5,226,622.24	31,601,888.02	22,552,369.41
Net cash flows from investing activities	-9,849,714.92	-23,852.84	-24,179,641.66	-18,998,422.50
III Cash flows from financing activities:				
Cash received as capital contributions	1,651,108.79	1,637,648.82		
Including: Cash received by subsidiaries as investments from minority shareholders	13,459.97			
Cash received as borrowings	19,484,159.90		36,914,176.05	2,700,000.00
Cash received from issuance of medium-term notes				
Cash received from issuance of short-term financing bonds				
Cash received in relation to other financing activities				
Subtotal of cash inflows from financing				

activities	21,135,268.69	1,637,648.82	36,914,176.05	2,700,000.00
Cash repayments for borrowings	22,253,996.93	500,000.00	33,441,969.54	2,840,000.00
Cash paid for medium-term notes			1,000,000.00	1,000,000.00
Cash paid for short-term financing bonds				
Cash paid for interest expenses and distribution of dividends or profits	4,781,153.29	5,233,029.55	3,786,737.44	3,950,745.81
Including: dividends or profits paid by subsidiaries to minority shareholders	476,028.33		342,464.38	
Cash paid in relation to other financing activities	999,997.67	999,997.67		
Sub-total of cash outflows from financing activities	28,035,147.89	6,733,027.22	38,228,706.98	7,790,745.81
Net cash flows from financing activities	-6,899,879.20	-5,095,378.40	-1,314,530.93	-5,090,745.81
IV Effect of foreign exchange rate changes on cash and cash equivalents	-17,500.92		-8,090.92	
V Net increase in cash and cash equivalents	1,203,388.85	2,899,394.91	-11,648,559.43	-6,465,860.80
Add: Opening balance of cash and cash equivalents	5,272,238.35	6,879,717.05	16,763,873.80	13,809,135.41
VI Closing balance of cash and cash equivalents	6,475,627.20	9,779,111.96	5,115,314.37	7,343,274.61

Legal representative: Fang Hongbo
Chief of the accounting division: Chen Jianwu

Person-in-charge of the accounting work: Yuan Liqun

II 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

29 October 2015