

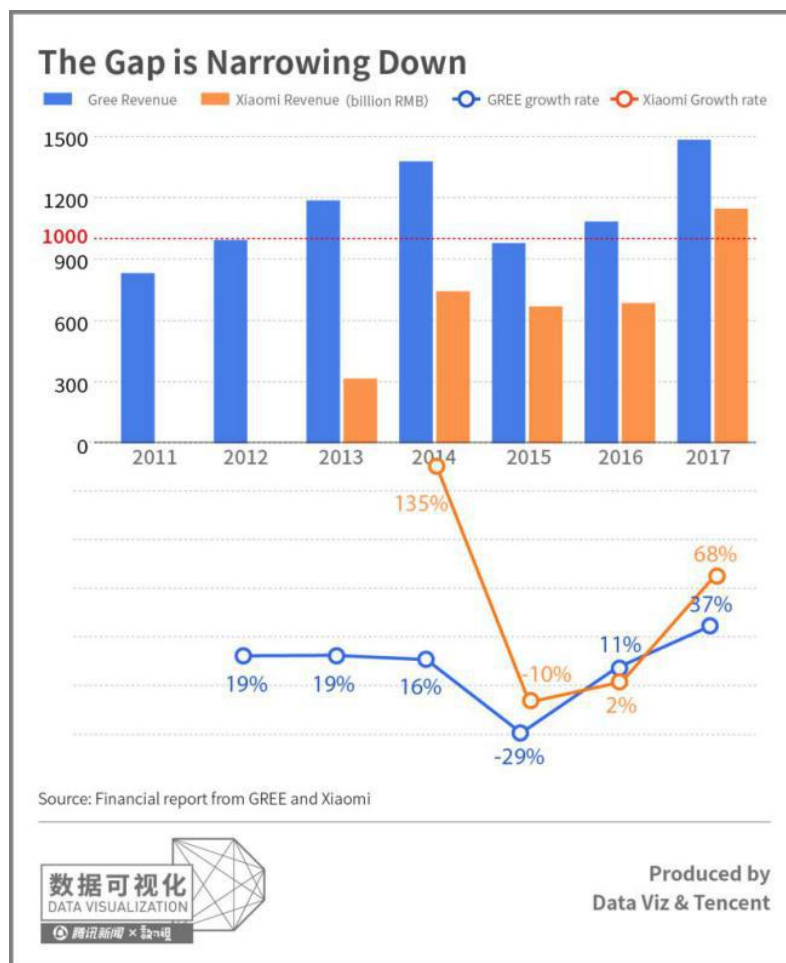
“GREE vs. Xiaomi” 100 Days Count Down : Who Will You Bet on

On the award ceremony of China's Business Figure of the Year on December 12, 2013, Jun Lei, the CEO of Xiaomi, bet one billion yuan (\$145 million) with Ms. Mingzhu Dong, president of GREE, on beating another's turnover in five years. The bet has often been mentioned in various situations during the period.



From 2013 to 2017, Xiaomi's turnover was way behind GREE. For both, it wasn't a smooth trip as they have been overshadowed by negative earnings growth in 2015. However, the gap was narrowing from almost 90 billion yuan at the time they made the bet to about 30 billion yuan in 2017. the income growth rate of Xiaomi was 68 percent last year, compared with which GREE was slightly pale in 37 percent.

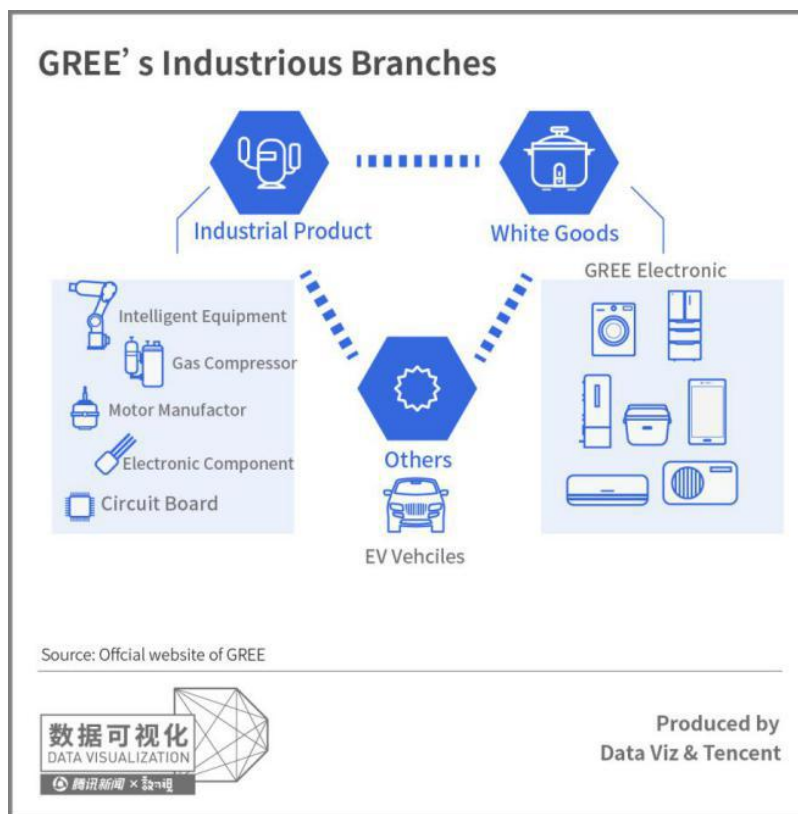
Established in 1991, GREE has reached 100 billion yuan in its revenue in 2012. In comparison, Xiaomi achieved the same target in just eight years.



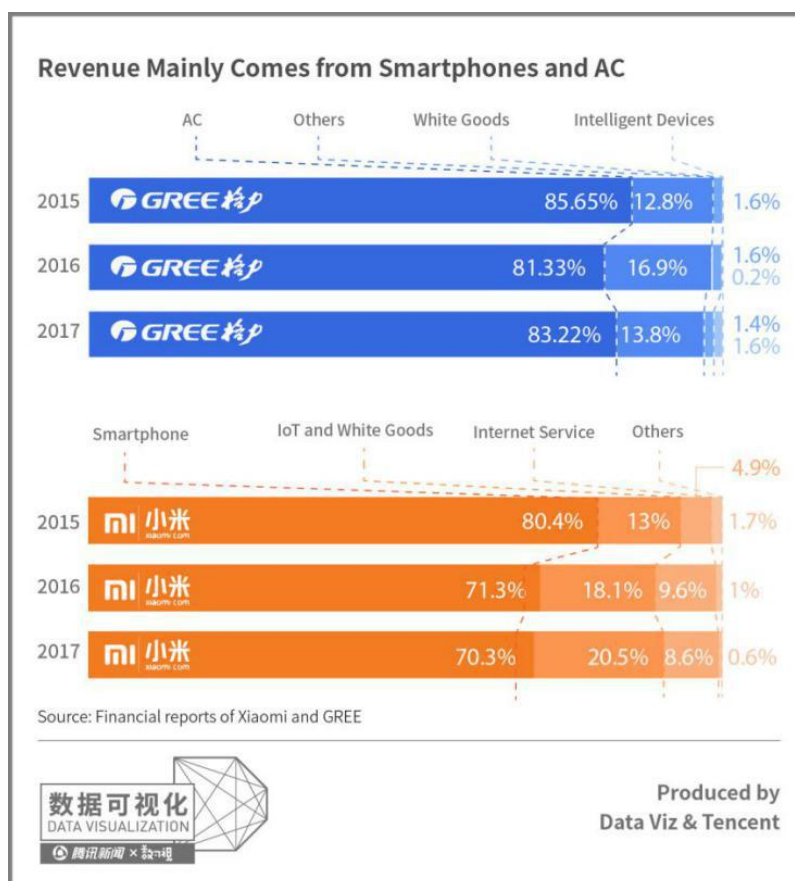
During the past five years, Xiaomi, which started with mobile phone business, has expanded its product system. Considering itself following the pattern of “triathlon” of hardware, new retail and Internet service, Xiaomi incubated and invested in more than 210 eco-product chains companies.



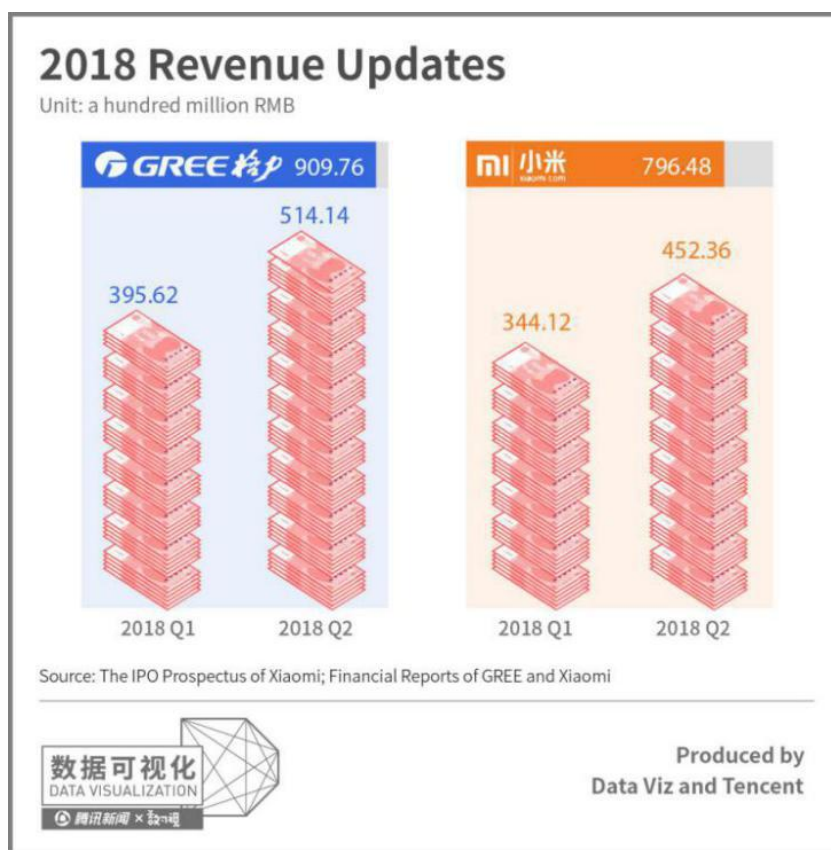
On the other side, GREE, well-known for its air conditioner business, has tried to shake off the label of “air conditioner” and transformed from “made in China” model to “innovated in China”. The company managed to expand its business branches to intelligent devices, phones, and new energy automobile.



Both GREE and Xiaomi were striving to improve their range of products by entering into each other's territory. GREE launched its self-developed "Color Kingdom Phone" while Xiaomi started producing air conditioner. Nonetheless, the major income still came from their original business field according to their financial statements.



Comparatively, Xiaomi went down a smoother path of transformation since its mobile phone business brought about 80.4 percent of the company's revenue in 2015, while the number decreased to 70.3 percent in 2017.



For the revenue of this year, the gap between the two companies is shrinking again according to their semi-annual reports. At present, GREE holds a very small advantage of 11.328 billion yuan, which made the outcome of the bet, to be revealed in 100 days, more complicated than expected.