

Stock code: 000333

Stock name: Midea Group

Announcement No.: 2023-022

Midea Group Co., Ltd.**Interim Report for the First Quarter 2023**

Midea Group Co., Ltd. (hereinafter referred to as the “Company”) and all the members of the Company’s Board of Directors have warranted that the information given in this Report is true, accurate and complete, as well as free of any false record, misleading statement or material omission.

Important Reminders:

1. The Board of Directors, the Supervisory Committee as well as all the directors, supervisors and senior management staff of 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 truthfulness, accuracy and completeness of the information given in this Report.
2. The legal representative, principal in charge of accounting and head of the accounting department of the Company have represented and warranted that the financial information in this Report is true, accurate and complete.
3. Is this Report audited by a CPA firm?

Yes No

This Report has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.

1. Key financial information**1.1 Major accounting data and financial indicators**

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

Yes No

	Jan.-Mar. 2023	Jan.-Mar. 2022	YoY Change (%)
Operating revenue (RMB'000)	96,262,922	90,381,167	6.51%
Net profit attributable to shareholders of the Company (RMB'000)	8,041,853	7,177,925	12.04%
Net profit attributable to shareholders of the Company before non-recurring gains and losses (RMB'000)	7,672,681	6,993,023	9.72%
Net cash flows from operating activities (RMB'000)	9,272,312	7,978,986	16.21%
Basic earnings per share (RMB/share)	1.18	1.06	11.32%
Diluted earnings per share (RMB/share)	1.18	1.05	12.38%

Weighted average ROE (%)	5.46%	5.57%	-0.11%
	31 Mar. 2023	31 Dec. 2022	Change (%)
Total assets (RMB'000)	441,087,159	422,555,267	4.39%
Net assets attributable to shareholders of the Company (RMB'000)	152,352,338	142,935,236	6.59%

The Building Technologies Division, the Robotics & Automation Division, and the Industrial Technology Business Group recorded revenue of RMB7.8 billion (up 41% year-on-year), RMB7.6 billion (up 27% year-on-year), and RMB6.2 billion (up 11% year-on-year) respectively during the Reporting Period.

Total share capital of the Company on the last trading session before disclosure (share)	7,021,698,756
Fully diluted earnings per share based on the latest share capital above (RMB/share)	1.15

1.2 Non-recurring gains and losses

Applicable N/A

Unit: RMB'000

Item	Jan.-Mar. 2023	Note
Gains and losses on disposal of non-current assets	11,344	
Except for effectively hedging business related to normal business operations of the Company, gains and losses 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 gains and losses produced from the disposal of the aforesaid financial assets and liabilities	248,525	
Other	227,585	
Less: Corporate income tax	111,249	
Minority interests (after tax)	7,033	
Total	369,172	--

Other items that meet the definition of non-recurring gain/loss:

Applicable N/A

No such cases for the Reporting Period.

Explain the reasons if the Company classifies any non-recurring gain/loss item mentioned in the <Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Non-Recurring Gains and Losses> as a recurring gain/loss item

Applicable N/A

No such cases for the Reporting Period.

1.3 Major changes of main items in financial statements and financial indicators, as well as the reasons for the changes

√ Applicable □ N/A

Unit: RMB'000

Financial statement items (consolidated)	31 March 2023/January-March 2023	31 December 2022/January-March 2022	Change (%)	Reasons for the changes
Financial assets held for trading	7,949,326	3,284,593	142.02%	Mainly due to the increased structured deposits
Derivative financial assets	449,881	665,484	-32.40%	Mainly due to the changes in the fair value of derivative financial instruments
Other receivables	2,968,564	2,211,177	34.25%	Mainly due to the increased receivables
Other debt investments	6,875,246	11,094,259	-38.03%	Mainly due to the decreased large-denomination negotiable certificates of deposit
Short-term borrowings	14,191,536	5,169,480	174.53%	Mainly due to the increased borrowings
Employee benefits payable	4,617,834	7,152,217	-35.43%	Mainly due to the payment of remunerations to employees
Current portion of non-current liabilities	13,846,488	7,240,626	91.23%	Mainly due to the transfer from long-term borrowings
Other comprehensive income	-117,821	108,289	-208.80%	Mainly due to the changes in differences on translation of foreign currency financial statements
Interest income	373,117	557,424	-33.06%	Mainly due to the changes in the operations of the finance business
Interest costs	5,743	33,226	-82.72%	Mainly due to the changes in the operations of the finance business
Financial expenses	-710,597	-1,155,050	38.48%	Mainly due to the increased exchange losses
Gains/(Losses) on changes in fair value	117,441	-416,409	128.20%	Mainly due to the changes in the fair value of financial assets held for trading
Gains/(Losses) on disposal of assets	11,215	6,945	61.48%	Mainly due to the increased gains on disposal of non-current assets
Non-operating income	35,234	65,080	-45.86%	Mainly due to the decreased other income
Non-operating expenses	7,491	18,499	-59.51%	Mainly due to the decreased other expenses
Net profit attributable to minority interests	103,879	50,656	105.07%	Mainly due to the increased profits of joint venture subsidiaries
Net cash flows from investing activities	-25,100,790	-11,536,258	-117.58%	Mainly due to the increased cash paid to acquire investments
Net increase in cash and cash equivalents	-6,852,405	5,005,074	-236.91%	Mainly due to the decreased net cash flows from investing activities

2. Shareholder information

2.1 Total number of common shareholders and preference shareholders with resumed voting rights, as well as shareholdings of the top ten shareholders at the period-end

Unit: share

Total number of common shareholders at the period-end	404,380	Total number of preference shareholders with resumed voting rights at the period-end (if any)	0
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Top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Number of shares held	Number of restricted shares held	Shares in pledge or frozen	
					Status	Shares
Midea Holding Co., Ltd.	Domestic non-state-owned corporation	30.88	2,169,178,713		In pledge	100,000,000
Hong Kong Securities Clearing Company Limited	Foreign corporation	19.13	1,344,012,114			
China Securities Finance Co., Ltd.	Domestic non-state-owned corporation	2.82	198,145,134			
Fang Hongbo	Domestic individual	1.67	116,990,492	87,742,869		
Central Huijin Asset Management Ltd.	State-owned corporation	1.26	88,260,460			
Huang Jian	Domestic individual	1.23	86,170,000			
UBS AG	Foreign corporation	0.96	67,140,912			
Canada Pension Plan Investment Board— own funds (stock exchange)	Foreign corporation	0.88	61,913,903			
Li Jianwei	Foreign individual	0.66	46,154,545			
Merrill Lynch International	Foreign corporation	0.64	45,284,179			
Top 10 non-restricted shareholders						
Name of shareholder	Number of non-restricted shares held at the period-end	Type of shares				
		Type	Shares			
Midea Holding Co., Ltd.	2,169,178,713	RMB common stock	2,169,178,713			
Hong Kong Securities Clearing Company Limited	1,344,012,114	RMB common stock	1,344,012,114			
China Securities Finance Co., Ltd.	198,145,134	RMB common stock	198,145,134			
Central Huijin Asset Management Ltd.	88,260,460	RMB common stock	88,260,460			
Huang Jian	86,170,000	RMB common stock	86,170,000			
UBS AG	67,140,912	RMB common stock	67,140,912			
Canada Pension Plan Investment Board— own funds (stock exchange)	61,913,903	RMB common stock	61,913,903			
Li Jianwei	46,154,545	RMB common stock	46,154,545			
Merrill Lynch International	45,284,179	RMB common stock	45,284,179			
Yuan Liqun	39,838,159	RMB common stock	39,838,159			
Related-parties or acting-in-concert parties among the shareholders above	N/A					
Special account for repurchased shares among	146,638,028 shares (or 2.09% of the Company's total share capital)					

the top 10 shareholders	were held in the special account for repurchased shares of Midea Group Co., Ltd. at the end of the Reporting Period.
Explanation on the top 10 common shareholders participating in securities margin trading	<p>The Company's shareholder Midea Holding Co., Ltd. holds 2,106,178,713 shares in the Company through its common securities account and 63,000,000 shares in the Company through its account of collateral securities for margin trading, representing a total holding of 2,169,178,713 shares in the Company.</p> <p>The Company's shareholder Yuan Liquan holds 6,062,100 shares in the Company through her common securities account and 33,776,059 shares in the Company through her account of collateral securities for margin trading, representing a total holding of 39,838,159 shares in the Company.</p>

2.2 Total number of preference shareholders and shareholdings of the top 10 preference shareholders at the period-end

Applicable N/A

3. Other significant events

Applicable N/A

4. Financial statements

4.1 Financial statements

Consolidated and Company Balance Sheets

Prepared by Midea Group Co. Ltd.

As at 31 March 2023

Unit: RMB'000

ASSETS	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	Consolidated	Consolidated	Company	Company
Current assets:				
Cash at bank and on hand	58,975,173	55,270,099	30,137,556	28,492,401
Financial assets held for trading	7,949,326	3,284,593	348,168	274,120
Derivative financial assets	449,881	665,484	-	-
Notes receivable	5,609,072	4,758,129	-	-
Accounts receivable	35,551,438	28,237,973	-	-
Receivables financing	15,945,626	13,526,540	-	-
Advances to suppliers	3,893,601	4,367,211	23,348	34,724
Contract assets	4,548,077	4,498,956	-	-
Loans and advances	16,955,505	14,138,756	-	-
Other receivables	2,968,564	2,211,177	26,302,847	26,175,101
Inventories	33,356,961	46,044,897	-	-
Current portion of non-current assets	45,553,373	37,553,078	40,166,137	33,168,421
Other current assets	42,421,081	46,542,378	37,188,818	33,476,601
Total current assets	274,177,678	261,099,271	134,166,874	121,621,368
Non-current assets:				
Other debt investments	6,875,246	11,094,259	3,923,460	7,215,301
Long-term receivables	567,323	614,598	-	-
Loans and advances	664,369	693,294	-	-
Long-term equity investments	5,168,584	5,188,817	73,312,304	73,103,569
Investments in other equity instruments	41,515	41,359	-	-
Other non-current financial assets	10,216,723	10,625,244	336,340	347,698
Investment properties	789,097	809,936	376,233	386,435
Fixed assets	26,287,025	26,082,992	1,194,320	1,223,553
Construction in progress	4,042,591	3,843,777	665,973	504,757
Right-of-use assets	2,405,328	2,339,878	5,469	8,040
Intangible assets	16,690,265	16,908,915	649,360	653,320
Goodwill	28,733,337	28,548,653	-	-
Long-term prepaid expenses	1,586,401	1,579,899	86,679	85,109
Deferred tax assets	11,081,497	10,244,296	280,230	327,251
Other non-current assets	51,760,180	42,840,079	43,163,622	35,423,939
Total non-current assets	166,909,481	161,455,996	123,993,990	119,278,972
TOTAL ASSETS	441,087,159	422,555,267	258,160,864	240,900,340

Consolidated and Company Balance Sheets (Cont'd)

Prepared by Midea Group Co. Ltd.

As at 31 March 2023

Unit: RMB'000

LIABILITIES AND SHAREHOLDERS' EQUITY	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	Consolidated	Consolidated	Company	Company
Current liabilities:				
Short-term borrowings	14,191,536	5,169,480	400,000	-
Customer deposits and deposits from banks and other financial institutions	67,651	77,469	-	-
Financial liabilities held for trading	1,595,723	1,580,771.00	-	-
Derivative financial liabilities	272,452	234,606	-	-
Notes payable	18,237,381	25,572,421	-	-
Accounts payable	66,320,879	64,233,225	-	-
Contract liabilities	28,415,514	27,960,038	-	-
Employee benefits payable	4,617,834	7,152,217	49,048	173,824
Taxes payable	5,887,653	4,955,335	605,195	718,181
Other payables	4,466,566	4,322,025	175,053,365	159,953,351
Current portion of non-current liabilities	13,846,488	7,240,626	12,495,887	5,896,701
Other current liabilities	64,251,434	57,843,528	53,203	77,066
Total current liabilities	222,171,111	206,341,741	188,656,698	166,819,123
Non-current liabilities:				
Long-term borrowings	43,769,565	50,685,948	9,019,900	15,619,900
Bonds payable	3,098,329	3,163,616	-	-
Lease liabilities	1,505,430	1,507,480	506	2,350
Provisions	407,856	394,977	-	-
Deferred income	1,870,683	1,721,092	151,584	152,548
Long-term employee benefits payable	1,418,686	1,488,456	-	-
Deferred tax liabilities	4,720,248	4,647,673	-	-
Other non-current liabilities	680,516	680,482	-	-
Total non-current liabilities	57,471,313	64,289,724	9,171,990	15,774,798
Total liabilities	279,642,424	270,631,465	197,828,688	182,593,921
Shareholders' equity:				
Share capital	7,024,197	6,997,273	7,024,197	6,997,273
Capital surplus	21,267,192	19,693,139	29,465,144	27,826,208
Less: Treasury stock	(14,933,944)	(14,933,944)	(14,933,944)	(14,933,944)
Other comprehensive income	(117,821)	108,289	7,795	(5,679)
General risk reserve	655,307	671,999	-	-
Special reserve	16,732	16,350	-	-
Surplus reserve	10,702,928	10,702,928	10,702,928	10,702,928
Undistributed profits	127,737,747	119,679,202	28,066,056	27,719,633
Total equity attributable to shareholders of the Company	152,352,338	142,935,236	60,332,176	58,306,419
Minority interests	9,092,397	8,988,566	-	-
Total shareholders' equity	161,444,735	151,923,802	60,332,176	58,306,419
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	441,087,159	422,555,267	258,160,864	240,900,340

Legal representative:
Fang HongboPrincipal in charge of accounting:
Zhong ZhengHead of accounting department:
Chen Lihong

Consolidated and Company Income Statements

Prepared by Midea Group Co., Ltd.

For the three months ended 31 March 2023

Unit: RMB'000

Item	For the three months ended 31 March 2023	For the three months ended 31 March 2022	For the three months ended 31 March 2023	For the three months ended 31 March 2022
	Consolidated	Consolidated	Company	Company
Total revenue	96,636,184	90,938,820	160,324	436,315
Including: Operating revenue	96,262,922	90,381,167	160,324	436,315
Interest income	373,117	557,424	-	-
Fee and commission income	145	229	-	-
Total operating cost	(87,373,044)	(82,511,495)	160,614	55,260
Including: Cost of sales	(73,120,434)	(70,336,385)	(10,202)	(10,369)
Interest costs	(5,743)	(33,226)	-	-
Fee and commission expenses	(590)	(1,520)	-	-
Taxes and surcharges	(428,940)	(388,006)	(4,052)	(10,612)
Selling and distribution expenses	(8,444,025)	(7,599,881)	-	-
General and administrative expenses	(2,801,492)	(2,380,911)	(330,901)	(407,140)
Research and development expenses	(3,282,417)	(2,926,616)	-	-
Financial income	710,597	1,155,050	505,769	483,381
Including: Interest expenses	(566,174)	(417,184)	(1,059,937)	(596,719)
Interest income	1,503,878	1,308,788	1,565,822	1,082,164
Add: Other income	339,952	373,682	1,007	-
Investment income	266,267	261,189	54,577	54,893
Including: Investment income from associates and joint ventures	106,190	103,807	52,833	59,564
Gains/(Losses) on changes in fair value	117,441	(416,409)	63,598	(49,401)
Credit impairment losses	(277,955)	(219,124)	(1,035)	(1,178)
Asset impairment losses	(135,237)	(117,425)	-	-
Gains/(Losses) on disposal of assets	11,215	6,945	-	(268)
Operating profit	9,584,823	8,316,183	439,085	495,621
Add: Non-operating income	35,234	65,080	503	5,218
Less: Non-operating expenses	(7,491)	(18,499)	(201)	(295)
Total profit	9,612,566	8,362,764	439,387	500,544
Less: Income tax expenses	(1,466,834)	(1,134,183)	(92,964)	(82,940)
Net profit	8,145,732	7,228,581	346,423	417,604
(1) Classified by continuity of operations				
Net profit from continuing operations	8,145,732	7,228,581	346,423	417,604
Net profit from discontinued operations	-	-	-	-
(2) Classified by ownership of the equity				
Attributable to shareholders of the Company	8,041,853	7,177,925	346,423	417,604
Minority interests	103,879	50,656	-	-
Other comprehensive income, net of tax	(306,041)	184,270	13,474	(2,581)
Other comprehensive income attributable to equity owners of the Company, net of tax	(226,110)	216,310	13,474	(2,581)
(1) Other comprehensive income items which will not be reclassified subsequently to profit or loss	(4,559)	128,387	-	-
1) Changes arising from remeasurement of defined benefit plan	(4,538)	127,142	-	-
2) Changes in fair value of investments in other equity instruments	(21)	1,245	-	-

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(2) Other comprehensive income items which will be reclassified subsequently to profit or loss	(221,551)	87,923	13,474	(2,581)
1) Other comprehensive income that will be transferred subsequently to profit or loss under the equity method	20,146	(4,176)	13,474	(2,581)
2) Cash flow hedging reserve	228,680	117,901	-	-
3) Differences on translation of foreign currency financial statements	(438,048)	(25,802)	-	-
4) Other	(32,329)			
Other comprehensive income attributable to minority shareholders, net of tax	(79,931)	(32,040)	-	-
Total comprehensive income	7,839,691	7,412,851	359,897	415,023
Attributable to equity owners of the Company	7,815,743	7,394,235	359,897	415,023
Attributable to minority interests	23,948	18,616	-	-
Earnings per share:				
(1) Basic earnings per share (RMB Yuan)	1.18	1.06	Not applicable	Not applicable
(2) Diluted earnings per share (RMB Yuan)	1.18	1.05	Not applicable	Not applicable

Legal representative:
Fang Hongbo

Principal in charge of accounting:
Zhong Zheng

Head of accounting department:
Chen Lihong

Consolidated and Company Cash Flow Statements

Prepared by Midea Group Co., Ltd.

For the three months ended 31 March 2023

Unit: RMB'000

Item	For the three months ended 31 March 2023	For the three months ended 31 March 2022	For the three months ended 31 March 2023	For the three months ended 31 March 2022
	Consolidated	Consolidated	Company	Company
1. Cash flows from operating activities				
Cash received from sales of goods or rendering of services	76,222,164	77,541,698	-	-
Net increase in customer deposits and deposits from banks and other financial institutions	-	10,051	-	-
Net decrease in loans and advances	-	527,693	-	-
Net decrease in deposits with the Central Bank, banks and other financial institutions	53,905	-	-	-
Net increase in loans with the Central Bank	-	129,526	-	-
Cash received from interest, fee and commission	378,547	474,350	-	-
Refund of taxes and surcharges	1,940,204	2,324,371	-	-
Cash received relating to other operating activities	1,007,190	1,305,290	16,429,105	15,290,251
Sub-total of cash inflows	79,602,010	82,312,979	16,429,105	15,290,251
Cash paid for goods and services	(42,177,900)	(51,917,522)	-	-
Net increase in loans and advances	(2,738,924)	-	-	-
Net decrease in customer deposits and deposits from banks and other financial institutions	(9,818)	-	-	-
Net increase in balances with the Central Bank	-	(17,361)	-	-
Cash paid for interest, fee and commission	(6,333)	(35,019)	-	-
Cash paid to and on behalf of employees	(11,721,976)	(10,851,471)	(193,662)	(143,499)
Payments of taxes and surcharges	(4,663,631)	(3,966,746)	(5,357)	(156,665)
Cash paid relating to other operating activities	(9,011,116)	(7,545,874)	(634,476)	(730,277)
Sub-total of cash outflows	(70,329,698)	(74,333,993)	(833,495)	(1,030,441)
Net cash flows from operating activities	9,272,312	7,978,986	15,595,610	14,259,810
2. Cash flows from investing activities				
Cash received from disposal of investments	28,212,804	20,762,454	18,724,000	14,200,000
Cash received from returns on investments	1,247,758	1,537,811	1,093,165	1,093,468
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	40,201	28,857	-	23
Net cash received from disposal of subsidiaries and other business units	-	9,349	-	-
Cash received relating to other investing activities	-	335,082	-	-
Sub-total of cash inflows	29,500,763	22,673,553	19,817,165	15,293,491
Cash paid to acquire fixed assets, intangible assets and other long-term assets	(1,554,048)	(1,555,626)	(204,471)	(170,899)
Cash paid to acquire investments	(53,047,504)	(32,615,005)	(33,650,000)	(24,155,045)
Net cash paid to acquire subsidiaries and other business units	-	(39,180)	-	-
Cash paid relating to other investing activities	(1)	-	-	-
Sub-total of cash outflows	(54,601,553)	(34,209,811)	(33,854,471)	(24,325,944)
Net cash flows from investing activities	(25,100,790)	(11,536,258)	(14,037,306)	(9,032,453)
3. Cash flows from financing activities				
Cash received from capital contributions	479,733	556,188	468,718	555,188
Including: Cash received from capital contributions by minority shareholders of subsidiaries	11,015	1,000	-	-
Cash received from borrowings	11,302,163	7,529,546	400,000	-

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Cash received from issuance of bonds	-	2,841,690	-	-
Cash received relating to other financing activities	-	3,200	-	-
Sub-total of cash inflows	11,781,896	10,930,624	868,718	555,188
Cash repayments of borrowings	(1,764,323)	(954,060)	-	-
Cash payments for interest expenses and distribution of dividends or profits	(417,966)	(446,421)	(1,122,267)	(639,276)
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries	(30,823)	(21,038)	-	-
Cash payments relating to other financing activities	(530,869)	(942,998)	(68,903)	(649,449)
Sub-total of cash outflows	(2,713,158)	(2,343,479)	(1,191,170)	(1,288,725)
Net cash flows from financing activities	9,068,738	8,587,145	(322,452)	(733,537)
4. Effect of foreign exchange rate changes on cash and cash equivalents	(92,665)	(24,799)	-	-
5. Net increase in cash and cash equivalents	(6,852,405)	5,005,074	1,235,852	4,493,820
Add: Cash and cash equivalents at the beginning of the period	51,131,968	40,550,039	27,904,229	21,957,042
6. Cash and cash equivalents at the end of the period	44,279,563	45,555,113	29,140,081	26,450,862

Legal representative:
Fang Hongbo

Principal in charge of accounting:
Zhong Zheng

Head of accounting department:
Chen Lihong

4.2 Auditor's report

Is this Report audited by a CPA firm?

Yes No

This Report is not audited by a CPA firm.

The Board of Directors of Midea Group Co., Ltd.

29 April 2023