

Stock code: 000333

Stock name: Midea Group

Announcement No.: 2022-031

Midea Group Co., Ltd.**Interim Report for the First Quarter 2022**

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. 2022	Jan.-Mar. 2021		YoY Change (%)
		Before	Restated	Restated
Operating revenue (RMB'000)	90,381,167	82,504,017	82,504,017	9.55%
Net profit attributable to shareholders of the Company (RMB'000)	7,177,925	6,468,588	6,468,588	10.97%
Net profit attributable to shareholders of the Company before non-recurring gains and losses (RMB'000)	6,993,024	6,649,368	6,649,368	5.17%
Net cash flows from operating activities (RMB'000)	7,978,986	8,553,861	8,553,861	-6.72%
Basic earnings per share (RMB/share)	1.06	0.93	0.93	13.98%
Diluted earnings per share (RMB/share)	1.05	0.92	0.92	14.13%
Weighted average ROE (%)	5.57%	5.35%	5.35%	0.22%
	31 Mar. 2022	31 Dec. 2021		Change (%)

		Before	Restated	Restated
Total assets (RMB'000)	407,842,387	387,946,104	387,946,104	5.13%
Net assets attributable to shareholders of the Company (RMB'000)	132,301,754	124,868,124	124,868,124	5.95%

Reasons for the changes to the accounting policies:

The Company has prepared the financial statements for the year ended 31 December 2021 and for the three months ended 31 March 2022 according to the Q&A for the Implementation of the Accounting Standards for Business Enterprises issued by the Ministry of Finance on 2 November 2021. For transportation costs that were incurred before the control of goods was handed over to customers and for the purpose of executing sales contracts, the Company has reclassified them from selling and distribution expenses to cost of sales, and has retrospectively restated the relevant data in the same period of last year.

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

Total share capital of the Company on the last trading session before disclosure (share)	6,997,053,441
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Fully diluted earnings per share based on the latest share capital above:

Dividend paid to preference shareholders	-
Fully diluted earnings per share based on the latest share capital above (RMB/share)	1.0258

1.2 Non-recurring gains and losses

Applicable N/A

Unit: RMB'000

Item	Jan.-Mar. 2022	Note
Gains and losses on disposal of non-current assets	12,679	
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	-261,362	
Other	366,109	
Less: Corporate income tax	8,058	
Minority interests (after tax)	59,418	
Total	184,901	--

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 2022/January-March 2022	31 December 2021/January-March 2021	Change (%)	Reasons for the changes
Other current assets	46,465,237	33,156,012	40.14%	Mainly due to the increased monetary investment products
Loans with the Central Bank	308,403	178,878	72.41%	Mainly due to the changes in the operations of the finance business
Financial liabilities held for trading	1,565,346	-	100.00%	Mainly due to the increased business combinations
Derivative financial liabilities	252,234	157,602	60.04%	Mainly due to the changes in the fair value of derivative instruments
Employee benefits payable	4,551,048	7,535,168	-39.60%	Mainly due to the payment of salaries to employees
Bonds payable	2,853,438	-	100.00%	Mainly due to the issuance of bonds
Interest costs	33,226	15,059	120.64%	Mainly due to the changes in the operations of the finance business
Investment income	261,189	531,167	-50.83%	Mainly due to the decreased interest income from structured deposits
Gains/(losses) on changes in fair value	-416,409	-830,632	-49.87%	Mainly due to the changes in the fair value of financial assets
Asset impairment losses	6,945	1,400	396.07%	Mainly due to the increased gains on disposal of non-current assets
Net profit attributable to minority interests	50,656	100,849	-49.77%	Mainly due to the decreased profits of non-wholly-owned subsidiaries
Net cash flows from investing activities	-11,536,258	-932,059	-1137.72%	Mainly due to the increased cash paid to acquire investments
Net cash flows from financing activities	8,587,145	-3,537,964	342.71%	Mainly due to the decreased cash payments relating to other financing 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	438,206	Total number of preference shareholders with resumed voting rights at the	0
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				period-end (if any)		
Top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Number of shares held	Number of restricted shares held	Pledged or frozen shares	
					Status	Shares
Midea Holding Co., Ltd.	Domestic non-state-owned corporation	30.99	2,169,178,713		Pledged	100,000,000
Hong Kong Securities Clearing Company Limited	Foreign corporation	16.89	1,182,613,943			
China Securities Finance Co., Ltd.	Domestic non-state-owned corporation	2.83	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	86,140,000			
Canada Pension Plan Investment Board— own funds (stock exchange)	Foreign corporation	1.00	70,126,251			
Li Jianwei	Foreign individual	0.68	47,852,845			
Yuan Liqun	Domestic individual	0.56	39,320,997			
Huang Xiaoxiang	Domestic individual	0.54	37,835,332		Pledged	17,348,318
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	1,182,613,943	RMB common stock	1,182,613,943			
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	86,140,000	RMB common stock	86,140,000			
Canada Pension Plan Investment Board— own funds (stock exchange)	70,126,251	RMB common stock	70,126,251			
Li Jianwei	47,852,845	RMB common stock	47,852,845			
Yuan Liqun	39,320,997	RMB common stock	39,320,997			
Huang Xiaoxiang	37,835,332	RMB common stock	37,835,332			
Merrill Lynch International	35,362,310	RMB common stock	35,362,310			
Explanation of related relationship or/and acting-in-concert parties among the above-mentioned shareholders	N/A					

Special account for repurchased shares among the top 10 shareholders	126,983,003 common shares (or 1.81% of the Company's total share capital) 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 Yuan Liquan holds 680,000 shares in the Company through her common securities account and 38,640,997 shares in the Company through her account of collateral securities for margin trading, representing a total holding of 39,320,997 shares in the Company.</p> <p>The Company's shareholder Huang Xiaoxiang holds 27,257,332 shares in the Company through his common securities account and 10,578,000 shares in the Company through his account of collateral securities for margin trading, representing a total holding of 37,835,332 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

4.1.1 Consolidated and Company balance sheets

Consolidated and Company Balance Sheets

Prepared by Midea Group Co. Ltd.

As at 31 March 2022

Unit: RMB'000

ASSETS	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	Consolidated	Consolidated	Company	Company
Current assets:				
Cash at bank and on hand	69,846,860	71,875,556	42,594,726	48,153,997
Financial assets held for trading	5,759,640	5,879,202	3,386,356	3,442,317
Derivative financial assets	697,915	545,865	229,328	157,501
Notes receivable	4,881,564	4,784,914	-	-
Accounts receivable	29,667,624	24,636,440	-	-
Receivables financing	10,734,607	10,273,552	-	-
Advances to suppliers	4,676,190	4,352,807	224,001	106,838
Contract assets	4,258,097	3,823,476	-	-
Loans and advances	20,116,922	20,656,600	-	-
Other receivables	2,823,263	3,104,065	30,038,666	31,447,849
Inventories	41,761,065	45,924,439	-	-
Current portion of non-current assets	21,571,870	19,851,577	20,822,606	19,095,262
Other current assets	46,465,237	33,156,012	24,720,153	11,713,182
Total current assets	263,260,854	248,864,505	122,015,836	114,116,946
Non-current assets:				
Other debt investments	8,643,633	7,893,935	6,768,201	6,034,563
Long-term receivables	841,098	871,356	-	-
Loans and advances	871,011	851,927	-	-
Long-term equity investments	3,739,027	3,796,705	69,205,856	66,805,691
Investments in other equity instruments	43,536	45,747	-	-
Other non-current financial assets	7,050,279	5,912,873	471,007	537,214
Investment properties	838,482	859,195	418,091	428,460
Fixed assets	22,909,694	22,852,848	646,786	661,692
Construction in progress	3,233,882	2,690,930	918,984	800,243
Right-of-use assets	2,322,651	2,297,354	646	2,585
Intangible assets	16,846,723	17,173,072	665,199	669,158
Goodwill	27,370,595	27,874,752	-	-
Long-term prepaid expenses	1,409,424	1,394,240	86,332	79,799
Deferred tax assets	8,871,002	8,192,309	250,606	289,964
Other non-current assets	39,590,496	36,374,356	35,769,753	33,023,304
Total non-current assets	144,581,533	139,081,599	115,201,461	109,332,673
TOTAL ASSETS	407,842,387	387,946,104	237,217,297	223,449,619

Consolidated and Company Balance Sheets (Cont'd)

Prepared by Midea Group Co. Ltd.

As at 31 March 2022

Unit: RMB'000

LIABILITIES AND SHAREHOLDERS' EQUITY	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	Consolidated	Consolidated	Company	Company
Current liabilities:				
Short-term borrowings	13,388,929	5,381,623	-	-
Loans with the Central Bank	308,403	178,878	-	-
Customer deposits and deposits from banks and other financial institutions	88,231	78,180	-	-
Financial liabilities held for trading	1,565,346	-	-	-
Derivative financial liabilities	252,234	157,602	-	-
Notes payable	31,334,031	32,752,007	-	-
Accounts payable	64,861,539	65,983,559	-	-
Contract liabilities	26,513,521	23,916,595	-	-
Employee benefits payable	4,551,048	7,535,168	450,714	420,536
Taxes payable	4,510,543	5,404,267	658,013	1,184,813
Other payables	4,708,922	4,288,104	164,814,558	151,450,555
Current portion of non-current liabilities	26,999,131	28,947,540	90,666	92,647
Other current liabilities	53,360,594	48,227,953	12,804	35,932
Total current liabilities	232,442,472	222,851,476	166,026,755	153,184,483
Non-current liabilities:				
Long-term borrowings	19,531,218	19,734,020	12,509,900	12,509,900
Lease liabilities	1,580,313	1,533,552	-	-
Bonds payable	2,853,438	-	-	-
Provisions	311,704	310,571	-	-
Deferred income	1,197,587	1,228,459	154,015	154,015
Long-term employee benefits payable	1,539,671	1,825,016	-	-
Deferred tax liabilities	4,835,799	4,950,245	12,145	17,028
Other non-current liabilities	687,595	687,689	-	-
Total non-current liabilities	32,537,325	30,269,552	12,676,060	12,680,943
Total liabilities	264,979,797	253,121,028	178,702,815	165,865,426
Shareholders' equity:				
Share capital	6,999,815	6,986,564	6,999,815	6,986,564
Capital surplus	21,122,274	20,516,930	28,187,196	27,105,153
Less: Treasury stock	(14,624,578)	(14,044,550)	(14,624,578)	(14,044,550)
Other comprehensive income	(1,542,699)	(1,758,948)	(9,876)	(7,295)
General risk reserve	700,351	719,922	-	-
Special reserve	16,370	15,542	-	-
Surplus reserve	9,449,901	9,449,901	9,449,901	9,449,901
Undistributed profits	110,180,320	102,982,763	28,512,024	28,094,420
Total equity attributable to shareholders of the Company	132,301,754	124,868,124	58,514,482	57,584,193
Minority interests	10,560,836	9,956,952	-	-
Total shareholders' equity	142,862,590	134,825,076	58,514,482	57,584,193
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	407,842,387	387,946,104	237,217,297	223,449,619

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

4.1.2 Consolidated and Company income statements

Consolidated and Company Income Statements

Prepared by Midea Group Co., Ltd.

For the three months ended 31 March 2022

Unit: RMB'000

Item	For the three months ended 31 March 2022	For the three months ended 31 March 2021	For the three months ended 31 March 2022	For the three months ended 31 March 2021
	Consolidated	Consolidated	Company	Company
Total revenue	90,938,820	83,017,120	436,315	442,664
Including: Operating revenue	90,381,167	82,504,017	436,315	442,664
Interest income	557,424	513,036	-	-
Fee and commission income	229	67	-	-
Total operating cost	(82,511,495)	(75,354,650)	55,260	257,173
Including: Cost of sales	(70,336,385)	(64,720,868)	(10,369)	(11,610)
Interest costs	(33,226)	(15,059)	-	-
Fee and commission expenses	(1,520)	(1,776)	-	-
Taxes and surcharges	(388,006)	(390,356)	(10,612)	(18,648)
Selling and distribution expenses	(7,599,881)	(6,262,170)	-	-
General and administrative expenses	(2,380,911)	(2,404,839)	(407,140)	(233,265)
Research and development expenses	(2,926,616)	(2,519,694)	-	-
Financial income	1,155,050	960,112	483,381	520,696
Including: Interest expenses	(417,184)	(317,428)	(596,719)	(504,197)
Interest income	1,308,788	1,158,995	1,082,164	1,024,813
Add: Other income	373,682	345,651	-	152,367
Investment income	261,189	531,167	54,893	254,440
Including: Investment income from associates and joint ventures	103,807	136,353	59,564	70,473
Gains/(Losses) on changes in fair value	(416,409)	(830,632)	(49,401)	(249,001)
Credit impairment losses	(219,124)	(180,953)	-1,178.00	-664.00
Asset impairment losses	(117,425)	(115,967)	0	0
Gains on disposal of assets	6,945	1,400	(268)	(964)
Operating profit	8,316,183	7,413,136	495,621	856,015
Add: Non-operating income	65,080	72,204	5,218	448
Less: Non-operating expenses	(18,499)	(25,720)	(295)	-
Total profit	8,362,764	7,459,620	500,544	856,463
Less: Income tax expenses	(1,134,183)	(890,183)	(82,940)	(25,533)
Net profit	7,228,581	6,569,437	417,604	830,930
(1) Classified by continuity of operations				
Net profit from continuing operations	7,228,581	6,569,437	417,604	830,930
Net profit from discontinued operations	-	-	-	-
(2) Classified by ownership of the equity				
Attributable to shareholders of the Company	7,177,925	6,468,588	417,604	830,930

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Minority interests	50,656	100,849	-	-
Other comprehensive income, net of tax	184,270	(42,607)	(2,581)	11,480
Other comprehensive income attributable to equity owners of the Company, net of tax	216,310	(25,743)	(2,581)	11,480
(1) Other comprehensive income items which will not be reclassified subsequently to profit or loss	128,387	94,651	-	-
1) Changes arising from remeasurement of defined benefit plan	127,142	94,607	-	-
2) Changes in fair value of investments in other equity instruments	1,245	44	-	-
(2) Other comprehensive income items which will be reclassified subsequently to profit or loss	87,923	(120,394)	(2,581)	11,480
1) Other comprehensive income that will be transferred subsequently to profit or loss under the equity method	(4,176)	12,308	(2,581)	11,480
2) Cash flow hedging reserve	117,901	(197,769)	-	-
3) Differences on translation of foreign currency financial statements	(25,802)	65,067	-	-
Other comprehensive income attributable to minority shareholders, net of tax	(32,040)	(16,864)	-	-
Total comprehensive income	7,412,851	6,526,830	415,023	842,410
Attributable to equity owners of the Company	7,394,235	6,442,845	415,023	842,410
Attributable to minority interests	18,616	83,985	-	-
Earnings per share:				
(1) Basic earnings per share (RMB Yuan)	1.06	0.93	Not applicable	Not applicable
(2) Diluted earnings per share (RMB Yuan)	1.05	0.92	Not applicable	Not applicable

Legal representative:
Fang Hongbo

Principal in charge of accounting:
Zhong Zheng

Head of accounting department:
Chen Lihong

4.1.3 Consolidated and Company cash flow statements

Consolidated and Company Cash Flow Statements

Prepared by Midea Group Co., Ltd.

For the three months ended 31 March 2022

Unit: RMB'000

Item	For the three months ended 31 March 2022	For the three months ended 31 March 2021	For the three months ended 31 March 2022	For the three months ended 31 March 2021
	Consolidated	Consolidated	Company	Company
1. Cash flows from operating activities				
Cash received from sales of goods or rendering of services	77,541,698	70,624,192	-	-
Net increase in customer deposits and deposits from banks and other financial institutions	10,051	11,250	-	-
Net decrease in loans and advances	527,693	-	-	-
Net decrease in deposits with the Central Bank, banks and other financial institutions	-	823,134	-	-
Net increase in loans with the Central Bank	129,526	-	-	-
Cash received from interest, fee and commission	474,350	449,113	-	-
Refund of taxes and surcharges	2,324,371	2,185,291	-	-
Cash received relating to other operating activities	1,305,290	1,612,552	15,290,251	23,394,410
Sub-total of cash inflows	82,312,979	75,705,532	15,290,251	23,394,410
Cash paid for goods and services	(51,917,522)	(43,141,773)	-	-
Net increase in loans and advances	-	(3,182,455)	-	-
Net increase in balances with the Central Bank	(17,361)	-	-	-
Cash paid for interest, fee and commission	(35,019)	(17,033)	-	-
Cash paid to and on behalf of employees	(10,851,471)	(10,119,594)	(143,499)	(5,245)
Payments of taxes and surcharges	(3,966,746)	(3,252,112)	(156,665)	(14,624)
Cash paid relating to other operating activities	(7,545,874)	(7,438,704)	(730,277)	(7,745,089)
Sub-total of cash outflows	(74,333,993)	(67,151,671)	(1,030,441)	(7,764,958)
Net cash flows from operating activities	7,978,986	8,553,861	14,259,810	15,629,452
2. Cash flows from investing activities				
Cash received from disposal of investments	20,762,454	27,124,590	14,200,000	17,800,000
Cash received from returns on investments	1,537,811	942,913	1,093,468	987,658
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	28,857	16,233	23	255
Net cash received from disposal of subsidiaries and other business units	9,349	2,479	-	-
Cash received relating to other investing activities	335,082	-	-	-
Sub-total of cash inflows	22,673,553	28,086,215	15,293,491	18,787,913
Cash paid to acquire fixed assets, intangible assets and other long-term assets	(1,555,626)	(2,145,202)	(170,899)	(78,204)
Cash paid to acquire investments	(32,615,005)	(26,718,699)	(24,155,045)	(25,870,441)
Net cash paid to acquire subsidiaries and other business units	(39,180)	(146,982)	-	-
Cash paid relating to other investing activities	-	(7,391)	-	-
Sub-total of cash outflows	(34,209,811)	(29,018,274)	(24,325,944)	(25,948,645)
Net cash flows from investing activities	(11,536,258)	(932,059)	(9,032,453)	(7,160,732)
3. Cash flows from financing activities				
Cash received from capital contributions	556,188	358,749	555,188	358,749
Including: Cash received from capital contributions by minority shareholders of subsidiaries	1,000	-	-	-
Cash received from borrowings	7,529,546	9,152,583	-	6,200,000
Cash received from issuance of bonds	2,841,690	-	-	-
Cash received from issuance of short-term financing bonds	-	2,999,629	-	2,999,629
Cash received relating to other financing activities	3,200	16,742	-	-

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Sub-total of cash inflows	10,930,624	12,527,703	555,188	9,558,378
Cash repayments of borrowings	(954,060)	(5,081,076)	-	(4,308,744)
Cash paid for repayment of short-term financing bonds	-	(3,000,000)	-	(3,000,000)
Cash payments for interest expenses and distribution of dividends or profits	(446,421)	(426,488)	(639,276)	(461,849)
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries	(21,038)	(81,772)	-	-
Cash payments relating to other financing activities	(942,998)	(7,558,103)	(649,449)	(7,394,100)
Sub-total of cash outflows	(2,343,479)	(16,065,667)	(1,288,725)	(15,164,693)
Net cash flows from financing activities	8,587,145	(3,537,964)	(733,537)	(5,606,315)
4. Effect of foreign exchange rate changes on cash and cash equivalents	(24,799)	(50,198)	-	-
5. Net increase in cash and cash equivalents	5,005,074	4,033,640	4,493,820	2,862,405
Add: Cash and cash equivalents at the beginning of the period	40,550,039	23,548,509	21,957,042	16,595,063
6. Cash and cash equivalents at the end of the period	45,555,113	27,582,149	26,450,862	19,457,468

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.

30 April 2022