

Midea Group (A) (China) : Merger with Wuxi Little Swan (A) (China) and Wuxi Little Swan (B) (China) - Informative Notice 29 April 2019

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FTSE Russell notes the upcoming stock acquisition on Wuxi Little Swan (A) (China, Sedol 6982511, Stock Connect Sedol BD5LY06) and Wuxi Little Swan (B) (China, Sedol 6949776) by Midea Group (A) (China, Sedol BDVHRJ8, Stock Connect Sedol BD5CPP1) whereby Midea Group (A) will be the surviving company after the acquisition.

Under the scheme, Wuxi Little Swan shareholders will receive 1.11584206 Midea Group (A) shares for every Wuxi Little Swan (A) share held and 0.90556613 Midea Group (A) shares for every Wuxi Little Swan (B) share held.

As per the latest company announcement, the last trading day for both Wuxi Little Swan (A) and Wuxi Little Swan (B) will occur on 07 May 2019. Midea Group (A) will also be suspended starting 08 May 2019 in order to facilitate the acquisition before resuming in due course.

At the March 2019 review, Midea Group (A) failed the Minimum Foreign Head Room Requirement and its investability weighting was decreased accordingly at that time. FTSE Russell has evaluated the current foreign headroom of Wuxi Little Swan (A and B) and consequently it is anticipated that the combined entity (Midea Group (A)) will continue to fail the Minimum Foreign Head Room Requirement. Therefore FTSE Russell intends to delete Wuxi Little Swan (A) and Wuxi Little Swan (B) from all applicable indexes at market price at the close of 07 May 2019 (i.e. effective from the open on 08 May 2019) **with no associated up-weight in Midea Group (A).**

Subsequently during the June 2019 review, the shares in issue, investability weighting, and foreign headroom of the combined entity will be assessed.

FTSE Russell will issue further notices confirming index treatment for the stock acquisition in due course.

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