

The Operational Guidelines for Investors
on the B-to-A-Stock Account Conversion
with regard to the Stock-for-Stock Merger
of Wuxi Little Swan Company Limited
by Midea Group Co., Ltd.
and the Related-Party Transaction

May 2019

Explanation about the Amendments

As per the Reply of the Foshan Central Sub-Branch of the State Administration of Foreign Exchange on the Foreign Exchange Affairs in Midea Group Co., Ltd.'s Merger with Wuxi Little Swan Company Limited in a Share Swap via A-share Offering (F.H.F [2019] No. 1) issued on 22 April 2019, for any Little Swan foreign investor with A-shares of the Midea Group stock through the share swap who wishes to remit abroad their A-share dividends and proceeds from the reduction of such shareholdings in any foreign currency, they shall proceed according to the Notice of the General Office of the People's Bank of China on the Issues concerning the Opening and Foreign Exchange Administration of Accounts of Foreign Shareholders of A-share Listed Companies for Shareholding Reduction and Dividends (Y.B.F [2009] No. 178).

As per the aforesaid F.H.F [2019] No. 1 Document and the Y.B.F [2009] No. 178 Document, as well as the communications with the foreign exchange administration and all the other parties concerned, we would like to draw investors' attention to the amendments and explanations hereby given with regard to the foreign exchange and remittance application procedure for any foreign institutional investor as mentioned in this Operational Guidelines, either trading domestically or overseas, who wishes to remit abroad their A-share dividends and proceeds from the reduction of such shareholdings in any foreign currency in the future.

Special Notes

The scheme on stock-for-stock merger of Wuxi Little Swan Company Limited by Midea Group Co., Ltd. through the listing of A-shares and the associated transactions has been reviewed and approved by the General Meeting of Shareholders of Midea Group Co., Ltd. and Wuxi Little Swan Company Limited respectively on 21 December 2018. On 12 March 2019, China Securities Regulatory Commission issued the Official Reply on Approval of Stock-for-stock Merger of Wuxi Little Swan Company Limited by Midea Group Co., Ltd. (Z.J.X.K [2019] No. 352).

After the foreign investors of Little Swan are converted into A-shareholders of Midea Group, the allocation of the relevant special A-share accounts, the opening of capital accounts, as well as the foreign exchange and remittance procedure for dividends and proceeds from shareholding reduction become complicated. In particular, it will require more materials, as well as a longer time and procedure for a foreign institutional investor to exchange currencies and remit the relevant funds abroad. If the foreign institutional investor fails to provide all the required materials for outward remittance, the remittance may not be able to be made in time. Therefore, foreign investors are kindly reminded to pay attention to the relevant risks.

In order to ensure smooth implementation of this stock-for-stock merger and to guide the securities companies and investors to complete the operation businesses of account conversion related to the transfer from Little Swan's B-shares to Midea Group's A-shares, the Operational Guidelines have been prepared based on

communications and discussions among all related parties.

Part of basic procedures concerning this account conversion, such as the withdrawal registration of B-shares and initial registration of A-shares, will be further defined by relevant regulatory organizations or executive organizations by issuing documents or notices. This Operational Guidelines just serve as general description and the specific operational procedures shall be subject to the documents or notices issued by relevant regulatory organizations or executive organizations.

This Operational Guidelines are prepared in both Chinese and English. In case of any discrepancy, the Chinese version shall prevail.

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Part I: Business Notice

As many types of investors are involved in this stock-for-stock merger of Little Swan by Midea Group and the business operations relating to the account conversion of different investors vary, in order to guarantee that all types of investors can conduct transactions smoothly after Little Swan's B-shares are converted into Midea Group's A-shares, we hope that investors can carefully read the following instructions on the type of investors, confirm which one you fall into and read corresponding part in Part II "Operational Guidelines for Investors" herein to complete account conversion and subsequent business operations.

I. Classification of B-share Investors

Investor is classified into domestic investor, foreign **individual** investor for domestic transaction, **foreign institutional investor for domestic transaction**, foreign **individual** investor for non-domestic transaction and **foreign institutional investor for non-domestic transaction** in accordance with the identity type of the investor, declaration ways for future transactions, as well as **foreign exchange and outbound remittance paths**.

| Type of Investor | Standard of Classification |
|---|--|
| Domestic individual investor | The domestic individual investor who opens a B-share securities account in domestic securities company and conducts transaction through the transaction system of domestic securities company. |
| Foreign individual investor for domestic transaction | The foreign individual investor who opens a B-share securities account in domestic securities company and conducts transaction through the transaction system of domestic securities company. |
| Foreign institutional | The foreign institutional investor who opens a B-share |

| | |
|---|---|
| investor for domestic transaction | securities account in domestic securities company and conducts transaction through the transaction system of domestic securities company. |
| Foreign individual investor for non-domestic transaction | The foreign individual investor who opens an independent B-share securities account in foreign broker and conducts transaction through the foreign broker. |
| Foreign institutional investor for non-domestic transaction | The foreign institutional investor who opens an independent B-share securities account in foreign broker and conducts transaction through the foreign broker. |

II. Classification of Investors of Operational Guidelines

Account conversion procedures and subsequent operations involved in this stock-for-stock merger of Little Swan by Midea Group are classified and operated in accordance with the types of investor shown below. After confirming the type of B-share securities account, investor can understand his/her own type in accordance with the following standards of classification and accordingly read corresponding contents of this Guideline to operate this account conversion business:

| Type of Investor | Standard of Classification | Corresponding Contents of Operational Guidelines |
|------------------------------|--|--|
| Domestic individual investor | The domestic individual investor who opens a B-share securities account in domestic securities company and conducts transaction through the transaction system of domestic securities company. | Part II "Chapter I Domestic Individual Investor" |

| | | |
|--|---|---|
| <p>Foreign individual investor for domestic transaction</p> | <p>The foreign individual investor who opens a B-share securities account in domestic securities company and conducts transaction through the transaction system of domestic securities company.</p> | <p>Part II “Chapter II Foreign Individual Investor for Domestic Transaction”</p> |
| <p>Foreign institutional investor for domestic transaction</p> | <p>The foreign institutional investor who opens a B-share securities account in domestic securities company and conducts transaction through the transaction system of domestic securities company.</p> | <p>Part II “Chapter III Foreign Institutional Investor for Domestic Transaction”</p> |
| <p>Foreign individual investor for non-domestic transaction</p> | <p>The foreign individual investor who opens an independent B-share securities account in foreign broker and conducts transaction through the foreign broker.</p> | <p>Part II “Chapter IV Foreign Individual Investor for Non-domestic Transaction”</p> |
| <p>Foreign institutional investor for non-domestic transaction</p> | <p>The foreign institutional investor who opens an independent B-share securities account in foreign broker and conducts transaction through the foreign broker.</p> | <p>Part II “Chapter V Foreign Institutional Investor for Non-domestic Transaction”</p> |

III. Comparison Table of Main Differences between B-shares and A-shares

| Contents of Comparison | B-shares | A-shares |
|---|--|--|
| Trading date | Monday to Friday, trading suspended on Saturday, Sunday and national holidays | Monday to Friday, trading suspended on Saturday, Sunday and national holidays |
| Way of order quotation | Market order: The quotation is made at the market price and the declaration can only be made during continuous trading hours | Market order: The quotation is made at the market price and the declaration can only be made during continuous trading hours |
| | Limit order: The quotation is made at a specified price | Limit order: The quotation is made at a specified price |
| The trade declaration is processed by the system of exchange before opening | 9:15 to 9:20: Accept the trade declaration and the cancellation | 9:15 to 9:20: Accept the trade declaration and the cancellation |
| | 9:20 to 9:25: Accept the trade declaration, but do not accept the declaration of cancellation | 9:20 to 9:25: Accept the trade declaration, but do not accept the declaration of cancellation |
| | 9:25 to 9:30: Accept the trade declaration and the declaration of cancellation, but do not process it | 9:25 to 9:30: Accept the trade declaration and the declaration of cancellation, but do not process it |
| Continuous trading hours | 9:30 to 11:30 and 13:00 to 14:57 | 9:30 to 11:30 and 13:00 to 14:57 |
| Stage of closing call auction | 14:57 to 15:00 | 14:57 to 15:00 |
| Minimum declared quantity of buying for single transaction | 100 shares | 100 shares |
| Quantity sold less than the | Zero share, one-off sale | Zero share, one-off sale |

| | | |
|--|----------|---|
| minimum declared quantity for single transaction | declared | declared |
| Minimum fluctuating price | HKD 0.01 | RMB 0.01 |
| Limit of price change | 10% | 10% |
| Rotary trading day | T+1 day | T+1 day |
| Settlement system | T+3 day | Shares are delivered on the T + 0 day, while the fund is delivered on the T + 1 day |
| Margin trading | None | Yes |

The above differences are concluded only by making comparison between the B-shares and A-shares, which are not applicable to the all the investors after Little Swan's B-shares are converted into Midea Group's A-shares. Different business operations apply to different types of investors. For details, please refer to corresponding contents in the Part II herein.

Part II Operational Guidelines for Investors

Chapter I Domestic Individual Investor

In order to guarantee that investors can conduct transactions smoothly after Little Swan's B-shares are converted into Midea Group's A-shares, the domestic individual investors, to which this Chapter is applicable, shall fully understand and confirm the matters shown below:

1. With respect to the investor who holds Midea Group's A-shares as the shares are not sold on the last trading day of Little Swan's B-shares and fails to validly declare the cash option, sale of shares in future will be liquidated by RMB and settled by RMB finally;
2. With respect to the B-share investor who has not declared an A-share account as at 30 May 2019, CSDC shall allocate one transfer registration restricted account which only can make the sell order declaration but cannot make the buy order declaration. Investors shall fully understand the restrictions on trading;
3. It is required that the investor who is allocated the transfer registration restricted account shall handle formalities relating to third party custody in the securities company in accordance with the requirements of the A-shares securities at the time of opening account;
4. Investor shall confirm that he/she is the investor, to which this Chapter is applied, otherwise, potentially, relevant contents of this Operational Guidelines are not complete applicable;
5. Investors shall fully understand the differences of trading rules and expenses between B-shares and A-shares;
6. The stock code of trade declaration of Midea Group's A-shares is "000333" and name of securities is "Midea Group";
7. Investors shall continuously pay attention to relevant announcements issued by Little Swan and Midea Group and learn the progress of this stock-for-stock merger;
8. Investors may inquire of the securities company where transactions of B-share

securities account are made about the specific ways of business operation relating to the account conversion.

Section I Business-related Organizations

| Full name of organization | Abbreviation in this Guidelines | Main relevant matters |
|--|---------------------------------|---|
| Midea Group Co., Ltd. | Midea Group | Information disclosure |
| Wuxi Little Swan Company Limited | Little Swan, Littleswan-B | Information disclosure |
| China Securities Depository and Clearing Corporation Limited | CSDC | Allocation of transfer registration restricted account |
| Shenzhen Stock Exchange | SZSE | Restrictions on buy order declaration of transfer registration restricted account |
| Domestic securities companies | Domestic securities companies | Handle all business applications of investors and consultation, communication and notice; assist investors in opening common A-share securities account, A-share securities account and assist investors to complete the handling formalities of third party custody meanwhile. |

Section II Determine the Securities Account and Custody Unit of A-shares of Midea Group

As Littleswan-B investors' existing B-share accounts cannot be directly converted into accounts of Midea Group A-shares, and SZSE implements the shares custody transfer trading system, one investor may have more than one custody units under one securities account. The securities account and custody unit of A-shares of Midea Group will be determined in accordance with the principles shown below after stock conversion:

1. After asking for the advices of investors, the domestic securities company which serves as the custody unit of Littleswan-B shares shall declare the securities account and custody unit of A-shares for each investor of Littleswan-B shares before 30 May 2019, which shall ensure investors can normally trade the A-shares of Midea Group.

A-shares of Midea Group will be held in the declared securities account of A-shares corresponding to the original securities account of B-shares after Littlewan-B shares are converted into A-shares of Midea Group. A-shares of Midea Group will be held in custody in the declared custody unit of A-shares corresponding to the original custody unit of B-shares after Littleswan-B shares are converted into A-shares of Midea Group. The mistaken declaration information on the securities account and custody unit of A-share, if any, may result in that investors are unable to normally register or sell A-share obtained after Littleswan-B shares are converted into A-shares of Midea Group, please check and ensure the information declared to be correct.

Manners to declare securities account and custody unit: Please complete the Declaration Table for the Corresponding Relationship between the Securities Account and Custody Unit of A-shares and the Securities Account and Custody Unit of B-shares (refer to Appendix 1 for details) and send the following documents to sndd@citics.com:

- 1) Copy and paste the completed Declaration Table in the body of the message;
- 2) Print and seal the completed Declaration Table, and send the scanned copy as an attachment of the message.

At the time of declaration, please completely declare the information on the securities account and custody unit of A-shares corresponding to the securities account and custody unit of B-shares. In case the information on the corresponding relationship would be declared for more than one times, the full declaration information which is received last by our company will prevail.

2. Where the securities account of A-shares fails to be declared before the designated deadline, A-shares will be transferred to the transfer registration restricted account designated by CSDC. For details, please refer to “Section III Transfer Registration Restricted Account” in this chapter. Where the custody unit of A-shares fails to be declared before the designated deadline, A-shares will be transferred to the custody unit designated by CITIC Securities, and investor may contact the CITIC Securities directly to handle custody transfer or make transaction directly.

If there are any questions, please contact Shennan Avenue Business Department of CITIC Securities Co., Ltd.

Contact information relating to the consultation and business of CITIC Securities:

Contact person: Shennan Avenue Business Department of CITIC Securities Co., Ltd.

Address: Room 301A, Tower A, Xinian Center, No. 6021, Shennan Avenue, Futian District, Shenzhen

Tel.: 86-0755-83477942 (He Ying)

86-0755-83477944 (Luo Yixi)

86-0755-83477915 (Yang Zheng)

86-0755-83477941 (Shao Qicong)

Fax: 86-0755-83459951

Email: sndd@citics.com

Section III Transfer Registration Restricted Account

I. Allocation of transfer registration restricted account and third-party depository business handling

With respect to the domestic individual investor who has not declared an A-share securities account, Midea Group will apply to CSDC for allocating one transfer registration restricted account to the aforesaid investor free of any charge in accordance with the information of B-share securities account. As this securities account is restricted, only the sell order declaration can be made and other purposes are forbidden.

During the course to allocate the transfer registration restricted account, investors need not carry out any extra operation. After the transfer registration restricted account is allocated, the securities company will notify investors of relevant matters concerning the allocation of transfer registration restricted account by network, telephone, text message, announcement in places of business, etc. Business department of each securities company will assist the investor in opening the transfer registration restricted account, and investor is required to handle the third-party depository formalities for the transfer registration restricted account in the business department of securities account before making subsequent sell order transactions relating to the transfer registration restricted account.

Investor is required to sign the third-party depository agreement and handle the third-party depository formalities relating to the fund account in accordance with relevant regulations concerning third-party depository business of fund account specified by the securities company. The general handling procedures are that the securities company sends the pre-designated information relating to the fund account with RMB settlement function to the third-party depository bank, investor handles third-party depository formalities of fund account in the business branch of depository bank and then the third-party deposit of investor's fund account is achieved. Investor may inquire of the securities company where transactions of B-share securities account are made about the specific procedures for business handling and required

information.

After the transfer registration restricted account is allocated, investor may inquire of the securities company which designates the custody unit of A-shares for him/her by inquiry counter, telephone, online trading system, etc. If there is no custody unit of A-shares designated for investor, he/she may inquire of CITIC Securities Co., Ltd by inquiry counter, telephone, online trading system, etc.

II. Way of order

After the listing of A-shares of Midea Group, way of sell order relating to the investor's transfer registration restricted account will be declared in the way of order that investor has applied to the business department of securities company where transactions of transfer registration restricted account are made to open; where the online trading order has been opened, investor may login in the online trading system through the account number and trading password of the transfer registration restricted account, inquire about the remaining A-shares of Midea Group and fund balance of transfer registration restricted account and make sell order declaration.

III. Real-time market situation

Investor may obtain the real-time market situation and information of and suspension and resumption of trading relating to the A-shares of Midea Group through the existing market situation display channel and way of the securities company where transactions of transfer registration restricted account are made, such as on-site self-service terminal of business department, online trading client terminal, etc.

IV Main trading rules

Stock code of sell order declaration of A-shares of Midea Group is "000333" and name of securities is "Midea Group". The way of sell order declaration is basically same as the operation of B-shares.

(I) Limit of change

A-shares shall not increase or decrease by 10% from the closing price of last trading day within trading hours that day.

Limit of change on ST shares and the shares that split share structure reform has not been finished is 5%.

(II) Rotary trading system

The T + 1 rotary trading system is implemented for the A-shares, namely, the shares brought that day can be sold in the following day. The investor relating to the transfer registration restricted account is only allowed to make the sell order declaration, so the rotary trading is not applicable.

(III) Trading unit

The transfer registration restricted account can only make the sell order and the declared quantity shall be 100 shares or its integral multiple. One-off sale declaration shall be made for the remaining shares less than 100 shares.

(IV) Minimum fluctuating price

Minimum fluctuating unit of declared price of A-shares is RMB 0.01.

(V) Trading hours

Monday to Friday (excluding the national holidays and day of suspension of trading stipulated by exchange);

9:15 to 9:25 of each trading day is the stage of opening call auction, wherein:

9:15 a.m. to 9:20 a.m.: Accept the trade declaration and the cancellation

9:20 a.m. to 9:25 a.m.: Accept the trade declaration, but do not accept the declaration of cancellation

The order that is not made during the call auction will automatically enter into the continuous auction;

From 9:30 to 11:30 and from 13:00 to 14:57 of each trading day is the time of continuous auction;

14:57 to 15:00 is the stage of closing call auction.

V. Liquidation and settlement

Same rules are applied in transfer registration restricted account and ordinary A-share securities account and shares are liquidated and settled on the T + 0 day, which means that the quantity of shares equal to the quantity of shares sold and concluded that day (T day) by the investor will be decreased in the securities account that day; the fund is settled on the T + 1 day, which means that the investor can withdraw the fund obtained from the sale of shares that day (T day) in the following trading day (T + 1

day).

VI. Payment of fund

As the fund account with RMB settlement function has been opened and the third-party depository formalities have been handled in accordance with the current account opening requirements relating to the A-share securities account when the transfer registration restricted account of investors is opened, the investor may transfer and withdraw the fund obtained from the sale of shares through the third-party depository bank of A-shares on the T + 1 day.

Investor cannot complete the sell order of A-shares of Midea Group through the transfer registration restricted account until the transfer registration restricted account has been opened in the securities company where transactions of transfer registration restricted account will be made and third-party depository formalities have been handled, so the investor needs to handle relevant business formalities in the business department of securities company as early as possible.

VII. Capitalizing of common reserves, bonus shares and dividend distribution

The capitalizing of common reserves, registration of bonus shares and dividend distribution relating to the shares in the transfer registration restricted account shall be handled by reference to the existing normal A-share account.

VIII. Differentiated dividend tax

Calculation and withholding of differentiated dividend tax are handled in accordance with the existing business rules.

Section IV Trading Cost

Trading cost relating to the investor who has established association relationship between the subaccount of A-shares and subaccount of B-shares and the investor who is allocated the transfer registration restricted account is same as the current transaction cost of ordinary A-share securities account.

| Name of Trading Cost | Rate | Ordinary B-share Securities Account | Ordinary A-share Securities Account | Transfer Registration Restricted Account |
|--|--|-------------------------------------|-------------------------------------|--|
| Commission for domestic account opening securities company | Refer to original transaction commission of A-share or B-share | √ | √ | √ |
| Stamp tax | 0.1% (only charge the seller) | √ | √ | √ |
| Liquidation expense | 0.05% (charged based on the trading amount) | √ | | |
| Handling fee | 0.0487‰ of the trading amount(charge the buyer and seller) | √ | √ | √ |
| Registration and transfer fee | 0.02‰ of the trading amount(charge the buyer and seller) | | √ | √ |
| Supervision fee | 0.02‰ of the trading amount(charge the buyer and seller) | √ | √ | √ |

Section V Inquiry Business

After Little Swan-B shares are converted into A-shares of Midea Group, the investor who has established one password association relationship between the subaccount of A-shares and subaccount of B-shares may inquire about the remaining securities in the account and balance of fund in the current inquiry way relating to the securities account in the securities company where transactions of A-share securities account are made; The investor who is allocated the transfer registration restricted account may make an inquiry in the current inquiry way relating to the securities account in the securities company where transactions of transfer registration restricted account are made.

In addition, all investors may obtain all the disclosed information relating to this stock-for-stock merger on the website of SZSE (<http://www.szse.cn/>).

Section VI Change of Account Information

The information relating to the transfer registration restricted account is copied from current information of investor's B-share securities. The investor whose identity information is changed is required to contact the securities company promptly, which is required to promptly handle the information change to the B-share securities account and transfer registration restricted account to ensure consistency.

Section VII General Meeting of Shareholders

Investors may attend the General Meeting of Shareholders and make the voting on the scene in person or by proxy. With respect to the investors who intends to be present at the meeting, at the day of General Meeting of Shareholders, individual investors shall hold stock account card (the investors allocated the transfer registration restricted account may only hold the original B-share securities account card), personal ID card or other valid certificates or paper of identification that can prove the identity); representative of institutional investors shall hold the stock account card (the investors allocated the transfer registration restricted account may only hold the original B-share securities account card) and certificate provided by the unit of shareholder when attending the General Meeting of Shareholders. Agent shall also present the power of attorney and valid personal ID.

After the custody relationship for the transfer registration restricted account has been established and third-party depository formalities have been handled, investors may make the online voting in accordance with the current voting procedures for the ordinary A-share securities account.

Section VIII Allotment of Shares

Before foreign residents can subscribe A-shares, or foreign residents sell all A-shares of Midea Group held by them, Midea Group will take the fact that the part of trading rights relating to the A-share securities account are restricted with extreme caution and fully consider fairness of participation right of various investors when handling relevant matters including allotment of shares.

Section IX Cancellation of Transfer Registration Restricted Account

When remaining A-shares of Midea Group in the transfer registration restricted account of an investor is zero, the securities company where transactions of transfer registration restricted account are made may cancel the transfer registration restricted account.

Section X Pledge, Freezing and Non-trading Transfer of Account

1. Pledge, non-trading transfer business: are handled in accordance with relevant business rules of CSDC.
2. Judicial business: is implemented with assistance provided by each securities company and CSDC.

Chapter II Foreign Individual Investor for Domestic Transactions

In order to guarantee that investors can conduct transactions smoothly after B-shares of Little Swan are converted into A-shares of Midea Group, the foreign individual investors for domestic transactions, to which this Chapter is applicable, shall fully understand and confirm the matters shown below:

1. With respect to the investor who holds the A-shares of Midea Group as the shares are not sold on the last trading day of Little Swan B-shares and fails to validly declare the cash option, sale of shares in future will be liquidated by RMB and settled by HKD finally by each securities company after purchasing foreign exchange through the foreign exchange purchase bank, and the exchange rate when purchasing foreign exchange uses the selling price of spot exchange of RMB to HKD on the day when the foreign exchange purchase bank purchasing foreign exchange;
2. With respect to the foreign individual investors for domestic transactions, to which this chapter is applicable, “Section II Determine the Securities Account and Custody Unit of A-shares of Midea Group” of this chapter can be referred to for declaring an available A-share account (if any). If there is no A-shares account or no declaration, Midea Group shall apply to CSDC to allocate one transfer registration restricted account which only can be used to make the sell order declaration and shall not be used for other purposes. Relevant investors shall fully understand the restrictions on trading;
3. Investor shall confirm that he/she is the investor, to which this Chapter is applied, otherwise, potentially, relevant contents of this Operational Guidelines are not complete applicable;
4. Investors shall fully understand the differences of trading rules and expenses between B-shares and A-shares;
5. The stock code of trade declaration of A-shares of Midea Group is 000333 and name of securities is “Midea Group”;
6. Investors shall continuously pay attention to relevant announcements issued by Little Swan and Midea Group and learn the progress of this stock-for-stock merger;

7. Investors may inquire of the securities company where transactions of B-shares securities account are made about the specific ways of business operation relating to the account conversion.

Section I Business-related Organizations

| Full name of organization | Abbreviation in this Guidelines | Main relevant matters |
|--|---------------------------------|---|
| Midea Group Co., Ltd. | Midea Group | Information disclosure |
| Wuxi Little Swan Company Limited | Little Swan, Littleswan-B | Information disclosure |
| China Securities Depository and Clearing Corporation Limited | CSDC | Allocation of transfer registration restricted account |
| Shenzhen Stock Exchange | SZSE | Restrictions on buy order declaration of transfer registration restricted account |
| Domestic securities companies | Domestic securities companies | Handle all business applications of investors and consultation, communication and notice; assist investors in opening transfer registration restricted account and assist investors to complete the handling formalities of third party custody meanwhile |

Section II Determine the Securities Account and Custody Unit of A-shares of Midea Group

As the current securities accounts of B-shares held by investors of B-shares of Little Swan cannot be used to directly register A-shares of Midea Group and SZSE implements the shares custody transfer trading system, one investor may have more than one custody unit under one securities account. The securities account and custody unit of A-shares of Midea Group will be determined in accordance with the principles shown below after stock conversion:

1. After asking for the advices of investors, the domestic securities company where transactions of B-shares of Little Swan are conducted shall declare the securities account and custody unit of A-shares for each investor of Little Swan B-shares before 30 May 2019, which shall ensure investors can normally trade the A-shares of Midea Group.

The B-shares of Little Swan registered in original securities account of B-shares will be registered in the declared securities account of A-shares after converted into A-shares of Midea Group. The B-shares of Little Swan will be trusted in the declared custody unit of A-shares after the conversion. The mistaken declaration information on the custody unit of A-shares, if any, may result in that investors are unable to normally register or sell A-shares obtained after Little Swan B-shares are converted into A-shares of Midea Group, please check and ensure the information declared is correct. Manners to declare securities account and custody unit: Please complete the *Declaration Table for the Corresponding Relationship between the Securities Account and Custody Unit of A-shares and those of B-shares* (refer to Appendix 1 for details) and send the following documents to sndd@citics.com:

- 1) Copy and paste the completed Declaration Table in the body of the message;
- 2) Print and seal the completed Declaration Table, and send the scanned copy as an attachment of the message.

At the time of declaration, please completely declare the information on the securities account and custody unit of A-shares corresponding to those of B-shares. In case the

information on the corresponding relationship would be declared for more than one times, the full declaration information which is received last by our company will prevail.

2. Where the securities account of A-shares fails to be declared before the designated deadline, A-shares after conversion will be registered to the transfer registration restricted account of related investors opened by CSDC, please refer to “Section III Transfer Registration Restricted Account” of this chapter. Where the custody unit of A-shares fails to be declared before the designated deadline, A-shares after conversion will be transferred to the custody unit designated by CITIC Securities, and investor may contact the CITIC Securities directly to handle custody transfer or make transaction directly.

If there are any questions, please contact Shennan Avenue Business Department of CITIC Securities Co., Ltd.

Contact information relating to the consultation and business of CITIC Securities:

Contact person: Shennan Avenue Business Department of CITIC Securities Co., Ltd.

Address: 301A, Building A, Xinian Center, No. 6021, Shennan Avenue, Futian District, Shenzhen

Tel.: 86-0755-83477942 (He Ying)

86-0755-83477944 (Luo Yixi)

86-0755-83477915 (Yang Zheng)

86-0755-83477941 (Shao Qicong)

Fax: 86-0755-83459951

Email: sndd@citics.com

Section III Transfer Registration Restricted Account

I. Allocation of Transfer Registration Restricted Account

After completing the business of cash option of B-shares of Little Swan, with respect to the foreign individual investor for domestic transactions without or not declaring securities account of A-shares, Midea Group will apply to CSDC for allocating one transfer registration restricted account to the aforesaid free of any charge in accordance with the information of B-shares securities account. As this securities account is specially restricted, only the sell order declaration can be made and other purposes are forbidden.

The securities company will notify investors of relevant matters concerning the allocation of transfer registration restricted account by network, telephone, text message, announcement in places of business, etc. Business department of each securities company will assist the investor in opening the function of settlement by RMB for original capital account of B-shares before making subsequent sell order transactions relating to the transfer registration restricted account.

During the course to allocate the transfer registration restricted account, investors need not carry out any extra operation. Before the listing of additional A-shares of Midea Group on the stock market, securities company where the securities account of B-shares of investors belongs will notify investors of relevant matters concerning the allocation of transfer registration restricted account by network, telephone, text message, announcement in places of business. Please be aware of the relevant notices and announcements on the occasion.

After the transfer registration restricted account is allocated, investors can inquire of the designated security company of A-shares custody unit via consultancy at counter, telephone, online transaction system, etc. If no custody unit of A-shares is designated, investors can inquire of CITIC Securities via consultancy at counter, telephone, online transaction system, etc.

II. Way of Order

After the listing of A-shares of Midea Group, way of sell order relating to the investor's

transfer registration restricted account will be declared in the way of order that investor has applied to the business department of securities company where transactions of transfer registration restricted account are made to open; where the online trading order has been opened, investor may login in the online trading system through the account number and trading password of the transfer registration restricted account, inquire about the remaining A-shares of Midea Group and fund balance of transfer registration restricted account and make sell order declaration.

III. Real-time Market Situation

Investor may obtain the real-time market situation and information on suspension and resumption of trading relating to the A-shares of Midea Group through the existing market situation display channel and way of the securities company where transactions of transfer registration restricted account are made, such as on-site self-service terminal of business department, online trading client terminal, etc.

IV Main Trading Rules

Stock code of sell order declaration of A-shares of Midea Group is “000333” and name of securities is “Midea Group”. The way of sell order declaration is basically same as the operation of B-shares.

(I) Limit of Change

A-shares shall not increase or decrease by 10% from the closing price of last trading day within trading hours of that day.

Limit of change on ST shares and the shares that split share structure reform has not been finished is 5%.

(II) Rotary Trading System

The T + 1 rotary trading system is implemented for the A-shares, namely, the shares brought that day can be sold in the following day. The investor relating to the transfer registration restricted account is only allowed to make the sell order declaration, so the rotary trading is not applicable.

(III) Trading Unit

For A-share bought via bidding mode, the declared quantity shall be 100 shares or its integral multiple. One-off sale declaration shall be made for the remaining shares less

than 100 shares.

(IV) Minimum Fluctuating Price

Minimum fluctuating unit of declared price of A-shares is RMB0.01.

(V) Trading Hours

Monday to Friday (excluding the national holidays and day of suspension of trading stipulated by exchange);

9:15 to 9:25 of each trading day is the stage of opening call auction, wherein:

9:15 a.m. to 9:20 a.m.: Accept the trade declaration and the cancellation

9:20 a.m. to 9:25 a.m.: Accept the trade declaration, but do not accept the declaration of cancellation

The order that is not made during the call auction will automatically enter into the continuous auction;

From 9:30 to 11:30 and from 13:00 to 14:57 of each trading day is the time of continuous auction;

14:57 to 15:00 is the stage of closing call auction

V. Liquidation and Settlement

Same rules are applied in transfer registration restricted account and ordinary A-shares securities account and shares are liquidated and settled on the T + 0 day, which means that the quantity of shares equal to the quantity of shares sold and concluded that day (T day) by the investor will be decreased in the securities account that day; the RMB fund is settled on the T + 1 day, which means that the investor can withdraw the RMB fund obtained from the sale of shares that day (T day) in the following trading day (T + 1 day).

With respect to the foreign individual investors for domestic transactions, to which this Chapter is applicable, the RMB fund obtained from sale of shares cannot be used, withdrawn and required to be converted into HKD in accordance with requirements of State Administration of Foreign Exchange, namely, the securities company converts the RMB fund into HKD and make the settlement. Therefore, the RMB fund obtained from sale of shares of investor's transfer registration restricted account will be settled on the T + 1 day; the HKD fund that can be withdrawn finally will be settled on the

T+3 day after foreign exchange purchase bank has purchased foreign exchange, which means the investor may apply to the securities company to withdraw the HKD obtained from sale of shares on the T + 3 day. Investor may inquire of the securities company where transactions of transfer registration account are made about the specific ways of details.

VI. Payment of Fund

Investor may send withdrawal application to the securities company on and following T + 3 day. The withdrawal application procedures are same as the current withdrawal procedures of investor's B-shares. After withdrawal application procedures pass the internal audit of the securities company, the securities company transfer the net amount of HKD fund that investor applies for withdrawal to the investor after deducting charges for remittance.

Before the investor makes the withdrawal application, the interest accrued when HKD fund is deposited in each domestic securities company and current interest of HKD within the same period will be settled with the investor and included in the fund account of investor accordingly on the value date.

VII. Capitalizing of Common Reserves, Bonus Shares and Dividend Distribution

The capitalizing of common reserves, registration of bonus shares and dividend distribution relating to the shares in the transfer registration restricted account shall be handled by reference to the existing normal A-shares account.

Section IV Trading Cost

The foreign investor who opens the transfer registration restricted account is required to pay commission, stamp tax, etc. same as the current ordinary A-shares securities account and the foreign exchange purchase expenses of RMB to HKD and charges for remittance of HKD. Currently, the foreign exchange purchase of HKD involves no additional expenses and the exchange rate when purchasing foreign exchange uses the selling price of spot exchange of RMB to HKD on the day when the foreign exchange purchase bank purchasing foreign exchange. Charges for remittance of HKD are subject to the charges of the foreign exchange purchase bank.

| Name of Trading Cost | Rate | Ordinary B-share Securities Account | Ordinary A-share Securities Account | Transfer Registration Restricted Account |
|--|--|-------------------------------------|-------------------------------------|--|
| Commission for domestic account opening securities company | Refer to original transaction commission of A-share or B-share | √ | √ | √ |
| Stamp tax | 0.1% (only charge the seller) | √ | √ | √ |
| Liquidation expense | 0.05% (charged based on the trading amount) | √ | | |
| Foreign exchange purchase expense of HKD | It is handled in accordance with the selling price of spot exchange of RMB to HKD when the foreign exchange bank purchasing of foreign exchange. | | | |
| Charges for | Charges for | | | √ |

| | | | | |
|-------------------------------|---|---|---|---|
| remittance of HKD | remittance of HKD are subject to the charges of the foreign exchange purchase bank. | | | |
| Handling fee | 0.0487‰ of the trading amount(charge the buyer and seller) | √ | √ | √ |
| Registration and transfer fee | 0.02‰ of the trading amount(charge the buyer and seller) | | √ | √ |
| Supervision fee | 0.02‰ of the trading amount(charge the buyer and seller) | √ | √ | √ |

Section V Inquiry Business

After Little Swan B-shares are converted into A-shares of Midea Group, the investors may inquire about the remaining securities in the account and balance of fund in the current inquiry way relating to the securities account in the securities company where transactions of transfer registration restricted account are made.

In addition, all investors may obtain all the disclosed information relating to this stock-for-stock conversion from the website of SZSE (<http://www.szse.cn/>).

Section VI Change of Account Information

The information relating to the transfer registration restricted account is copied from current information of investor's B-shares securities. The investor whose identity information is changed is required to contact the securities company promptly, which is required to promptly handle the information change to the B-shares securities account and transfer registration restricted account to ensure consistency.

Section VII General Meeting of Shareholders

Investors may attend the General Meeting of Shareholders and make the voting on the scene in person or by proxy. With respect to the investor who intends to be present at the meeting, at the day of General Meeting of Shareholders, individual investors shall hold stock account card (the investors allocated the transfer registration restricted account may only hold the original B-shares securities account card), personal ID card or other valid certificates or paper of identification that can prove the identity); representative of institutional investors shall hold the stock account card (the investors allocated the transfer registration restricted account may only hold the original B-shares securities account card) and certificate provided by the unit of shareholder when attending the General Meeting of Shareholders. Agent shall also present the power of attorney and valid personal ID.

After the custody relationship for the transfer registration restricted account has been established, investors may make the online voting in accordance with the current voting procedures for the ordinary A-shares securities account.

Section VIII Allotment of Shares

Before foreign residents can subscribe A-shares, or foreign residents sell all A-shares of Midea Group held by them, Midea Group will take the fact that the part of trading rights relating to the A-shares securities account are restricted with extreme caution and fully consider fairness of participation right of various investors when handling relevant matters including allotment of shares.

Section IX Cancellation of Transfer Registration Restricted Account

When remaining A-shares of Midea Group in the transfer registration restricted account of an investor is zero, the securities company where transactions of transfer registration restricted account are made may cancel the transfer registration restricted account.

Section X Pledge, Freezing and Non-trading Transfer of Account

1. Pledge, non-trading transfer business: are handled in accordance with relevant business rules of CSDC.
2. Judicial business: is implemented with assistance provided by each securities company and CSDC.

Chapter III Foreign Institutional Investor for Domestic Transactions

In order to guarantee that investors can conduct transactions smoothly after B-shares of Little Swan are converted into A-shares of Midea Group, the foreign institutional investors for domestic transactions, to which this Chapter is applicable, shall fully understand and confirm the matters shown below:

1. With respect to any investor who holds the A-shares of Midea Group as the Little Swan B-shares are not sold on the last trading day and fails to validly declare the cash option, sale of shares in future will be settled in RMB. After the completion of this stock-for-stock merger, with respect to any foreign institutional investor for domestic transactions who formerly holds B-shares of Little Swan, the reduction of A-shares of Midea Group and obtaining of dividends in Reminbi through his/her transfer registration restricted account shall be pursuant to the *Notice on Opening of Accounts Involved in Share Reduction by and Dividends Attributable to Foreign Shareholders of A-share Listed Companies and on Matters Related to Foreign Exchange Control Issued by the General Office of the People's Bank of China* (Y.B.F [2009] No. 178) and relevant provisions of the foreign exchange control.

2. With respect to the foreign institutional investors for domestic transactions, to which this chapter is applicable, “Section II Determine the Securities Account and Custody Unit of A-shares of Midea Group” of this chapter can be referred to for declaring an available A-share account (if any). If there is no A-shares account or no declaration, Midea Group shall apply to CSDC to allocate one transfer registration restricted account which only can be used to make the sell order declaration and shall not be used for other purposes. Relevant investors shall fully understand the restrictions on trading;

3. Investor shall confirm that he/she is the investor, to which this Chapter is applied, otherwise, potentially, relevant contents of this Operational Guidelines are not complete applicable;
4. Investors shall fully understand the differences of trading rules and expenses between B-shares and A-shares;
5. The stock code of trade declaration of A-shares of Midea Group is 000333 and name of securities is “Midea Group”;
6. Investors shall continuously pay attention to relevant announcements issued by Little Swan and Midea Group and learn the progress of this stock-for-stock merger;
7. Investors may inquire of the securities company where transactions of B-shares securities account are made about the specific ways of business operation relating to the account conversion.
- 8. Foreign institutional investors may inquire Foshan Branch of China Merchants Bank about how to open an NRA account and exchange currencies.**

Section I Business-related Organizations

| Full name of organization | Abbreviation in this Guidelines | Main relevant matters |
|--|---------------------------------|--|
| Midea Group Co., Ltd. | Midea Group | Information disclosure |
| Wuxi Little Swan Company Limited | Little Swan, Littleswan-B | Information disclosure |
| China Securities Depository and Clearing Corporation Limited | CSDC | Allocation of transfer registration restricted account |
| Shenzhen Stock Exchange | SZSE | Restrictions on buy order declaration of transfer registration restricted account |
| Domestic securities companies | Domestic securities companies | Handle all business applications of investors and consultation, communication and notice; assist investors in opening transfer registration restricted account and assist investors to complete the handling formalities of third party custody meanwhile |
| Foshan Branch of China Merchants Bank | Foshan Branch of CMBC | Handle applications of foreign institutional investors regarding to opening of NRA, provide services related to currency exchange such as consultation, communication and notice and assist investors to exchange currencies and remit funds as required by relevant foreign exchange regulations. |

Section II Determine the Securities Account and Custody Unit of A-shares of Midea Group

As the current securities accounts of B-shares held by investors of B-shares of Little Swan cannot be used to directly register A-shares of Midea Group and SZSE implements the shares custody transfer trading system, one investor may have more than one custody unit under one securities account. The securities account and custody unit of A-shares of Midea Group will be determined in accordance with the principles shown below after stock conversion:

1. After asking for the advices of investors, the domestic securities company in which transactions of B-shares of Little Swan are conducted shall declare the securities account and custody unit of A-shares for each investor of Little Swan B-shares before 30 May 2019, which shall ensure investors can normally trade the A-shares of Midea Group.

The B-shares of Little Swan registered in original securities account of B-shares will be registered in the declared securities account of A-shares after converted into A-shares of Midea Group. The B-shares of Little Swan will be trusted in the declared custody unit of A-shares after the conversion. The mistaken declaration information on the securities account and custody unit of A-shares, if any, may result in that investors are unable to normally register or sell A-shares obtained after Little Swan B-shares are converted into A-shares of Midea Group. Please check and ensure the information declared is correct.

Manners to declare securities account and custody unit: Please complete the *Declaration Table for the Corresponding Relationship between the Securities Account and Custody Unit of A-shares and those of B-shares* (refer to Appendix 1 for details) and send the following documents to sndd@citics.com:

- 1) Copy and paste the completed Declaration Table in the body of the message;
- 2) Print and seal the completed Declaration Table, and send the scanned copy as an attachment of the message.

At the time of declaration, please completely declare the information on the securities

account and custody unit of A-shares corresponding to those of B-shares. In case the information on the corresponding relationship would be declared for more than one time, the full declaration information which is received last by our company will prevail.

2. Where the securities account of A-shares fails to be declared before the designated deadline, A-shares after conversion will be registered to the transfer registration restricted account of related investors opened by CSDC, please refer to “Section III Transfer Registration Restricted Account” of this chapter. Where the custody unit of A-shares fails to be declared before the designated deadline, A-shares after conversion will be transferred to the custody unit designated by CITIC Securities, and investor may contact the CITIC Securities directly to handle custody transfer or make transaction directly.

If there are any questions, please contact Shennan Avenue Business Department of CITIC Securities Co., Ltd.

Contact information relating to the consultation and business of CITIC Securities:

Contact person: Shennan Avenue Business Department of CITIC Securities Co., Ltd.

Address: 301A Building A, Xinian Center, No. 6021, Shennan Avenue, Futian District, Shenzhen

Tel.: 86-0755-83477942 (He Ying)

86-0755-83477944 (Luo Yixi)

86-0755-83477915 (Yang Zheng)

86-0755-83477941 (Shao Qicong)

Fax: 86-0755-83459951

Email: sndd@citics.com

Section III Transfer Registration Restricted Account

I. Allocation of Transfer Registration Restricted Account

After completing the business of cash option of B-shares of Little Swan, with respect to the foreign institutional investor trading in domestic without or not declaring securities account of A-shares, Midea Group will apply to CSDC for allocating one transfer registration restricted account to the aforesaid free of any charge in accordance with the information of B-shares securities account. As this securities account is specially restricted, only the sell order declaration can be made and other purposes are forbidden.

The securities company will notify investors of relevant matters concerning the allocation of transfer registration restricted account by network, telephone, text message, announcement in places of business, etc. Business department of each securities company will assist the investor in opening the function of settlement by RMB for original capital account of B-shares before making subsequent sell order transactions relating to the transfer registration restricted account.

During the course to allocate the transfer registration restricted account, investors need not carry out any extra operation. Before the listing of additional A-shares of Midea Group on the stock market, securities company where the securities account of B-shares of investors belongs will notify investors of relevant matters concerning the allocation of transfer registration restricted account by network, telephone, text message, announcement in places of business. Please be aware of the relevant notices and announcements on the occasion.

After the transfer registration restricted account is allocated, investors can inquire of the designated security company of A-shares custody unit via consultancy at counter, telephone, online transaction system, etc. If no custody unit of A-shares is designated, investors can inquire of CITIC Securities via consultancy at counter, telephone, online transaction system, etc.

II. Way of Order

After the listing of A-shares of Midea Group, way of sell order relating to the investor's

transfer registration restricted account will be declared in the way of order that investor has applied to the business department of securities company where transactions of transfer registration restricted account are made to open; where the online trading order has been opened, investor may login in the online trading system through the account number and trading password of the transfer registration restricted account, inquire about the remaining A-shares of Midea Group and fund balance of transfer registration restricted account and make sell order declaration.

III. Real-time Market Situation

Investor may obtain the real-time market situation and information on suspension and resumption of trading relating to the A-shares of Midea Group through the existing market situation display channel and way of the securities company where transactions of transfer registration restricted account are made, such as on-site self-service terminal of business department, online trading client terminal, etc.

IV Main Trading Rules

Stock code of sell order declaration of A-shares of Midea Group is “000333” and name of securities is “Midea Group”. The way of sell order declaration is basically same as the operation of B-shares.

(I) Limit of Change

A-shares shall not increase or decrease by 10% from the closing price of last trading day within trading hours of that day.

Limit of change on ST shares and the shares that split share structure reform has not been finished is 5%.

(II) Rotary Trading System

The T + 1 rotary trading system is implemented for the A-shares, namely, the shares brought that day can be sold in the following day. The investor relating to the transfer registration restricted account is only allowed to make the sell order declaration, so the rotary trading is not applicable.

(III) Trading Unit

For A-share bought via bidding mode, the declared quantity shall be 100 shares or its integral multiple. One-off sale declaration shall be made for the remaining shares less

than 100 shares.

(IV) Minimum Fluctuating Price

Minimum fluctuating unit of declared price of A-shares is RMB0.01.

(V) Trading Hours

Monday to Friday (excluding the national holidays and day of suspension of trading stipulated by exchange);

9:15 to 9:25 of each trading day is the stage of opening call auction, wherein:

9:15 a.m. to 9:20 a.m.: Accept the trade declaration and the cancellation

9:20 a.m. to 9:25 a.m.: Accept the trade declaration, but do not accept the declaration of cancellation

The order that is not made during the call auction will automatically enter into the continuous auction;

From 9:30 to 11:30 and from 13:00 to 14:57 of each trading day is the time of continuous auction;

14:57 to 15:00 is the stage of closing call auction

V. Liquidation and Settlement

Same rules are applied in transfer registration restricted account and ordinary A-shares securities account and shares are liquidated and settled on the T + 0 day, which means that the quantity of shares equal to the quantity of shares sold and concluded that day (T day) by the investor will be decreased in the securities account that day; the RMB fund is settled on the T + 1 day, which means that the investor can withdraw the RMB fund obtained from the sale of shares that day (T day) in the following trading day (T + 1 day).

VI. Exchange of Currencies and Remittance of Funds

With respect to any foreign institutional investor for domestic transactions, to which this chapter is applicable, the reduction of A-shares of Midea Group and obtaining of dividends in Reminbi through his/her transfer registration restricted account shall be pursuant to the *Notice on Opening of Accounts*

Involved in Share Reduction by and Dividends Attributable to Foreign Shareholders of A-share Listed Companies and on Matters Related to Foreign Exchange Control Issued by the General Office of the People's Bank of China

(Y.B.F [2009] No. 178) and relevant provisions of the foreign exchange control:

(1) The foreign institutional investor shall open the securities account of A-shares in the securities company (Midea Group shall apply to CSDC to allocate one transfer registration restricted account), open the temporary RMB deposit NRA (Non-Resident Account) at the Foshan Branch of CMBC and connect the securities account and NRA at the counter of the Foshan Branch of CMBC. The opening of an account by any foreign institutional investor shall meet the requirements on anti-money laundering policy issued by international organizations and countries such as the United Nation, United States of America and the European Union as well as the Chinese government.

(2) The foreign institutional investor shall transfer the funds generated from shareholding reduction or dividends into the NRA on the date when the aforesaid funds are transferred into the securities account and the balance of the securities account at the end of the T+1 day shall be zero. The funds in Renminbi generated from shareholding reduction or dividends cannot be used or withdrawn if the foreign institutional investor has not completed the opening of NRA and the association of NRA and the securities account before the shareholding reduction of A-shares of Midea Group or dividends obtaining through the transfer registration restricted account.

(3) The foreign institutional investor shall provide CMBC with the following materials for purchase of foreign currency and outbound remittance:

1) Written application; (including application for settlement and sale of foreign exchange of CMBC, application for outbound remittance and written application of foreign institutional investor)

2) A valid certificate of capital source;

3) Relevant tax registration form or tax payment receipt;

4) Identification document of the applicant and the copy thereof (relevant letter of authorization notarized shall be provided with respect to any authorization);

5) Business Registration Certificate for FDI of A-share Listed Companies (shareholding reduction of A-shares);

6) Other materials required by State Administration of Foreign Exchange.

(4) With respect to any foreign institutional investor who has reduced all A-shares held and funds generated from share reduction and dividends have been remitted through purchase of foreign currency or used domestically upon approval in full, the securities account and deposit account shall be cancelled within five working days after the completion of the above procedures. If the foreign institutional investor fails to perform this obligation, the CMBC has the right to freeze the customer's deposit account, manage as dormant account and cancel forcibly when certain conditions are met.

Note: If there is any adjustment on policies regarding foreign exchange control and cross-border RMB during the business period, the latest supervision and

administration requirements shall be observed.

Foreign institutional investors may inquire Foshan Branch of China Merchants Bank about how to open an NRA account and exchange currencies.

Contact information of Foshan Branch of CMBC:

Contact person: Huang Xiaopeng (Tel: 86-0757-81999101; Email: huangxp8@cmbchina.com)

Contact person: Sun Guodong (Tel: 86-0757-81999113; Email: sunguodong@cmbchina.com)

Contact person: Gu Ying (Tel: 86-0757-81999131; Email: guying0917@cmbchina.com)

Address for materials sending: CMBC Building, Denghu East Road No. 12, Nanhai District, Foshan, Guangdong Province (please contact the contact person for confirmation before mailing).

VII. Capitalizing of Common Reserves, Bonus Shares and Dividend Distribution

The capitalizing of common reserves, registration of bonus shares and dividend distribution relating to the shares in the transfer registration restricted account shall be handled by reference to the existing normal A-shares account.

Section IV Trading Cost

The foreign investor who opens the transfer registration restricted account is required to pay commission, stamp tax, etc. same as the current ordinary A-shares securities account and the foreign exchange purchase expenses of RMB to HKD and charges for remittance of HKD. Currently, the foreign exchange purchase of HKD involves no additional expenses and the exchange rate when purchasing foreign exchange uses the selling price of spot exchange of RMB to HKD on the day when the foreign exchange purchase bank purchasing foreign exchange. Charges for remittance of HKD are subject to the charges of the foreign exchange purchase bank.

| Name of Trading Cost | Rate | Ordinary B-share Securities Account | Ordinary A-share Securities Account | Transfer Registration Restricted Account |
|--|--|-------------------------------------|-------------------------------------|--|
| Commission for domestic account opening securities company | Refer to original transaction commission of A-share or B-share | √ | √ | √ |
| Stamp tax | 0.1% (only charge the seller) | √ | √ | √ |
| Liquidation expense | 0.05% (charged based on the trading amount) | √ | | |
| Foreign exchange purchase expense of HKD | It is handled in accordance with the selling price of spot exchange of RMB to HKD when the foreign exchange bank purchasing of foreign exchange. | | | |
| Charges for | Charges for | | | √ |

| | | | | |
|-------------------------------|---|---|---|---|
| remittance of HKD | remittance of HKD are subject to the charges of the foreign exchange purchase bank. | | | |
| Handling fee | 0.0487‰ of the trading amount(charge the buyer and seller) | √ | √ | √ |
| Registration and transfer fee | 0.02‰ of the trading amount(charge the buyer and seller) | | √ | √ |
| Supervision fee | 0.02‰ of the trading amount(charge the buyer and seller) | √ | √ | √ |

Section V Inquiry Business

After Little Swan B-shares are converted into A-shares of Midea Group, the investors may inquire about the remaining securities in the account and balance of fund in the current inquiry way relating to the securities account in the securities company where transactions of transfer registration restricted account are made.

In addition, all investors may obtain all the disclosed information relating to this stock-for-stock conversion from the website of SZSE (<http://www.szse.cn/>).

Section VI Change of Account Information

The information relating to the transfer registration restricted account is copied from current information of investor's B-shares securities. The investor whose identity information is changed is required to contact the securities company promptly, which is required to promptly handle the information change to the B-shares securities account and transfer registration restricted account to ensure consistency.

Section VII General Meeting of Shareholders

Investors may attend the General Meeting of Shareholders and make the voting on the scene in person or by proxy. With respect to the investor who intends to be present at the meeting, at the day of General Meeting of Shareholders, individual investors shall hold stock account card (the investors allocated the transfer registration restricted account may only hold the original B-shares securities account card), personal ID card or other valid certificates or paper of identification that can prove the identity); representative of institutional investors shall hold the stock account card (the investors allocated the transfer registration restricted account may only hold the original B-shares securities account card) and certificate provided by the unit of shareholder when attending the General Meeting of Shareholders. Agent shall also present the power of attorney and valid personal ID.

After the custody relationship for the transfer registration restricted account has been established, investors may make the online voting in accordance with the current voting procedures for the ordinary A-shares securities account.

Section VIII Allotment of Shares

Before foreign residents can subscribe A-shares, or foreign residents sell all A-shares of Midea Group held by them, Midea Group will take the fact that the part of trading rights relating to the A-shares securities account are restricted with extreme caution and fully consider fairness of participation right of various investors when handling relevant matters including allotment of shares.

Section IX Cancellation of Transfer Registration Restricted Account

When remaining A-shares of Midea Group in the transfer registration restricted account of an investor is zero, the securities company where transactions of transfer registration restricted account are made may cancel the transfer registration restricted account.

Section X Pledge, Freezing and Non-trading Transfer of Account

1. Pledge, non-trading transfer business: are handled in accordance with relevant business rules of CSDC.
2. Judicial business: is implemented with assistance provided by each securities company and CSDC.

Chapter IV Foreign Individual Investor for Non-domestic Transaction

In order to guarantee that investors can conduct transactions smoothly after Little Swan B-shares are converted A-shares of Midea Group, the foreign individual investors for non-domestic transaction, to which this Chapter is applicable, shall fully understand and confirm the matters shown below:

1. With respect to the investor who holds the A-shares of Midea Group as the Little Swan B-shares are not sold on the last trading day and fails to validly declare the cash option, sale of shares in future will be settled in RMB and finally settled in HKD by the securities company with the transfer registration restricted account purchasing foreign exchange through the foreign exchange purchase bank, and the exchange rate when purchasing foreign exchange uses the selling price of spot exchange of RMB to HKD on the day when the foreign exchange purchase bank purchases foreign exchange;
2. With respect to the foreign individual investors for non-domestic transaction, to which this Chapter is applicable, they can declare the available A-shares account (if any) according to “Section II Determine the Securities Account and Custody Unit of A-shares of Midea Group” in this chapter; if there are no A-shares account or they do not declare it, then Midea Group will apply to CSDC to allocate one transfer registration restricted account which only can makes the sell order declaration and shall not be used for other purposes, and relevant investors shall fully understand the restrictions on trading;
3. No transaction and settlement are made temporarily by securities company after CSDC allocates transfer registration restricted account to the investor. Investor is required to designate one domestic securities company as that where transactions of transfer registration restricted account are made and handle formalities for opening fund account in the business department of this securities company to achieve the normal sale of A-shares of Midea Group from this transfer registration restricted

account. Such investors are proposed to select CITIC Securities as the securities company where transactions of transfer registration restricted account are made; After determining the domestic securities company, investor is required to timely submit its custody unit to CITIC Securities. For the investor who fails to submit its custody unit timely, his/her shares after conversion will be held in custody in the custody unit designated by CITIC Securities. And investor may subsequently contact CITIC Securities directly to handle custody transfer or make transaction directly.

4. Investor shall confirm that he/she is the investor, to which this Chapter is applied, otherwise, potentially, relevant contents of this Operational Guidelines are not complete applicable;

5. Investors shall fully understand the differences of trading rules between B-shares and A-shares;

6. Stock code of trade declaration of A-shares of Midea Group is 000333 and name of securities is “Midea Group”

7. Investors shall continuously pay attention to relevant announcements issued by Little Swan and Midea Group and learn the progress of this stock-for-stock merger;

8. In accordance with the Guidelines on the Registration and Settlements Service of B-share Business, the shareholders of Little Swan B-shares may appoint agent to apply to CSDC Shenzhen Branch for the share adjustment of the agent account 23 May 2019.

9. Investors may inquire of the securities company where the transfer registration restricted account is made about the specific ways of business operation relating to the account conversion.

Section I Business-related Organizations

| Full name of organization | Abbreviation in this guidelines | Main relevant matters |
|--|---------------------------------|---|
| Midea Group Co., Ltd. | Midea Group | Information disclosure |
| Wuxi Little Swan Company Limited | Little Swan, Little Swan B | Information disclosure |
| China Securities Depository and Clearing Corporation Limited | CSDC | Allocation of transfer registration restricted account |
| Shenzhen Stock Exchange | SZSE | Restrictions on buy order declaration of transfer registration restricted account |
| CITIC Securities Co., Ltd | CITIC Securities | Provide business consultation and handling service for the investor involved in this account conversion. |
| Domestic securities companies | Domestic securities companies | Handle all business applications of investors and consultation, communication and notice; assist investors in opening common A-shares account the transfer registration restriction account in the trading system and assist investors to complete the handling formalities of third party custody meanwhile. |

Section II Determine the Securities Account and Custody Unit of A-shares of Midea Group

As the existing B-shares security account of Little Swan B-shares investors cannot be directly registered into A-shares of Midea Group, and SZSE implements the shares custody transfer trading system, one investor may have more than one custody unit under one securities account. Therefore, securities account and custody unit of A-shares of Midea Group will be determined in accordance with the principles shown below after stock conversion:

1. Investor who would designate its securities account and custody unit by himself/herself may contact CITIC Securities and designate the future securities account and custody unit of Midea Group A-shares prior to 30 May 2019.

Manners to declare securities account and custody unit: Please complete the Declaration for the Securities Account and Custody Unit of B-share Investors for Non-domestic Transaction of Little Swan (refer to Appendix 2 for details) and the securities company of designated custody unit of A-shares shall send the following documents to sndd@cities.com;

- 1) Copy and paste the completed Declaration for the Custody Unit of B-share Investors for Non-domestic Transaction in the body of the message;
- 2) Print and seal the completed Declaration for the Custody Unit of B-share Investors for Non-domestic Transaction, and send the scanned copy as an attachment of the message.

At the time of declaration, please completely declare the information on the securities account and custody unit of A-shares. In case the information would be declared for more than one times, the full declaration information which is received last by our company will prevail.

2. If the A-share securities account of investors is not declared before the appointed expiration date, the converted A-shares of Midea Group will be registered into transfer registration restricted account for relevant investors by China Securities Depository and Clearing Corporation Limited. Please refer to “Section III Transfer

Registration Restricted Account” in this chapter. To offer convenience to investors, our company entrusts CITIC Securities to provide default custody unit. In case the foreign investors for non-domestic transaction of B-share don't declare his/her custody unit to CITICS Securities before 30 May 2019, the A-shares of Midea Group obtained will be automatically held in custody in the custody unit of Shennan Avenue Business Department of CITIC Securities Co., Ltd. The aforesaid investor will not carry out transaction, custody transfer and other operation until he/she handles related formalities such as opening fund account in Shennan Avenue Business Department of CITIC Securities Co., Ltd.

If there are any questions, please contact Shennan Avenue Business Department of CITIC Securities Co., Ltd.

Contact information relating to the consultation and business of CITIC Securities:

Contact person: Shennan Avenue Business Department of CITIC Securities Co., Ltd.

Address: 301A, A building, Xinian Center, No. 6021, Shennan Avenue, Futian District, Shenzhen

Tel.: 86-0755-83477942 (He Ying)

86-0755-83477944 (Luo Yixi)

86-0755-83477915 (Yang Zheng)

86-0755-83477941 (Shao Qicong)

Fax: 86-0755-83459951

Email: sndd@citics.com

Section III Transfer Registration Restricted Account

I. Allocation of transfer registration restricted account

With respect to the foreign individual investors for non-domestic transaction without A-share securities account or without declaring A-share securities account, Midea Group will apply to the CSDC to allocate transfer registration restricted account to the aforesaid free of any charge in accordance with the information of B-share securities account after the cash option business relating to the Little Swan B-shares has been completed. As this securities account is specially restricted, only the sell order declaration can be made and other purposes are forbidden.

As B-share securities account of investor is not opened in any domestic securities company, the investor, after knowing relevant matters concerning this account conversion, is required to designate one domestic securities company as that where future transactions of transfer registration restricted account will be made (see Section II of this Chapter for details). Investor is required to handle the formalities for opening fund account in this securities company and this securities company has opened the fund account of transfer registration restricted account of investor, then the inquiry and sell order declaration relating to the A-shares of Midea Group in the transfer registration restricted account can be made.

Investor, after knowing relevant matters concerning this account conversion, is required to determine one securities company as that where future transactions of transfer registration restricted account will be made and handle formalities for opening fund account in the business department of this securities company to achieve the normal sale of A-shares of Midea Group from this transfer registration restricted account. It is suggested that the aforesaid investor gives preference to the CITIC Securities as the securities company where future transactions of transfer registration restricted account will be made.

II. Way of account opening

For detailed procedures relating to the account opening formalities, investor may consult the CITIC Securities.

Investor cannot make the sell order declaration of A-shares of Midea Group until the securities company where future transactions of transfer registration restricted account will be made has been determined and account has opened in this securities company. Investor may contact CITIC Securities (entrusted by Midea Group) and inquire about the information relating to the transfer registration restricted account.

Meanwhile, investor may also contact CITIC Securities and consult the business procedures relating to the account opening, subsequent operations of transfer registration restricted account, etc. involved in this account conversion, and may complete the handling of aforesaid businesses in CITIC Securities. Investor, after knowing details of relevant businesses, may also choose other domestic securities companies and handle relevant businesses. For procedures for handling businesses, investor may consult the securities company chosen by him/her.

Contact information relating to the consultation and business of CITIC Securities:

Contact person: Shennan Avenue Business Department of CITIC Securities Co., Ltd.

Address: 301A, A building, Xinian Center, No. 6021, Shennan Avenue, Futian District, Shenzhen

Tel.: 86-0755-83477942 (He Ying)

86-0755-83477944 (Luo Yixi)

86-0755-83477915 (Yang Zheng)

86-0755-83477941 (Shao Qicong)

Fax: 86-0755-83459951

Email: sndd@citics.com

III. Way of order

After the securities account where transactions of transfer registration restricted account are made has completed account opening procedures for the investor, way of sell order relating to the investor's transfer registration restricted account will be declared in various ways of order that investor has applied to the business department of securities company where transactions of transfer registration restricted account are made to open; where the online trading order has been opened, investor may login in the online trading system through the fund account number and trading password set when opening account, inquire about the remaining A-shares of Midea Group and fund balance of transfer registration restricted account and make sell order declaration.

IV. Real-time market situation

Investor may obtain the real-time market situation and information of and suspension and resumption of trading relating to the A-shares of Midea Group through the existing market situation display channel and way of the securities company where transactions of future transfer registration restricted account are made, such as on-site self-service terminal of business department, online trading client terminal, etc.

V. Main trading rules

Stock code of sell order declaration of A-shares of Midea Group is 000333, name of securities is “Midea Group” and the way of sell order declaration is basically same as the operation of B-shares.

(I) Limit of change

A-shares shall not increase or decrease by 10% from the closing price of last trading day within trading hours that day. Limit of change on ST shares and the shares that split share structure reform has not been finished is 5%.

(II) Rotary trading system

The T + 1 rotary trading system is implemented for the A-shares, namely, the shares brought that day can be sold in the following day. The investor relating to the transfer registration restricted account is only allowed to make the sell order declaration, so the rotary trading is not applicable.

(III) Trading unit

For A-share bought via bidding mode, the declared quantity shall be 100 shares or its integral multiple. One-off sale declaration shall be made for the remaining shares less than 100 shares.

(IV) Minimum fluctuating price

Minimum fluctuating unit of declared price of A-shares is RMB 0.01.

(V) Transaction date

Monday to Friday (excluding the national holidays and day of suspension of trading stipulated by exchange);

9:15 to 9:25 of each trading day is the stage of opening call auction, wherein:

9:15 a.m. to 9:20 a.m.: Accept the trade declaration and the cancellation

9:20 a.m. to 9:25 a.m.: Accept the trade declaration, but do not accept the declaration of cancellation

The order that is not made during the call auction will automatically enter into the continuous auction;

From 9:30 to 11:30 and from 13:00 to 14:57 of each trading day is the time of continuous auction;

14:57 to 15:00 is the stage of closing call auction

VI. Liquidation and settlement

Same rules are applied in transfer registration restricted account and ordinary A-share securities account and shares are liquidated and settled on the T + 0 day, which means that the quantity of shares equal to the quantity of shares sold and concluded that day (T day) by the investor will be decreased in the securities account that day; the RMB fund is settled on the T + 1 day, which means that the investor can withdraw the RMB fund obtained from the sale of shares that day (T day) in the following trading day (T + 1 day).

With respect to the foreign individual investors for non-domestic transaction, to which this Chapter is applicable to, the RMB fund obtained from sale of shares cannot be used, withdrawn and is required to be converted into HKD in accordance with requirements of State Administration of Foreign Exchange, namely, the securities company converts the RMB fund into HKD and make the settlement. Therefore, the RMB fund obtained from sale of shares of investor's transfer registration restricted account will be settled on the T + 1 day; the HKD fund that can be withdrawn finally will be settled on the T + 3 day after foreign exchange purchase bank has purchased foreign exchange, which means the investor may apply to the securities company to withdraw the HKD obtained from sale of shares on the T + 3 day. Investor may inquire of the securities company where transactions of transfer registration account are made about the specific ways of details.

VII. Payment of fund

After inquiring that balance of HKD in the fund account opened in the securities company where transactions of transfer registration restricted account are made

increases, investor may send withdrawal application to this securities company; with respect to the details of withdrawal application procedures, formalities, final way of payment of fund and costs, investor may inquire of this securities company.

VIII. Capitalizing of common reserves, bonus shares and dividend distribution

The capitalizing of common reserves, registration of bonus shares and dividend distribution relating to the shares in the transfer registration restricted account shall be handled by reference to the existing normal A-share account.

Section IV Trading Cost

The foreign investor who opens the transfer registration restricted account is required to pay commission, stamp tax, etc. same as the current ordinary A-share securities account and the foreign exchange purchase expenses of RMB to HKD and charges for remittance of HKD. Currently, the foreign exchange purchase of HKD involves no additional expenses and the exchange rate when purchasing foreign exchange uses the selling price of spot exchange of RMB to HKD on the day when the foreign exchange purchase bank purchasing foreign exchange. Charges for remittance of HKD are subject to the charges of the foreign exchange purchase bank.

| Name of Trading cost | Rate | Ordinary B-share securities account | Ordinary A-share securities account | Transfer registration restricted account |
|--|--|-------------------------------------|-------------------------------------|--|
| Commission for domestic account opening securities company | Refer to original transaction commission of A-share or B-share | √ | √ | √ |
| Stamp tax | 0.1% (only charge the seller) | √ | √ | √ |
| Liquidation expense | 0.05% (charged based on the trading amount) | √ | | |
| Foreign exchange purchase | It is handled in accordance with the selling price of spot | | | |

| | | | | |
|-------------------------------|---|---|---|---|
| expense of HKD | exchange of RMB to HKD when the foreign exchange bank purchasing of foreign exchange. | | | |
| Charges for remittance of HKD | Charges for remittance of HKD are subject to the charges of the foreign exchange purchase bank. | | | √ |
| Handle fee | 0.0487% of trading Amount (charge the buyer and seller) | √ | √ | √ |
| Registration and transfer fee | 0.02% of the trading Amount (charge the buyer and seller) | | √ | √ |
| Supervision fee | 0.02% of the trading Amount (charge the buyer and seller) | √ | √ | √ |

Section V Inquiry Business

After Little Swan B-shares are converted into the A-shares of Midea Group, the investor may inquire about the remaining securities in the account and balance of fund in the current inquiry way relating to the securities account in the securities company where transactions of transfer registration restricted account are made.

In addition, all investors may obtain all the disclosed information relating to this stock-for-stock conversion from the website of SZSE (<http://www.szse.cn/>).

Section VI Change of Account Information

The information relating to the transfer registration restricted account is copied from current information of investor's B-share securities. The investor whose identity information is changed is required to contact the securities company promptly, which is required to promptly handle the information change to the B-share securities account and transfer registration restricted account to ensure consistency.

Section VII General Meeting of Shareholders

Investor may attend the General Meeting of Shareholders and make the voting on the scene in person or by proxy. With respect to the investor who intends to be present at the meeting, at the day of General Meeting of Shareholders, individual investor shall hold stock account card (the investor allocated the transfer registration restricted account may only hold the original B-share securities account card), personal ID card or other valid certificates or paper of identification that can prove the identity); representative of institutional investor shall hold the stock account card of the unit of shareholder (the investor allocated the transfer registration restricted account may only hold the original B-share securities account card) and certificate provided by the unit of shareholder when attending the General Meeting of Shareholders. Agent shall also present the power of attorney and valid personal ID.

After having determined the domestic securities company where transactions of transfer registration account will be made and handled account opening procedures in this securities company, investor may make the online voting in accordance with the current voting procedures for the ordinary A-share securities account.

Investor who has not determined the securities company where future transactions of transfer registration restricted account will be made and handled account opening procedures in this securities company is required to contact Midea Group and attend the General Meeting of Shareholders and vote by himself/herself.

Contact information of Midea Group:

Address: No. 26-28 building, B area, Headquarters Bulding of Midea, No. 6 Midea Avenue, Beijiao Town, Shunde District, Foshan.

Contact person: Jiang Peng

Tel.: 0757-26637438

Fax: 0757-26605456

Section VIII Allotment of Shares

Before foreign residents can subscribe A-shares, or foreign residents sell all A-shares of Midea Group held by them, A-shares of Midea Group will take the fact that the part of trading rights relating to the A-share securities account are restricted with extreme caution and fully consider fairness of participation right of various investors when handling relevant matters including allotment of shares.

Section IX Cancellation of Transfer Registration Restricted Account

When remaining A-shares of Midea Group in the transfer registration restricted account of investor is zero, the securities company where transactions of transfer registration restricted account are made may cancel the transfer registration restricted account.

Section X Pledge, Freezing and Non-trading Transfer of Account

1. Pledge, non-trading transfer business: are handled in accordance with relevant business rules of CSDC.
2. Judicial business: is implemented with assistance provided by each securities companies and CSDC.

Chapter V Foreign Institutional Investor for Non-domestic Transaction

In order to guarantee that investors can conduct transactions smoothly after Little Swan B-shares are converted A-shares of Midea Group, the foreign institutional investors for non-domestic transaction, to which this Chapter is applicable, shall fully understand and confirm the matters shown below:

- 1. With respect to any investor who holds the A-shares of Midea Group as the Little Swan B-shares are not sold on the last trading day and fails to validly declare the cash option, sale of shares in future will be settled in RMB. After the completion of this stock-for-stock merger, with respect to any foreign institutional investor for non-domestic transactions who formerly holds B-shares of Little Swan, the reduction of A-shares of Midea Group and obtaining of dividends in Reminbi through his/her transfer registration restricted account shall be pursuant to the *Notice on Opening of Accounts Involved in Share Reduction by and Dividends Attributable to Foreign Shareholders of A-share Listed Companies and on Matters Related to Foreign Exchange Control Issued by the General Office of the People's Bank of China* (Y.B.F [2009] No. 178) and relevant provisions of the foreign exchange control.**
2. With respect to the foreign institutional investors for non-domestic transaction, to which this Chapter is applicable, they can declare the available A-shares account (if any) according to “Section II Determine the Securities Account and Custody Unit of A-shares of Midea Group” in this chapter; if there are no A-shares account or they do not declare it, then Midea Group will apply to CSDC to allocate one transfer registration restricted account which only can makes the sell order declaration and shall

not be used for other purposes, and relevant investors shall fully understand the restrictions on trading;

3. No transaction and settlement are made temporarily by securities company after CSDC allocates transfer registration restricted account to the investor. Investor is required to designate one domestic securities company as that where transactions of transfer registration restricted account are made and handle formalities for opening fund account in the business department of this securities company to achieve the normal sale of A-shares of Midea Group from this transfer registration restricted account. Such investors are proposed to select CITIC Securities as the securities company where transactions of transfer registration restricted account are made; After determining the domestic securities company, investor is required to timely submit its custody unit to CITIC Securities. For the investor who fails to submit its custody unit timely, his/her shares after conversion will be held in custody in the custody unit designated by CITIC Securities. And investor may subsequently contact CITIC Securities directly to handle custody transfer or make transaction directly.

4. Investor shall confirm that he/she is the investor, to which this Chapter is applied, otherwise, potentially, relevant contents of this Operational Guidelines are not complete applicable;

5. Investors shall fully understand the differences of trading rules between B-shares and A-shares;

6. Stock code of trade declaration of A-shares of Midea Group is 000333 and name of securities is “Midea Group”

7. Investors shall continuously pay attention to relevant announcements issued by Little Swan and Midea Group and learn the progress of this stock-for-stock merger;

8. In accordance with the Guidelines on the Registration and Settlements Service of B-share Business, the shareholders of Little Swan B-shares may appoint agent to apply to CSDC Shenzhen Branch for the share adjustment of the agent account 23 May 2019.

9. Investors may inquire of the securities company where the transfer registration restricted account is made about the specific ways of business operation relating to the account conversion.

10. Foreign institutional investors may inquire Foshan Branch of China Merchants Bank about how to open an NRA account and exchange currencies.

Section I Business-related Organizations

| Full name of organization | Abbreviation in this guidelines | Main relevant matters |
|--|---------------------------------|---|
| Midea Group Co., Ltd. | Midea Group | Information disclosure |
| Wuxi Little Swan Company Limited | Little Swan, Little Swan B | Information disclosure |
| China Securities Depository and Clearing Corporation Limited | CSDC | Allocation of transfer registration restricted account |
| Shenzhen Stock Exchange | SZSE | Restrictions on buy order declaration of transfer registration restricted account |
| CITIC Securities Co., Ltd | CITIC Securities | Provide business consultation and handling service for the investor involved in this account conversion. |
| Domestic securities companies | Domestic securities companies | Handle all business applications of investors and consultation, communication and notice; assist investors in opening common A-shares account the transfer registration restriction account in the trading system and assist investors to complete the handling formalities of third party custody meanwhile. |
| Foshan Branch of China Merchants Bank | Foshan Branch of CMBC | Handle applications of foreign institutional investors regarding to opening of NRA, provide services related to currency exchange such as consultation, communication and notice and assist investors to exchange currencies and remit funds as required by relevant foreign |

| | | |
|--|--|-----------------------|
| | | exchange regulations. |
|--|--|-----------------------|

Section II Determine the Securities Account and Custody Unit of A-shares of Midea Group

As the existing B-shares security account of Little Swan B-shares investors cannot be directly registered as A-shares of Midea Group, and SZSE implements the shares custody transfer trading system, one investor may have more than one custody unit under one securities account. Therefore, securities account and custody unit of A-shares of Midea Group will be determined in accordance with the principles shown below after stock conversion:

1. Investor who would designate its securities account and custody unit by himself/herself may contact CITIC Securities and designate the future securities account and custody unit of Midea Group A-shares prior to 30 May 2019.

Manners to declare securities account and custody unit: Please complete the Declaration for the Securities Account and Custody Unit of B-share Investors for Non-domestic Transaction of Little Swan (refer to Appendix 2 for details) and the securities company of designated custody unit of A-shares shall send the following documents to sndd@cities.com;

1) Copy and paste the completed Declaration for the Custody Unit of B-share Investors for Non-domestic Transaction in the body of the message;

2) Print and seal the completed Declaration for the Custody Unit of B-share Investors for Non-domestic Transaction, and send the scanned copy as an attachment of the message.

At the time of declaration, please completely declare the information on the securities account and custody unit of A-shares. In case the information would be declared for more than one times, the full declaration information which is received last by our company will prevail.

2. If the A-share securities account of investors is not declared before the appointed expiration date, the converted A-shares of Midea Group will be registered into transfer registration restricted account for relevant investors by China Securities Depository and Clearing Corporation Limited. Please refer to “Section III Transfer

Registration Restricted Account” in this chapter. To offer convenience to investors, our company entrusts CITIC Securities to provide default custody unit. In case the foreign investors for non-domestic transaction of B-share don't declare his/her custody unit to CITICS Securities before 30 May 2019, the A-shares of Midea Group obtained will be automatically held in custody in the custody unit of Shennan Avenue Business Department of CITIC Securities Co., Ltd. The aforesaid investor will not carry out transaction, custody transfer and other operation until he/she handles related formalities such as opening fund account in Shennan Avenue Business Department of CITIC Securities Co., Ltd.

If there are any questions, please contact Shennan Avenue Business Department of CITIC Securities Co., Ltd.

Contact information relating to the consultation and business of CITIC Securities:

Contact person: Shennan Avenue Business Department of CITIC Securities Co., Ltd.

Address: 301A, A building, Xinian Center, No. 6021, Shennan Avenue, Futian District, Shenzhen

Tel.: 86-0755-83477942 (He Ying)

86-0755-83477944 (Luo Yixi)

86-0755-83477915 (Yang Zheng)

86-0755-83477941 (Shao Qicong)

Fax: 86-0755-83459951

Email: sndd@citics.com

Section III Transfer Registration Restricted Account

I. Allocation of transfer registration restricted account

With respect to the foreign institutional investors for non-domestic transaction without A-share securities account or without declaring A-share securities account, Midea Group will apply to the CSDC to allocate transfer registration restricted account to the aforesaid free of any charge in accordance with the information of B-share securities account after the cash option business relating to the Little Swan B-shares has been completed. As this securities account is specially restricted, only the sell order declaration can be made and other purposes are forbidden.

As B-share securities account of investor is not opened in any domestic securities company, the investor, after knowing relevant matters concerning this account conversion, is required to designate one domestic securities company as that where future transactions of transfer registration restricted account will be made (see Section II of this Chapter for details). Investor is required to handle the formalities for opening fund account in this securities company and this securities company has opened the fund account of transfer registration restricted account of investor, then the inquiry and sell order declaration relating to the A-shares of Midea Group in the transfer registration restricted account can be made.

Investor, after knowing relevant matters concerning this account conversion, is required to determine one securities company as that where future transactions of transfer registration restricted account will be made and handle formalities for opening fund account in the business department of this securities company to achieve the normal sale of A-shares of Midea Group from this transfer registration restricted account. It is suggested that the aforesaid investor gives preference to the CITIC Securities as the securities company where future transactions of transfer registration restricted account will be made.

II. Way of account opening

For detailed procedures relating to the account opening formalities, investor may consult the CITIC Securities.

Investor cannot make the sell order declaration of A-shares of Midea Group until the securities company where future transactions of transfer registration restricted account will be made has been determined and account has opened in this securities company. Investor may contact CITIC Securities (entrusted by Midea Group) and inquire about the information relating to the transfer registration restricted account.

Meanwhile, investor may also contact CITIC Securities and consult the business procedures relating to the account opening, subsequent operations of transfer registration restricted account, etc. involved in this account conversion, and may complete the handling of aforesaid businesses in CITIC Securities. Investor, after knowing details of relevant businesses, may also choose other domestic securities companies and handle relevant businesses. For procedures for handling businesses, investor may consult the securities company chosen by him/her.

Contact information relating to the consultation and business of CITIC Securities:

Contact person: Shennan Avenue Business Department of CITIC Securities Co., Ltd.

Address: 301A, A building, Xinian Center, No. 6021, Shennan Avenue, Futian District, Shenzhen

Tel.: 86-0755-83477942 (He Ying)

86-0755-83477944 (Luo Yixi)

86-0755-83477915 (Yang Zheng)

86-0755-83477941 (Shao Qicong)

Fax: 86-0755-83459951

Email: sndd@citics.com

III. Way of order

After the securities account where transactions of transfer registration restricted account are made has completed account opening procedures for the investor, way of sell order relating to the investor's transfer registration restricted account will be declared in various ways of order that investor has applied to the business department of securities company where transactions of transfer registration restricted account are made to open; where the online trading order has been opened, investor may login in the online trading system through the fund account number and trading password set when opening account, inquire about the remaining A-shares of Midea Group and fund balance of transfer registration restricted account and make sell order declaration.

IV. Real-time market situation

Investor may obtain the real-time market situation and information of and suspension and resumption of trading relating to the A-shares of Midea Group through the existing market situation display channel and way of the securities company where transactions of future transfer registration restricted account are made, such as on-site self-service terminal of business department, online trading client terminal, etc.

V. Main trading rules

Stock code of sell order declaration of A-shares of Midea Group is 000333, name of securities is “Midea Group” and the way of sell order declaration is basically same as the operation of B-shares.

(I) Limit of change

A-shares shall not increase or decrease by 10% from the closing price of last trading day within trading hours that day. Limit of change on ST shares and the shares that split share structure reform has not been finished is 5%.

(II) Rotary trading system

The T + 1 rotary trading system is implemented for the A-shares, namely, the shares brought that day can be sold in the following day. The investor relating to the transfer registration restricted account is only allowed to make the sell order declaration, so the rotary trading is not applicable.

(III) Trading unit

For A-share bought via bidding mode, the declared quantity shall be 100 shares or its integral multiple. One-off sale declaration shall be made for the remaining shares less than 100 shares.

(IV) Minimum fluctuating price

Minimum fluctuating unit of declared price of A-shares is RMB 0.01.

(V) Transaction date

Monday to Friday (excluding the national holidays and day of suspension of trading stipulated by exchange);

9:15 to 9:25 of each trading day is the stage of opening call auction, wherein:

9:15 a.m. to 9:20 a.m.: Accept the trade declaration and the cancellation

9:20 a.m. to 9:25 a.m.: Accept the trade declaration, but do not accept the declaration of cancellation

The order that is not made during the call auction will automatically enter into the continuous auction;

From 9:30 to 11:30 and from 13:00 to 14:57 of each trading day is the time of continuous auction;

14:57 to 15:00 is the stage of closing call auction

VI. Liquidation and settlement

Same rules are applied in transfer registration restricted account and ordinary A-share securities account and shares are liquidated and settled on the T + 0 day, which means that the quantity of shares equal to the quantity of shares sold and concluded that day (T day) by the investor will be decreased in the securities account that day; the RMB fund is settled on the T + 1 day, which means that the investor can withdraw the RMB fund obtained from the sale of shares that day (T day) in the following trading day (T + 1 day).

VII. Exchange of Currencies and Remittance of Funds

With respect to any foreign institutional investor for non-domestic transactions, to which this chapter is applicable, the reduction of A-shares of Midea Group and obtaining of dividends in Reminbi through his/her transfer registration restricted account shall be pursuant to the *Notice on Opening of Accounts Involved in Share Reduction by and Dividends Attributable to Foreign Shareholders of A-share Listed Companies and on Matters Related to Foreign Exchange Control Issued by the General Office of the People's Bank of China* (Y.B.F [2009] No. 178) and relevant provisions of the foreign exchange control:

(1) The foreign institutional investor shall open the securities account of A-shares in the securities company (Midea Group shall apply to CSDC to

allocate one transfer registration restricted account), open the temporary RMB deposit NRA (Non-Resident Account) at the Foshan Branch of CMBC and connect the securities account and NRA at the counter of the Foshan Branch of CMBC. The opening of an account by any foreign institutional investor shall meet the requirements on anti-money laundering policy issued by international organizations and countries such as the United Nation, United States of America and the European Union as well as the Chinese government.

(2) The foreign institutional investor shall transfer the funds generated from shareholding reduction or dividends into the NRA on the date when the aforesaid funds are transferred into the securities account and the balance of the securities account at the end of the T+1 day shall be zero. The funds in Renminbi generated from shareholding reduction or dividends cannot be used or withdrawn if the foreign institutional investor has not completed the opening of NRA and the association of NRA and the securities account before the shareholding reduction of A-shares of Midea Group or dividends obtaining through the transfer registration restricted account.

(3) The foreign institutional investor shall provide CMBC with the following materials for purchase of foreign currency and outbound remittance:

1) Written application; (including application for settlement and sale of foreign exchange of CMBC, application for outbound remittance and written application of foreign institutional investor)

2) A valid certificate of capital source;

- 3) Relevant tax registration form or tax payment receipt;
- 4) Identification document of the applicant and the copy thereof (relevant letter of authorization notarized shall be provided with respect to any authorization);
- 5) Business Registration Certificate for FDI of A-share Listed Companies (shareholding reduction of A-shares);
- 6) Other materials required by State Administration of Foreign Exchange.

(4) With respect to any foreign institutional investor who has reduced all A-shares held and funds generated from share reduction and dividends have been remitted through purchase of foreign currency or used domestically upon approval in full, the securities account and deposit account shall be cancelled within five working days after the completion of the above procedures. If the foreign institutional investor fails to perform this obligation, the CMBC has the right to freeze the customer's deposit account, manage as dormant account and cancel forcibly when certain conditions are met.

Note: If there is any adjustment on policies regarding foreign exchange control and cross-border RMB during the business period, the latest supervision and administration requirements shall be observed.

Foreign institutional investors may inquire Foshan Branch of China Merchants Bank about how to open an NRA account and exchange currencies.

Contact information of Foshan Branch of CMBC:

Contact person: Huang Xiaopeng (Tel: 86-0757-81999101; Email:

huangxp8@cmbchina.com)

Contact person: Sun Guodong (Tel: 86-0757-81999113; Email: sunguodong@cmbchina.com)

Contact person: Gu Ying (Tel: 86-0757-81999131; Email: guying0917@cmbchina.com)

Address for materials sending: CMBC Building, Denghu East Road No. 12, Nanhai District, Foshan, Guangdong Province (please contact the contact person for confirmation before mailing).

VIII. Capitalizing of common reserves, bonus shares and dividend distribution

The capitalizing of common reserves, registration of bonus shares and dividend distribution relating to the shares in the transfer registration restricted account shall be handled by reference to the existing normal A-share account.

Section IV Trading Cost

The foreign investor who opens the transfer registration restricted account is required to pay commission, stamp tax, etc. same as the current ordinary A-share securities account and the foreign exchange purchase expenses of RMB to HKD and charges for remittance of HKD. Currently, the foreign exchange purchase of HKD involves no additional expenses and the exchange rate when purchasing foreign exchange uses the selling price of spot exchange of RMB to HKD on the day when the foreign exchange purchase bank purchasing foreign exchange. Charges for remittance of HKD are subject to the charges of the foreign exchange purchase bank.

| Name of Trading cost | Rate | Ordinary B-share securities account | Ordinary A-share securities account | Transfer registration restricted account |
|--|--|-------------------------------------|-------------------------------------|--|
| Commission for domestic account opening securities company | Refer to original transaction commission of A-share or B-share | √ | √ | √ |
| Stamp tax | 0.1% (only charge the seller) | √ | √ | √ |
| Liquidation expense | 0.05% (charged based on the trading amount) | √ | | |
| Foreign exchange purchase expense | It is handled in accordance with the selling price of spot exchange of | | | |

| | | | | |
|-------------------------------|---|---|---|---|
| of HKD | RMB to HKD when the foreign exchange bank purchasing of foreign exchange. | | | |
| Charges for remittance of HKD | Charges for remittance of HKD are subject to the charges of the foreign exchange purchase bank. | | | √ |
| Handle fee | 0.0487% of trading Amount (charge the buyer and seller) | √ | √ | √ |
| Registration and transfer fee | 0.02% of the trading Amount (charge the buyer and seller) | | √ | √ |
| Supervision fee | 0.02% of the trading Amount (charge the buyer and seller) | √ | √ | √ |

Section V Inquiry Business

After Little Swan B-shares are converted into the A-shares of Midea Group, the investor may inquire about the remaining securities in the account and balance of fund in the current inquiry way relating to the securities account in the securities company where transactions of transfer registration restricted account are made.

In addition, all investors may obtain all the disclosed information relating to this stock-for-stock conversion from the website of SZSE (<http://www.szse.cn/>).

Section VI Change of Account Information

The information relating to the transfer registration restricted account is copied from current information of investor's B-share securities. The investor whose identity information is changed is required to contact the securities company promptly, which is required to promptly handle the information change to the B-share securities account and transfer registration restricted account to ensure consistency.

Section VII General Meeting of Shareholders

Investor may attend the General Meeting of Shareholders and make the voting on the scene in person or by proxy. With respect to the investor who intends to be present at the meeting, at the day of General Meeting of Shareholders, individual investor shall hold stock account card (the investor allocated the transfer registration restricted account may only hold the original B-share securities account card), personal ID card or other valid certificates or paper of identification that can prove the identity); representative of institutional investor shall hold the stock account card of the unit of shareholder (the investor allocated the transfer registration restricted account may only hold the original B-share securities account card) and certificate provided by the unit of shareholder when attending the General Meeting of Shareholders. Agent shall also present the power of attorney and valid personal ID.

After having determined the domestic securities company where transactions of transfer registration account will be made and handled account opening procedures in this securities company, investor may make the online voting in accordance with the current voting procedures for the ordinary A-share securities account.

Investor who has not determined the securities company where future transactions of transfer registration restricted account will be made and handled account opening procedures in this securities company is required to contact Midea Group and attend the General Meeting of Shareholders and vote by himself/herself.

Contact information of Midea Group:

Address: No. 26-28 building, B area, Headquarters Bulding of Midea, No. 6 Midea Avenue, Beijiao Town, Shunde District, Foshan.

Contact person: Jiang Peng

Tel.: 0757-26637438

Fax: 0757-26605456

Section VIII Allotment of Shares

Before foreign residents can subscribe A-shares, or foreign residents sell all A-shares of Midea Group held by them, A-shares of Midea Group will take the fact that the part of trading rights relating to the A-share securities account are restricted with extreme caution and fully consider fairness of participation right of various investors when handling relevant matters including allotment of shares.

Section IX Cancellation of Transfer Registration Restricted Account

When remaining A-shares of Midea Group in the transfer registration restricted account of investor is zero, the securities company where transactions of transfer registration restricted account are made may cancel the transfer registration restricted account.

Section X Pledge, Freezing and Non-trading Transfer of Account

1. Pledge, non-trading transfer business: are handled in accordance with relevant business rules of CSDC.
2. Judicial business: is implemented with assistance provided by each securities companies and CSDC.

Appendix 1

Declaration Table for the Corresponding Relationship between the Securities Account and Custody Unit of A-shares and the Securities Account and Custody Unit of B-shares

| Serial No. | Name of person participating into settlement | Name of shareholder of Little Swan | B-share account number of shareholder of Little Swan | A-share account number of shareholder of Little Swan (if any) | Number of shares held by shareholder of Little Swan | Custody unit of B-share | | Custody unit of A-share | |
|------------|--|------------------------------------|--|---|---|-------------------------|----------------------|-------------------------|----------------------|
| | | | | | | No. of custody unit | Name of custody unit | No. of custody unit | Name of custody unit |
| 1 | | | | | | | | | |
| 2 | | | | | | | | | |

Handler:

Contact number:

Full name of person participating in settlement:

(Company's stamp)

Date:

Appendix 2:

**Declaration for the Securities Account and Custody Unit of B-share Investors of
Non-domestic Transaction of Little Swan**

I/Our company _____, (ID number/unified social credit code : _____, Security account number of Shenzhen Stock: _____, is the foreign investor for non-domestic transaction of Little Swan B-shares. since I/our company has determined matters of custody with the domestic securities company (name of securities company: _____), I/our company herein declare that all A-shares of Midea Group (stock code: 000333) obtained by converting the Little Swan B-shares held by me/our company, (totally _____ shares), will be registered in (number of securities account, if any) _____, and will be held in custody in (name of securities company) _____, whose A-share seat No. in Shenzhen Stock Exchange is: _____.

Name of applicant: _____

Type of identity document of the applicant: _____

Number of identity document of the applicant: _____

Signed/stamped by the applicant: _____

Application date:

Handler of securities company: _____, Contact number:

Full name of person participating in settlement of Securities Company (company's seal): _____

Date:

(This page marks the end of this document with the company stamp on The Operational Guidelines for Investors on the B-to-A-Stock Account Conversion with regard to the Stock-for-Stock Merger of Wuxi Little Swan Company Limited by Midea Group Co., Ltd. and the Related-Party Transaction.)

Wuxi Little Swan Company Limited

Date: