

Qingdao Haier and Candy Join Hands to Expand Leadership in Smart Home Appliances

Qingdao, China - September 28, 2018 - Qingdao Haier Co., Ltd. (SHA: 600690, “Qingdao Haier”) and Fumagalli family have announced a deal to combine the operations of Haier and Candy S.p.A (“Candy”). Under the agreement, Haier will invest 475 millions € to further accelerate its growth in the European market.

Post deal closing, Haier's European headquarter will be based in Brugherio, Italy. Haier will continue to invest in Candy to enhance its competitiveness in Europe and globally. By joining forces with Candy's management team, Haier aims to expand its leadership in smart home appliances in Europe in the current era of the Internet of Things (“IoT”) and to provide high-quality products and customer service to European and global customers. This investment is an important milestone in Haier's global development strategy. Both boards of directors are supportive of the deal.

Qingdao Haier, a global Fortune 500 company, owns six global brands, including Haier, GE Appliances, Fisher & Paykel, AQUA, Casarte and Leader. Qingdao Haier’s global leading position is built on its global strategy and domestic brands. According to Euromonitor, a global market research institute, 2017 marked Qingdao Haier’s ninth consecutive year as the world's largest domestic appliance brand in terms of global sales.

Qingdao Haier and Candy are highly complementary in brand and product portfolios, as well as supply chains. The combination is expected to further enhance both sides’ competitiveness in the European and global markets, and to enable them to better meet customers’ increasingly sophisticated demands for personalized products. The innovation and synergies between the two companies in smart home appliances will also bring a totally new customer experience. This investment in Candy demonstrates Qingdao Haier’s commitment to the European and global markets and is another

milestone in Haier's continued efforts to drive synchronized development globally. Post deal closing, Haier's house of brands, including Candy/Hoover/Rosières, will continue to achieve global synergies and to promote Haier's innovation, as well as to upgrade the European and global home appliance markets.

Liang Haishan, Chairman of the Board of Directors at Qingdao Haier Co., Ltd. said, "In the era of IoT and leveraging its strong R&D capabilities, Candy Group is dedicated to applying network technologies to traditional home appliances, which perfectly aligns with Haier's "Eco-brand" strategy. We believe this transaction marks the beginning of a successful strategic cooperation between Haier and Candy Group, which will not only unlock the potential of the smart home appliance market, but also inspire the sector to continue to upgrade in order to improve customer experience."

Beppe and Aldo Fumagalli said "We look forward to joining Haier. Qingdao Haier and Candy share the same vision, which is to continue to improve the quality of family life. We believe that Candy's innovation capabilities and Italian design, technology and style will fit perfectly with Qingdao Haier's operating model. Together, we will better meet the increasing demands for more individualized products, and make people's lives better and easier."

The transaction is expected to complete by early 2019. It is still subject to regulatory filings, approvals and other customary conditions with relevant domestic and foreign government authorities.

Advisors

J.P. Morgan acted as exclusive international financial advisor to Qingdao Haier, engaged offshore. Orrick acted as exclusive legal advisor to Qingdao Haier.

Goldman Sachs International acted as exclusive financial advisor to Candy. Cleary Gottlieb acted as exclusive legal advisor to Candy. Malguzzi & Associati acted as exclusive tax advisor to Candy.

About Qingdao Haier

Qingdao Haier was established on April 28, 1989. The company listed on the Shanghai Stock Exchange (SHA:60090) on November 19, 1993. Since founded, Qingdao Haier has grown by meeting customer needs with its innovative systems, becoming one of the world's largest manufacturers of home appliance goods. Qingdao Haier has overcome and adapted to changes through its commitment to innovation in relation to its strategic development, branding, R&D, and intelligent manufacture, as well as domestic and international expansion. Qingdao Haier has created and adopted a "Three In One" system of developing, manufacturing and marketing for international markets that consistently caters to local customer needs.

In the Internet of Things era, Qingdao Haier consistently implemented its strategic transformation into a win-win IoT community ecology. By integrating its U+ Smart Life Platform, its COSMOPlat industrial Internet cloud platform and its Shunguang e-commerce platform, the company provides customers with smart home solutions, creates intelligent life experiences, and meets customers' needs for customized better lives.

About Candy Group

Candy Group is one of Europe's leading companies in the market of small and major home appliances, both freestanding and built-in, with high-performance products both in terms of performance and respect for the environment. Candy Group products are marketed through two international brands, Candy and Hoover, and through national brands such as Rosières (France) and Jinling (China) with differentiated markets and different market targets. Candy Group, a multi-brand company owned by the Fumagalli family, employs approximately 5,000 employees, has seven manufacturing facilities in Europe, Turkey and China, and 45 subsidiaries and representative offices around the world. The Group Headquarters, design centre, central facility and R&D are located in Brugherio (MB), Italy.
www.candy-group.com

Disclaimers

This press release, as Qingdao Haier's introduction of this transaction, does not constitute any supplement, amendment or adjustment to any public announcement made by Qingdao Haier with respect to this transaction; for any information relating to Qingdao Haier and this transaction, please refer to the public announcements made by Qingdao Haier on the Shanghai Stock Exchange. This press release does not constitute any representation, warranty, business performance commitment or guarantee of Qingdao Haier in respect of the target assets of this transaction, nor does it constitute any recommendation, offer or invitation, express or implied, for any individual or entity to purchase any securities of Qingdao Haier. Any forward-looking statement contained in this press release, which may involve the company's development strategy, finance, business performance and operation plan, is based on certain hypothesis and is subject to certain risks and uncertainties, many of which are beyond the company's control and are difficult to predict. Investors are advised to pay attention to investment risks. Therefore, actual outcomes and results may be materially different from or even opposite to what is expressed or forecasted in such forward-looking statement. Such forward-looking statement does not constitute any commitment or binding obligation of Qingdao Haier, including any obligation to update any statement contained in this press release.