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Haier 海尔

HAIER ELECTRONICS GROUP CO., LTD.

海爾電器集團有限公司*

(incorporated in the Bermuda with limited liability)

(Stock Code: 1169)

**OPERATIONAL UPDATE FOR
THE FIRST QUARTER ENDED 31 MARCH 2017**

On or about 28 April 2017, our controlling shareholder, Qingdao Haier Co., Ltd. (青島海爾股份有限公司) (“Qingdao Haier”), a company listed on the Shanghai Stock Exchange (“SSE”) (under stock code: 600690.SH) in the People’s Republic of China (“PRC”), released its financial results for the first quarter ended 31 March 2017 (“Qingdao Haier Results Announcement”). Pursuant to the relevant rules of the SSE, Qingdao Haier shall file the quarterly and annual reports, including quarterly and annual financial information and certain operating statistics, respectively, with the SSE.

As at the date of this announcement, Qingdao Haier, the controlling shareholder of Haier Electronics Group Co., Ltd. (“we” or the “Company”, together with its subsidiaries, the “Group”), is beneficially interested in approximately 43.89% of the issued and outstanding share capital of the Company.

This is an announcement issued by the Company and is being released for information purpose and pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”)) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) and Rule 13.09(2)(a) of the Listing Rules.

* For identification purposes only

The following are the operational updates of the Group which reflect certain operating statistics for the first quarter ended 31 March 2017:

	For the 3 months ended 31 March		
	2017	2016	Changes in %
	<i>RMB million</i>	<i>RMB million</i>	
	(Unaudited)	(Unaudited)	
Group's revenue (before intersegment elimination)			
Washing machine business	4,225	3,458	22.2%
Water heater business	1,390	1,222	13.7%
Channel services business [^]	14,321	11,758	21.8%
Logistics business [^]	1,940	1,549	25.2%
Group's consolidated revenue	17,730	14,545	21.9%
Profit attributable to owners of the Company	683	567	20.5%

[^] For better understanding of the ICS (Integrated Channel Services) segment, it has been further segregated into two reportable segments: (i) Channel Services and (ii) Logistics. The revenue of the first quarter of 2016 has been so classified for comparison.

The Qingdao Haier Results Announcement prepared by Qingdao Haier can be accessible at SSE's website: <http://www.sse.com.cn> and Qingdao Haier's company website: <http://www.haier.net>.

Our shareholders and potential investors should note that (i) the financial results disclosed in the Qingdao Haier Results Announcement are unaudited and (ii) the financial results of Qingdao Haier and its consolidated subsidiaries, including those contained in the Qingdao Haier Results Announcement, have been prepared in accordance with PRC generally accepted accounting principles (PRC GAAP), which are different from the International Financial Reporting Standards that we use to prepare and present the Company's financial results and related financial information.

The information disclosed in this announcement is prepared by the management of the Company based on the Company's internal information which has not been confirmed or reviewed by the auditors of the Company, and may differ from figures to be disclosed in the audited or unaudited consolidated financial statements to be published by the Company on an annual or semi-annual basis as applicable. Therefore, such information is provided to shareholders and potential investors as interim information for reference only. Our shareholders and potential investors in our securities are advised not to rely unduly on such information, to consult their own professional advisers in this regard and exercise caution in dealing in our securities.

By Order of the Board of
Haier Electronics Group Co., Ltd.
Zhou Yun Jie
Chairman

Hong Kong, 28 April 2017

This announcement is for information purpose and does not constitute an offer or an invitation to acquire or dispose of any securities or investment advice in any jurisdiction.

This announcement may contain or refer to forward-looking statements. All statements other than statements of historical fact included, or refer to, in this announcement may involve, without limitation, a number of risks, uncertainties or other factors beyond the Company's control, which may cause material differences in actual results, performance or other expectations. These factors include, but are not limited to, general economic conditions, competition, new ventures, government regulations, interest rates, future terrorist acts, influenza, insurance, and other risks relating to our industry and business. We are under no obligation to (and expressly disclaim any such obligation to) update the forward-looking statements as a result of new information, future events or otherwise.

No statement in this announcement is intended to be a profit forecast and no statement in this announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

As at the date of this announcement, the executive Directors are Mr. Zhou Yunjie (Chairman) and Mr. Sun Jingyan; the non-executive Directors are Mr. Liang Haishan, Ms. Tan Lixia, Dr. Wang Hanhua and Mr. Zhang Yong; the independent non-executive Directors are Mr. Yu Hon To, David, Mrs. Eva Cheng Li Kam Fun and Ms. Tsou Kai-Lien, Rose; the alternate Director is Mr. Li Huagang (alternate to Mr. Liang Haishan).