

Stock Code: 600690

Stock Name: Qingdao Haier

No.: L2019-059

Convertible Bond Code: 110049

Convertible Bond Name: Haier Convertible Bonds

Convertible Stock Code: 190049

Convertible Stock Name: Haier Converted Stocks

Qingdao Haier Co., Ltd.

Announcement on Adjustment to Conversion Price of Convertible Bonds

The Board of Directors of the Company and all members of the Board warrant that there are no false representations, misleading statements and material omissions in this announcement, and are severally and jointly responsible for the authenticity, accuracy and completeness of the content herein.

SPECIAL NOTES:

- The conversion price of “Haier Convertible Bonds” before adjustment was RMB14.55 per share
- The conversion price of “Haier Convertible Bonds” after adjustment will be RMB14.20 per share
- Effective date of adjusted conversion price: 8 Aug 2019

According to the *Profit Distribution Proposal in 2018 of Qingdao Haier Co., Ltd.* (previously name, now has been changed into *Haier Smart Home Co., Ltd.*, hereinafter referred to as the “Company”) considered and approved at the 27th meeting of the ninth session of the board of directors of the Company on 29 April 2019 and the Annual General Meeting of 2018 convened on 18 June 2019, the Company proposed the payment of a cash dividend of RMB3.51 (inclusive of tax) for every ten shares to shareholders whose names appear on the register of members of the Company on the equity registration date (7 August 2019) as confirmed in the announcement on dividend payment.

The Company issued 30,074,900 convertible corporate bonds (bond name: Haier Convertible Bonds; bond code: 110049) on 18 December 2018 by way of public

issuance. According to the relevant resolutions considered and approved at the 8th meeting of the ninth session of the board of directors of the Company convened on 8 September 2017 and the 2017 First Extraordinary General Meeting of the Company convened on 23 November 2017, the relevant terms of *the Prospectus in relation to the Public Issuance of A Share Convertible Corporate Bonds of Qingdao Haier Co., Ltd.* (disclosed on the website of the Shanghai Stock Exchange on 13 December 2018) and the relevant regulations of China Securities Regulatory Commission (hereinafter referred to as the “CSRC”) on issuance of convertible corporate bonds: when a company makes the payment of cash dividends, the conversion price shall be adjusted in accordance with the following formula (rounded to two decimal places):

Payment of cash dividends: $P1 = P0 - D$;

Where: P0 represents the conversion price before adjustment; D represents cash dividend per share; P1 represents the adjusted conversion price.

According to the above agreement, as a result of the profit distribution of the Company for 2018, the conversion price of Haier Convertible Bonds will be adjusted from RMB14.55 per share to RMB14.20 per share from the ex-dividend date determined for the implementation of the 2018 Profit Distribution Proposal of the Company. The adjusted conversion price shall take effect from 8 August 2019.

It is hereby notified the above.

The Board of Directors of Qingdao Haier Co., Ltd.

1 August 2019

(Note: This Report has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.)