



Haier Group

The Haier Group was founded in 1984 with headquarters in Qingdao, Shandong Province, PRC. In 1984, Haier produced only a single model of refrigerator, today it is one of the world's leading white goods home appliance manufacturers. Under the leadership of Chairman and CEO Zhang Ruimin, Haier manufactures home appliances in over 15,100 different specifications under 96 categories. Haier products are now sold in over 100 countries around the globe.

Haier has over 240 subsidiary companies, over 110 design centers, plants and trading companies and over 50,000 employees throughout the world. Haier's focused industries include technology research, manufacturing, trade and financial services.

The global revenue of Haier for 2005 was RMB 103.4 billion. Haier Electronics Group Co., Ltd. (HKG:1169), a subsidiary of Haier Group, is listed on the Main Board of the Stock Exchange of Hong Kong. Qingdao Haier Co., Ltd. (SHA: 600690), also a Haier subsidiary, is listed on the Shanghai Stock Exchange.

On 12 August, 2005, Haier signed an agreement with Beijing Organizing Committee for the Olympic Games (BOCOG) in Qingdao to become the official sponsor of the 2008 Beijing Olympic Games for white goods home appliances.

Unmatched Home Appliance Product Offerings

Haier's product categories range from refrigerators, refrigerating cabinets, air conditioners, washing machines, televisions, mobile phones, home theatre systems, computers, water heaters, DVD players and integrated furniture, among which 9 are ranked market leaders in China, and 3 are ranked among the top 3 worldwide in their respective industries. Haier is also a world leader in the technology domains of intelligent integrated home furniture, networked home appliances, digitalization and large scale integrated circuits.

By April 2006, the Haier Group has obtained 6,189 patented technology certificates and 589 software intellectual property rights. Haier's proposal for safe care water heater technology initiative was accepted at the 66th IEC Conference in 2002 and Haier dual drive washing machine technology was included in the 2006 IEC standard proposal. This clearly demonstrates Haier's world-class innovation capabilities in product R&D.

Global Branding Strategy

Haier's global branding strategy aims at positioning the company as a local brand in different world markets in conjunction with enhanced product competitiveness and strong corporate operations. Haier's international business framework encompasses a global network of design, procurement, production, distribution and after-sale services. Today, Haier has established 15 industrial complexes, 30 overseas production factories and bases,

8 design centers and over 58,000 sales agents worldwide.

In China, Haier's 4 leading product categories - refrigerators, refrigerating cabinets, air conditioners and washing machines - have over 30% market share. In overseas markets, Haier products are available in 12 of the top 15 chain stores in Europe and 10 leading chain stores in the USA. Haier is now approaching its goal of being "local" in American and European markets via localized design, manufacturing and sales processes. In addition, Haier has set up production facilities and plants in the USA, Italy, Pakistan, Jordan and Nigeria.

Haier's innovative management principles, such as Haier's OEC management model, "market-chain" management and "individual goal combination" – a system of assigning incentives-based responsibility to staff to ensure the quality of products delivered to their customers – have gained high recognition among international management institutes. Haier business case studies are included in the text books of Harvard University, University of Southern California, Lausanne Management College, European Business College and Kobe University.

Services

With the concept of "customers as the foundation of growth", Haier provides a one-stop star service to its customers. In a joint survey conducted by the China Consumer Association and the China Enterprise Research Centre of Tsinghua University on China's domestic durable commodities for 2003 and 2004, 8 of Haier's product categories were ranked No. 1 for customer satisfaction and overall satisfaction.

In addition to high quality home appliances, Haier is also focused on offering best-of-breed service solutions to its customers. Haier's service system runs throughout the production process from product design, production, manufacturing, to pre-sale, under sales and after sales service. Since 2002, Haier has successfully established a network of over 5,000 domestic professional service suppliers to deliver timely customized service.

Partners

Haier has established an extensive sales network around the globe. Key partners in perspective markets include:

- China: Strategic alliance with Suning and Gome chain stores
- America: Cooperation with TOP 10 retailers, e.g. SEARS, Lowe's, HOME DEPOT, Best Buy, PC-Richard, Wal-Mart, Sam's, Costco, BrandsMart and Target
- Japan: Cooperation with TOP 10 retailers, e.g. YAMADA, KOJIMA and JUSCO
- Europe: Cooperation with KESA, Media Market and Carrefour

For more information, please visit: <http://www.haier.com>