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Homa

Company Name: Homa Appliances., Ltd

Listing: Shenzhen Stock Exchange (Code: 002668)

Address: No.5 Dongfu Rd, Nantou, Zhonshan, China

Homa Keeps Investing to Accelerate Growth STATEMENT -2

As per last 30 October's official statement by which Homa, a leading manufacturer in the cooling industry, announced the acquisition of "Zhongrongjin Technology Co., Ltd", a Beijing based company active in internet financing industry, and introduced Mr Zhao Guodong in its shareholding structure.

The acquisition is a win-win cooperation, since Homa intends to further enhance its strength and expand its scale while Zhongrongjin Co. will have appropriate access to the capital markets through the acquisition.

The stock market showed its recognition of this brand new attempt. Since the announcement of the developing internet-based financing, Homa's share price (Ticker SZSE: 002668) has experienced an important rally.

As a natural consequence and to fulfil the reorganizational changes 14 actual management members must leave the Homa board since the assets need to be modified accordingly to the new company structure and the enlarged business scope. The board will therefore be reorganized. According to the procedure, members of the former board firstly have to leave, and a new board will be appointed after selecting the appropriate candidates from two independent business divisions.

Homa, as a holding company, will set up two fully independent operating divisions, one focusing on home appliances business, and the other focusing on internet-based financing business.

The refrigerator business division will keep the current business model and the management team unchanged. It will also remain independent from a financial accounting and governance perspective.

Today's refrigerator business management team will not leave the company, since they bear the responsibility to further improve and expand refrigerator business. Moreover, the responsibility of each management team member will also remain unchanged.

The new combined business model leverages the stable profitability of refrigerator business and the rapid growth of internet-based financial business. Internet-based financing business will bring large amount of profit to the whole company and the shareholders; in the meantime, it will also relieve the pressure of company based on previous single business model. More importantly, the internet-based financing business will help the refrigerator business with more flexible financial support.