

Dear Friends,

As the public health response to Sars-CoV-2 continues, our thoughts remain with the communities and individuals most deeply affected by the disease.

Homa profound gratitude is with those on the front lines confronting this public health emergency.

Our priority is the health and safety of our employees, supply chain partners and customers.

Daily life at Homa has changed, but as always, we are adapting, innovating and improving our process so, our activities where possible are reaching the usual pace.

Increased actions

As previously shared, we immediately and rigidly applied all the processes required by the authorities but not only, we independently implemented new measures to reduce the inconvenience of our employees, as not exhaustive examples:

- we offer specific free Covid-19 disease insurance for all staff
- we introduced fast testing for all staff to avoid the 14-days monitoring

Thanks to the above new implemented actions, the local Government is lifting the hiring restriction.

We are pioneering and introducing a remote recruiting system, promoting a very attractive package with new incentives to make our job offers particularly attractive.

Workforce

White collars routine is at 100%. Our headquarters are fully operational, in compliance with safety standards, we are working tirelessly to guarantee the best service, we are always Homa!

The situation of the workforce in our production plants is naturally affected by the general condition.

The return of our blue-collars is influenced by the circulation restrictions implemented by the province's authorities around the country.

We currently have about 80% of operators, the reduction of the epidemic associated with the possibility of new hires, as specified above, enables us to predict that by the end of March we will be close to fully covering our needs.

Production Capacity

The finished product stocks and the complete recalibration of the production processes allow us to say that we will be able to fulfil most of February orders

Thanks to the progressive staff increase and the rump up of suppliers, our commitment is to be able to maintain a similar pace in March.

Our wish is to return to normal for April, but we kindly ask you to accept uncertainties of a crisis that is independent of our will.

Suppliers

The worldwide cooling components supply is temporarily constrained. While our 95% of Homa supply partners are located outside the Hubei province — and while most of these facilities have reopened — they are ramping up more slowly than we had anticipated. These component shortages will temporarily affect production in Homa and worldwide. We expect the supply chain to reach a positive rate at mid-March.

Logistic

The ports are 100% operational although the container flow is significantly reduced compared to the usual rush after Lunar New Year, finally, the roadblocks have less impact on the normal flow of vehicles and goods, to current information next consider that the logistics chain can return to 100% of its capacity by mid-March.

We will, of course, continue to keep you updated as the situation evolves and will do our utmost to minimize the impact on your business.

In this situation, we are striving to improve our internal and external communication skills

Our commitment to providing you in the most transparent, crystal clear information, not simplistically rosy, is helping us to improve our processes, in general, we are confident that Homa will emerge stronger and more modern.

Homa Global Website (<https://en.homa.cn>) is the main channel for all upcoming updates.

Stay Safe

Homa Appliances Co., Ltd.