



6th April 2020

Re: Update from CML regarding Covid-19

Dear Partners,

We care about reliable connection – our Mission in the CML family. Our global CML teams and our factory in Sichuan, was and is challenged since the beginning of February. At the same time, it is a good moment to reflect on our lives, what is really important and what touches our hearts.

Let's start with a short overview about the status of our operation. Where do we stand after 2 months in the Covid – 19 rally.

All our team members are healthy, and we do not have any infected person so far. Many of us spent some time in self – quarantine in various locations. Those who have been tested showed negative results but positive in mind and optimistic that with our teamwork, we will be able to overcome these months together with our stakeholders.

In our factory, we have been fully operating since February 3. As 95% of our team are local colleagues from Sichuan, we implemented the requirements of the local government and have been able to produce with full speed after a few days. What was overwhelming was the spirit of the team, the heart our colleagues put in and we got involved in the fight against the virus with many orders for companies in Sichuan for fever thermometers, respirator devices and blood dialysis applications. For 3 weeks we worked on the ISO 13485 certification for Medical to be approved by June as our new customers have been very satisfied about our support that they asked us to get more specialized for a long – term partnership. These have been extremely exciting weeks and gave hope to all at our company, that even in difficult times showing professionalism and care can bring us a big fulfilment.

Our Shenzhen and Hong Kong offices had a more challenging start after the Chinese New Year break. Luckily, we were well prepared due to our IT infrastructure and all employees having laptops. It took us only a few days for everyone to get their laptops sent to their homes by courier. Since then we have been able to establish our virtual office within days. Looking back, this change of daily presence at the offices to online meetings and talks for several hours will impact our future cooperation. Internally and externally as I experienced several TEAMS online meetings with various suppliers and customers with a positive feedback.

Our European offices in Germany, France and Austria recently got more of these challenges but with our experience in Asia, we adapted the same rules of work and we can see the positive outcome. So far, we get a positive feedback about our support and have always been reachable by phone and video calls.

Our Indonesia, US and Mexico offices are on the same set – up and as mentioned before, flexible and available for online meetings.

The months of February and March have been complicated for shipments and special arrangements. As usual the break for Chinese New Year comes with some challenges. This year due to the delay of the re – opening of some of our partners in South China, our team worked day and night to set the right priorities. At the end we can say that all turned out fine, all shipments have been arranged and the situation changed dramatically a few days ago.

As our main business, the Automotive industry, closed all car manufacturing plants in Europe and North America, our customers started struggling about priorities due to unclear information's and directions. We have seen a big slow down and this will be a big topic for all electronic manufactures in China. Being back in full swing does not mean all products are needed. We need to wait and see about the next steps in the western countries, how plans of re – starting the plants can be implemented and when all the people are able to go out again and buy the products they wish.

In the same time, we can see some of our Industrial and Medical customers are very busy. We are supplying boards for example to the world market leader for respiration applications, Draeger Germany. With our factory and our other partners, we give these lifesaving products first priority.

As you all know, the global transportation with the airlines is in a situation that we had never experience before. Boarder closings, Lufthansa and Cathay Pacific reducing 95% of their flights, brings challenges we all need to manage together. For one year we used the train service from Chengdu to Germany and in the past 2 months, our 40 feet container left without interruption. When the air freight situation might change again is unpredictable, but we need to be prepared for some more months of heavy interruptions including sky rocking pricing.

Last but not least, I wish to share some heart touching moments over the past weeks. To see how our colleagues support each other, by messages, by shipping face masks, by little presents, this stands for what we want to be – caring about people. I believe only if we, all humans, stand together can overcome this crisis. We need to be able to manage the health situation and the economic hit is already waiting for us. Trust and love are needed. Within our company and with you, our dear business partners. Every single human is impacted by this situation and I remind myself every day that we need to consider the emotional state of our counterparts.

We publish regular updates on our homepage, please feel free to visit us and contact us on:
<https://cml-globalsolutions.com/>

I wish all of us health and stability. Take good care of the people around you.

Best,

Daniel Jacob
Managing Director of CML EurAsia