

January 31, 2020

Re: Impacts of and measures to the Wuhan Coronavirus issue

Dear Customers,

We would like to inform you that Pulse has taken various measures to minimize the impact of Wuhan Coronavirus to our operations. Overall, we estimated Q1 production capacity to be impacted by 10%-20%. However, the loss of Q1 output will be quickly remedied by the end of March. We anticipate production to be resumed to normal at the beginning of Q2.

According to our survey, 90% of labor will return to work after Chinese New Year. For those small number of workers who can't return to work due to travel ban or other reasons, each factory will hire local labors, optimize its working schedule, and fully utilize automation processes to offset the loss of working hours.

In addition, none of our suppliers is in Hubei province. The supply of raw materials and components is unaffected. However, as a precautionary act, Pulse has also contacted alternative suppliers to ensure they will support us if any existing supplier's shipment would be impacted by Wuhan Coronavirus.

As Pulse doesn't have any factory in Hubei and that our factories are all highly automated, the impact of Wuhan Coronavirus is very limited. We assure you that Pulse will optimize its operation to meet our QSL to customers. We appreciate your understanding and look forward to your continuously support and business with Pulse.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'KB Ong'.

KB Ong
VP, Global Sales
Pulse Electronics Inc.