

N° 2020-03-6

Business Continuity Customer Notification

Corona (2019-nCoV, Covid-19) Virus Issue – Update 10

Status of March 20th, 2020

Dear Valued Customer,

We are committed to continue serving you as a reliable partner.

The highly dynamic development of the COVID-19 topic makes it difficult to provide tangible assessments upon which further planning can be based. This applies especially as mitigation measures by several governments, like travel restrictions or movement control orders have been announced on short notice and exceed our sphere of influence.

Our focus is to protect the health of our employees and to keep operations within our manufacturing facilities running as smoothly as possible.

On March 16 the Malaysian Prime Minister announced a movement control order that applies to the entire country starting from 18 to 31 March to avoid the spread of COVID-19. The Malaysian government has granted an exemption for the Electronic & Electrical sector, including semiconductors, to continue operations. This is subject to the fulfillment of several conditions. While we are planning to restart production at our frontend site Kulim at a reduced volume today, we are still in discussion with the authorities with respect to how we can restart our assembly & test site in Malacca.

On March 19 the Governor of California has issued a Shelter in Place order for the entire state of California to avoid the spread of COVID-19. Under this order we expect that we have to ramp down our Frontend site in Temecula. We will make use of available inventories and for some product lines alternative production routes to ensure to the extent possible continuing supply. We will keep you updated when further details are available”.

Currently all other facilities are operating. Response teams monitoring the local situation have been installed and risk mitigation measures have been implemented.

Despite shipping limitations, especially from Europe to Asia and to the U.S., deliveries are still ongoing although some of them may be delayed. We have implemented contingency plans by using e.g. different routes for shipments.

A range of factors determining our future ability to deliver as expected is beyond our control. However, we are focusing on our efforts to mitigate the impact of the current exceptional events and are committed to continue serving our customers as a reliable partner.

We will keep you updated via the established communication procedures.