

ASSMANN WSW components group

COVID-19 (Corona Virus) Impact statement

ASSMANN WSW components group, a worldwide system supplier for connectors, heat sinks and cable assemblies, produced in Taiwan, China and Slovakia, herewith wants to give their customers and distributors a general valuation overview on the impacts of COVID-19 on the production and supply chain of their products. The following valuations and assumptions of impacts out of this situation are subject to force majeure and may change due to new developments.

According to the latest local information, within all provinces in China the maximum turn point of infections is expected by the China government to be reached within the next coming days, latest end of February 2020. From this point of time the infection rates are expected to decline. This expectation may not be valid for the HuBei province, where this maximum turn point of time may be later.

Measures

The China government put the following measures in place to ensure a declining infection rate:

- Employees moving from serious infection areas back to other provinces to return to their workplaces, will be recorded
- Employees from the main infection areas are not allowed to leave these areas, without bringing evidence to the local authorities, that they have been at least 14 days in quarantine without getting sick. Then they get a special license allowing to move back to their workplaces
- Employees arriving in their destination provinces have to stay 14 days in quarantine before they can start working. These measures will last minimum until end of April
- China government request factories managements to provide masks and disinfectant fluids for their employees after and during the quarantine, to avoid further infects – the goverment pushes the manufacturers of medical safety protection materials to extend their production capacity to ensure, that the industry get sufficient quantities of the needed medical safety protection materials for their employees, which is not the case at the moment

Impact on production locations

ASSMANN WSW components group confirms, that their manufacturing locations in China are not in risk to stay closed or not to restart the production:

- 95% of all manufacturing locations already restarted their production, but still suffer on production capacity due to missing employees not returning in time
- Actual capacities of the manufacturing locations are rated at around 20% to 40% of the needed capacity
- It is expected to reach 100% capacity for all manufacturing locations until mid of March 2020
- Production of open and new orders not been shipped yet, might be delayed by up to 4-5 weeks
- Manufacturing locations in Taiwan restarted their production and are back on 100% capacity
- All China manufacturing locations work together with the local province authorities to allow the return of their employees to get them back to work as soon as possible

Impact on logistic chain

- There are no impacts been reported on the logistical situation for shipments from Hong Kong
- Air freight shipments might be subject to increased costs, due to higher demand of air freight shipments in the near future
- Extra delays in shipment times by 1-5 days from the manufacturing locations to Hong Kong harbor/ airport are expected, due to traffic restrictions controlled by the police

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