

SMTc Logistics Update

March 30, 2022

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East China (Shanghai)

- On March 27th, Shanghai authorities in China announced that the city of Shanghai will be locked down in two phases to prevent and control the spread of COVID-19. Initially the Pudong area (East Shanghai, where the International Airport is located) will be locked down effective March 28th to April 1st and subsequently the Puxi area (West Shanghai) will be locked down effective April 1st to April 5th.
- Plan for a two-week delay in shipments from April 27th – May 4th.
 - Small parcel - There is no DHL & Fed Ex local operations and outbound and inbound processing capacity in Shanghai. Shipments that did not leave by April 27th will not resume until at least April 5th.
 - Heavy air and ocean shipments through the airport and ports are stopped.
- When resumed and as seen with south China, expect a 3+ day delay in small parcel for several business days ramping back down in 1- 2 weeks. Ocean and Heavy air expect one week delays for a longer period of time.

China (Shenzhen/ Dongguan):

- All locations are no longer under lock down.
- DHL small parcel shipments have predominantly recovered; one day additional delay for current transit times with clearance to US / MX destinations 5-7-days.
- Heavy air remains a last resort option. Expect up to one additional delay in scheduling; two weeks total.
- Ocean transportation has resumed. Expect one week additional delay.

China – Other cities

- Other cities continue to have some reduced trucking operations. Cities such as Ningbo around Shanghai have greater traffic and rerouting which is causing additional delays.
- Shipping lines and customs have arranged shift work and deploy limited resources and expect certain delays of efficiency.
- Air operations are still operative at the moment but we will keep monitoring the status.

Hong Kong:

- No longer any restrictions with minimal additional delays.

Russia/Ukraine

- Still no current tangible impacts on our shipments in Europe.

SMTC Logistics Update

The situation is very dynamic and changing daily. See the attached link from DHL on restrictions by province / city www.simplydhl.com/covid-19updates. We will continue to actively monitor logistic shipments and process with daily updates provided to the sites and PM on shipment tracking status.

Chuck Fries, VP Logistics & Planning