

Dear Sir or Madam,

SEMCO is writing this official letter in regards to the recent inevitable circumstances of the Covid-19 in Philippines. The Philippine government had decided to order an island-wide “enhanced community quarantine” (“EQC”) on April 7, 2020. Despite the Philippine Government’s effort, the spreading of the Covid-19 has been dramatically increasing. In this regards, the Philippines

“SEMCO Philippines Corp.” (“SEMPHIL”) manufactures the MLCC, inductor, chip-register, and tantalum capacitors. After the first EQC was ordered, SEMCO and SEMPHIL have been seeking alternatives and different options, which our first priority is to maintain on-time schedule supply. However, if such first priority cannot be maintained then alternatively we will continue strive to mitigate any potential delay in supply-chain while at the same time complying with the Philippine government’s order. The second EQC that has been recently announced includes heightened level of quarantine restrictions such as 1) more restrictive curfew hours; and 2) prohibition of public

SEMCO and SEMPHIL acknowledge the Covid-19 and EQC situation in Philippines to be an unforeseeable and out-of-control event. Nonetheless, SEMCO and SEMPHIL are closely working with the Philippines’ government authorities to establish contingency plans to counter react against the Covid-19, however, the situation for SEMCO and SEMPHIL is even more difficult as there has

In this regards, SEMPHIL is expecting decrease in manufacturing volume starting from this April as SEMPHIL is having difficult time facilitating full capacity of SEMPHIL’s employees due to the heightened EQCs. SEMCO and SEMPHIL will nonetheless continue to strive to mitigate delay issue in the supply schedule, however, at the same time we sincerely ask for your understanding and SEMCO and SEMPHIL will continue closely working with the Philippines’ local authorities and government to react to the latest government authorities’ actions in timely manner with different

SEMCO and SEMPHIL will provide periodical updates in regards to this event and please do not hesitate to contact us if you were to have any further question or concerns. Thank you for your

Yours faithfully,

Simon Kim
SVP, Head of Sales
Samsung Electro-Mechanics Co., Ltd.