



March 16th, 2020

Valued Pencom Customers & Suppliers,

RE: Update - Coronavirus – China Mainland & Hong Kong – Pencom HQ Closing

As you already know, China Mainland (Wuhan, in Hubei Province) was the epicenter of a Pandemic strain of the Coronavirus (Covid-19). Although this epicenter is further inland from the heavily populated Eastern seaboard/coastal areas, efforts to contain the virus is still impacting all of mainland China & Hong Kong, proper.

Subsequently, Covid-19 has spread to other regions of the world, including in the United States. In the US, and in other regions of the world, governments are taking steps to contain the virus. (See “HQ” notice below)

3/16/20 CHINA MAINLAND STATUS:

As of today, the Chinese Government continues to work against the spread of the virus. However, businesses are slowly returning to normal. 95% of Pencom’s Key Suppliers and Partners, have resumed manufacturing at 100% operational capacity. Pencom’s own manufacturing facility in Dongguan China resumed production at 95% operational capacity as of 3/16/20.

3/16/20 PENCOM BUSINESS IMPACT:

Pencom stores, and ships, imported global customer parts in/from Hong Kong. Whereas pedestrian traffic is still restricted, there is *no restriction in the flow of goods* to Hong Kong, and *no restriction in goods outgoing* from Hong Kong. Pencom will continue to monitor customer inventory and will plan to act as necessary.

As of 3/16/20 Pencom is not forecasting an *additional* delivery impact (delay) with goods from China. Aside from our previous notification of a “1- 2 week delay in goods manufactured, and shipped from mainland China” (noticed on 1/29/20), there is no further delay to report *at this time*.

PENCOM HQ (San Carlos, CA) TO PARTIALLY CLOSE UNTIL 4/7/20:

US Federal Government, and US States Governments, are taking aggressive actions to impede the spread of Covid-19. An order was issued today for the California San Francisco Bay area, where Pencom HQ is located. **The Pencom (HQ) location in San Carlos, CA will be OPEN for Quality, Receiving, and shipping operations for our Suppliers and Customers.**

Other Pencom HQ personnel will be working remotely until 4/7/20 to comply with the government order to “Shelter at home”. We will continue to answer calls and emails in a timely manner. Customers, and Suppliers, may continue to call and email Pencom as necessary during this time. Pencom will continue to update Customers and Suppliers separately as necessary, and via communicate. More information found here:

<https://www.kron4.com/news/6-bay-area-counties-orders-residents-to-stay-at-home-to-reduce-coronavirus-spread/>

If you have questions regarding this issue, please contact your respective Pencom Representative.

Best Regards,

PENCOM
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