

Customer information – Update on Novel Coronavirus Outbreak impact in Mainland China

Shanghai, 29 January 2020

Dear valued customers,

Just like our customers, CEVA Logistics is facing the implication of the outbreak and ongoing spread of the Novel Coronavirus 2019-nCoV in Mainland China. CEVA Logistics in North Asia took extensive action and precaution matters to ensure the safety of our employees and to manage our day-to-day operations with little or no impact on our customers' supply chains. The situation as of today, 29 January 2020 is as follows:

- According to a Central Government directive, the **Lunar New Year holiday is extended** to Feb 2 in Mainland China. All companies in Mainland China have been requested not to re-open their premises until Monday, Feb 3.
The local governments are permitted to adjust the Lunar New Year holidays based on the local situation in the needs of Novel Coronavirus control. As per today, the following cities have announced the further extension of the holidays till Feb 9:
 - Shanghai
 - Chongqing
 - Jiangsu Province (includes Nanjing, Wuxi, Suzhou, Changzhou, Nantong)
 - Zhejiang Province (includes Ningbo, Hangzhou, Yiwu, Shaoxing, Jiaying)
 - Guangdong (includes Shenzhen, Guangzhou, Zhuhai, Shunde, Zhongshan, Dongguan, Foshan)
 - Fujian Province (includes Xiamen, Fuzhou)
- Except for Wuhan, all **CEVA Logistics locations continue to operate as usual** at this point in time. Wuhan has suspended all transportation until further notice. Our customer service teams are in close contact with all affected customers following up on shipment status and discussing alternative transport plans.
- Hong Kong administration decided to **close off six of Hong Kong's 14 border checkpoints**. The main borders (amongst others Lok Ma Chau, Huanggang, Luohu and Shenzhen Bay), however, will keep open and goods traffic is not affected. Road transportation between Hong Kong and Shenzhen is functioning as usual. The close off does not impact our operations at this point.
- **Ocean:** Except Wuhan and nearby areas in Hubei province, other ocean facilities in Mainland China remain functional as usual, including Terminals, Warehouses, Container Depots, and Customs Clearances. The preventive anti-coronavirus actions are taken in all the facilities per local government guidance with the highest level compliance. CEVA China has triggered contingency plan actions to ensure the business operation as usual, with little or no impact on our customers.
Outlook: As per the status of today, we do not expect significant impacts on operations for the coming week.

- **Air:** Wuhan airports are closed for all commercial flights except for medical relief charters. Other airports and terminals in Mainland China are all open and functional; customs/terminal authorities, etc. are all deployed with a crew. CEVA Logistics arranges on-duty staff in every gateway office.
Outlook: Hong Kong government announced a reduction in Air transportation from China on Tuesday (28 Jan). We will keep you updated. Except for that, we do not expect significant impacts on operations for the coming week as per the status of today.
- **Road & Rail:** Transportation to and from Wuhan is suspended, and most of the highways in Hubei province are closed for transportation. In other Mainland China areas operations are functioning as usual, with little or no impact on our customers. In some minor cases, Rail operations had to postpone the pick-up or to change routes currently. Our customer service teams are in close contact with all affected customers following up on shipment status and discussing alternative transport plans.
Outlook: Some railway operators are planning to cancel block trains in the coming two weeks. We will keep you informed.
- **General outlook:** Most of the factories and production in the areas mentioned above will remain closed until Feb 9. There might be further delays in the production due to laborers from other cities may choose to delay returning to work. Truck drivers will be in shortage till mid of Feb due to many drivers want to stay in their home town for a more extended period to avoid Coronavirus infections. CEVA has engaged core business partners to reserve the trucking capability for our long term customers.
- To date, there have been **no reports of CEVA Logistics staff becoming infected** with Coronavirus. The company has undertaken significant preventive and proactive measures to safeguard our employees' health and safety. So far, there are also no reports of CEVA's core business partners being impacted by the Coronavirus. CEVA China keeps close communication with core business partners to ensure the stability of the supply chain of our customers.

Our Emergency Management Team is monitoring the situation daily, and we continue to review specific procedures and guidelines across all CEVA Logistics offices in North Asia. The company has implemented significant preventive and proactive measures to ensure the business operation as usual with little or no impact on our customers, and all CEVA offices have a robust Business Contingency Plan ready, in case the situation escalates.

We will keep you updated on any changes in the latest situation regularly. Please visit www.cevalogistics.com/coronavirus for daily detailed updates and news.

Should you have any questions, please contact your CEVA Logistics contact or any other CEVA Logistics representative.

Sincerely

The Emergency Management Team
CEVA Logistics
North Asia