

July 16th, 2019

## Subject: Status Report on 752, 753, 766, 767, 768 Series Resistor Network

In regards to above resistor network product series, we would like to keep all our valued customers well-informed of the latest progress.

Without any doubt, it has been a challenging journey for CTS. The primary reason on the delay of producing these legacy products is the equipment instability during the transportation and new team in Malaysia building experience with the equipment for 100% capacity output.

We would like to share the status of all the product lines:

## For all 76X series

Form & Test – Operation is still not running on auto mode yet. We set up three manual forming stations and performing Manual Electrical Test.

Wave Solder – Due to excessive solder dross, machine is undergoing an overhaul. Engineers are working diligently on rectifying the issue.

**Tape & Reel** – The machine is non-functional. As of today, we are applying manual application. We are setting up another semi-auto machines.

## For all 75X series

Marking – We are facing challenges on sourcing the right material for rubber stamp. The material is repelling the Acetone we used for cleaning process. We have received better substitute and found it acceptable.

**Plating** – Our plating machine is non-functional. We are still working with two alternative plating vendors. Initial tests were done and result was satisfactory. This needs to be incorporated into our manufacturing process. **Tape & Reel** – The machine is non-functional. As of today, we are applying manual application. We are setting up another semi-auto machines.

You should receive a recovery plan to your orders by Monday 22<sup>nd</sup> July. We are giving 101% of our utmost effort to stabilize the situation even though the recovery date may be undesirable by many of our valued Customers. We sincerely request for your patience and understanding.

Please continue to stay in contact with your Inside Sales Rep/Customer Service Rep/Sales Manager for latest updates.

With regards Tom Kean

Global Sales Director Electronic Components Business Unit