



TIANMA MICROELECTRONICS CO.,LTD.

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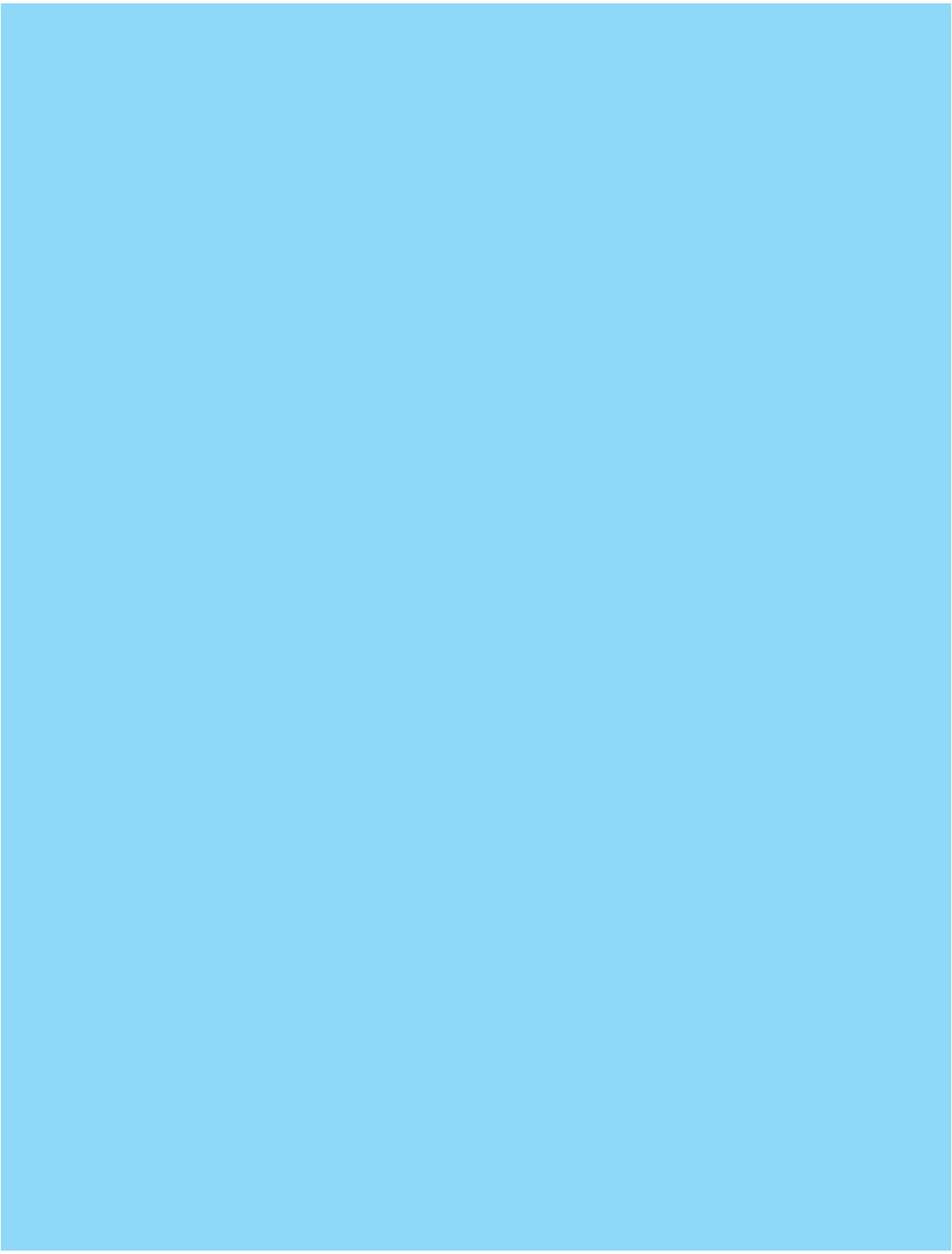
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2012 CSR REPORT



2012 Tianma Microelectronics Co.,Ltd.
CSR Report

About This Report

(1) Reporting Period

Jan 1st, 2012 – Dec 31st, 2012

(2) Reporting Cycle

Annually

(3) Brief Introduction

This is the first annual Corporate Social Responsibility (CSR) Report of Tianma Micro-electronics Co. Ltd. It aims to disclose to our stakeholders the activities and performance of our company in various aspects of corporate social responsibility, including stable operation, employee caring, environmental sustainability, business partners' CSR capacity, community involvement, etc., and to solicit further support from our stakeholders through communication.

(4) The Content

This report adheres to the principles of materiality, stakeholder inclusiveness and sustainability context as stated by the Global Reporting Initiative (GRI). Upon comprehensive analysis and assessment of the operational systems, the major stakeholders are identified and surveyed through questionnaires pertinent to their expectations, so that their concerns and needs are revealed and ranked according to importance. The topics, contents and indicators to be disclosed in this report are determined through the evaluation and selection by the CSR committee.

(5) Data Collection

In order to effectively collect information of the company's performance on aspects of economy, environment and society in 2012, we chose 24 GRI indicators from the G3 Guidelines regard to the status quo of the company. Targeting the chosen indicators, the company launched field research in all branch companies within the scope of the report. Through on-site survey, employee interview, document review and field observation, the range of data collection was determined and the collecting and calculating methods were improved.

(6) The Scope

The performance index and management policies of this report cover all entities that are controlled or significantly influenced by the company on finance and operation, and in accordance with the scope of company's financial report.

(7) Reporting Basis

This report takes the core and additional indexes of GRI (Global Reporting Initiative) G3 Sustainability Reporting Guidelines as reference.

We are self-evaluating Level C of GRI Application for this report.



(8) Expression Statement

For better expression and reading experience, "Tianma Micro-electronics Co." is referred to as "the company", "Tianma" or "we" in this report.

This report has an online version and a printed version. The online version is available on the official website of Tianma Micro-electronics Co. (<http://www.tianma.com.cn/>).

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Management Letter



Tianma reaches the age of thirty at 2013. Standing at the beginning of another thirty years, Tianma releases her first corporate social responsibility report, which will not only be the summary and deliberation for the CSR practices of the past thirty years, but also serve as the self-motivation and self-encouragement.

During the past thirty years, Tianma has focused on the field of small-to-medium size displays, starting with one TN production line, and developed to a large internationalized corporation that owns multiple production lines including TFT, independently researches and develops advanced techniques such as AM-OLED and LTPS, and spreads the marketing network all over the world. When facing those achievements, we soberly realize that the larger the company grows, the more social responsibilities we should take on. Under the new situation and opportunity, how to create more corporate value, how to achieve the harmonious development among the corporation, the society, and the environment, how to build up a distinguished, venerable and world-class company, are all the questions Tianma ponders every day, and also the consideration of Tianma people before every conduct.

It is a solemn promise from Tianma people that we are "New SOE", and we should initiatively undertake more social responsibilities. We know it well that the corporation's every operation would influence economy, the society and the environment, the harmony of the nature, the harmony of supply chain, and the harmony between the community and employees, and all those are the guarantee of the company's sustainable development. Over the past thirty years, adhering to the "Shenzhen Spirit" and holding on to the corporate dream, we were bold to innovate and implement, and we kept cultivating. In 2012, Tianma initially raised a claim to systematically construct CSR management system with Tianma's characteristics, carried out a series of work and made an achievement,

which made me feel gratified. If Tianma's former contribution to social responsibilities is like the spring mizzle or the trickling stream, then now they have all gathered to become a river with their strengths revealed, running towards the ocean.

In our view, social responsibility is not irrelevant to a company, but the obligation that must be met. We should not only solve the employment problem, but also strive to help the employees realize their own value, growing together. We should not only contribute to the social economic development, but also promote the harmonious and sustainable development among economy, the society and the environment. We should not only observe law and discipline, pay taxes with integrity, but also make great effort to build up a harmonious business environment. We should not only innovate the services, persevere in people first, but also coexist harmoniously and benefit mutually with shareholders, employees, suppliers, clients, and all the business partners. Those are the confidence and undertaking of a company with the sense of social responsibility.

In recent years, the impact of the US economic crisis continues, European debt crisis has caused the global economy going downhill, and the increasing speed of international trade has dropped, to maintain such confidence and undertaking would not be easy. However, we are glad to see that they have melted into Tianma's blood. Our ideal is as what Mr. Philip Kotler, father of modern marketing, said "Great companies are those that devote themselves to making money as well as solving social problems."

In the future, better undertaking social responsibility would no longer be an optional deed for a corporation, but the only way to a long lasting enterprise. Today, Tianma is on her way, and well prepared to overcome obstacles, let's look forward to Tianma's greater achievement.

Chairman: 

Management Letter

This is Tianma Micro-electronics Co.'s first CSR report. We promise that, henceforth, we would earnestly and annually report on our business performance and contribution to the environment and the society over the previous year to shareholders, suppliers, government, clients, employees and the community that are concerning us.

In the past year, the impact of the US economic crisis continues, European debt crisis has caused the global economy going downhill, and the increasing speed of international trade has dropped, the depression and complexity of the economy have brought huge challenge to Tianma's global operation. When confronting the difficulties, we persisted in the strategy of "Focusing on Small-to-Medium Size Displays, Developing Leading-Edge Technologies, Providing Fast and Personalized Customer Service, Achieving Sustainable Growth.", adhered to the core value of "People First, Openness and diversity, Integrity, Customer Oriented, and Embrace Change", pursued economic profit and protected shareholders' interests, meanwhile, concerned and defended the lawful rights and interests of suppliers, government, customers, employees, the community and other stakeholders.

At present, we have developed to a large internationalized corporation that owns multiple production lines including TFT, independently researches and develops advanced techniques such as AM-OLED and LTPS, and spreads the marketing network all over the world. After thirty years' practices and development, we know well that the harmony of natural environment, supply chain, the community and employees is the guarantee for the company's sustainable growth. Therefore, in 2012, we officially started the construction of CSR management system, and made some achievements:

We built up the CSR organizational structure, formed a CSR core team;

We established CSR mission, vision, strategy and five-year development plan;

We formulated CSR management manual, launched training and education comprehensively;

We performed CSR evaluation on ourselves and our suppliers according to EICC Code of Conduct;

We made proactive explorations in our energy saving and emission reduction project. We have passed the external audits of OHSAS18001 Occupational Health and Safety System and ISO14001 Environmental Management System. Also we have passed the audits of clean production and Greenhouse Gas (GHG) Emission.

We attached importance to internal control, enhanced the overall risk management. We launched internal control system construction in 2011, positively referred to the internal control implementing schedule requirements for major experimental company deployed by China Securities Regulatory Commission (CSRC) Shenzhen Securities Regulatory Bureau, initiatively accomplished internal control system construction ahead of schedule; our internal control work done was exclusively interviewed about and reported by "China Accounting Report";

We concerned about employee care, safe operation, public welfare and the communication with stakeholders;

We advocated integrity, incorruption, and formulated employees' Code of Conduct, carried out incorruption education, and effectively promoted the business ethic awareness of all staffs;

What is more gratified and encouraging, our effort has received approval and compliment from international top customers, shareholders, government, employees, the community and other stakeholders.

In 2013, we will stick to "Efficiency & Win-win", explore and implement new experience, new approach, exceed ourselves from brand new height

and thought. We will innovate the profit model, promote asserts efficiency; continuously improve excellent operation, deepen management innovation, optimize operational processes, raise the efficiency of core business operation and staff; increase the efficiency of organization, adapt to the fast development requirement of multi-region and multi-task, enhance the ability of value creating. We will constantly implement the company's strategy from the perspective of "5+1+5" dynamic strategic. We will adhere to the core value of "People First, Openness and diversity, Integrity, Customer Oriented, and Embrace

Change"; cooperate with stakeholders, striving for a new win-win situation. We will concern about social responsibility risk along with our suppliers, proactively influence the related parties, especially to strengthen the implementations of environmental protection, energy conservation and emission reduction, health and safety, protection of employees' interest, and business ethic. We will initiatively communicate with stakeholders, trying to fulfill their needs and expectation. We will keep on training and educating on CSR knowledge, and caring for environmental protection and employees' physical and mental health.

In the future, we will continuously increase the investment in CSR, and promote the company's CSR system in accordance with the global standard. We firmly believe that, our sense of responsibility and mission would lead us to become a distinguished, venerable and world-class company.

General Manager:



Vice President & Chief Accountant,
CSR Committee Chair:



About Tianma



Company Name:

TIANMA MICROELECTRONICS CO.,LTD.

Company Name in Chinese:

天马微电子股份有限公司

Legal Representative:

Wu Guangquan

Registered Head Office:

22/F South, Hangdu Building, CATIC Zone, Mid Shennan Road, Shenzhen

Office:

7/F, 64th Building, Jinlong Industrial Zone, Majialong, Nanshan, Shenzhen

Established:

November 8, 1983

Location:

7/F, 64th Building, Jinlong Industrial Zone, Majialong, Nanshan, Shenzhen

Global Operations:

China Mainland, Hong Kong, USA, South Korea, Europe, Japan. Our business extends around the world.

Types of Ownership:

Public Company

Listing Location:

Shenzhen Stock Exchange

Change in Operation Location or Business

There has been no change in operation location or business within the reporting period.

Other

There has been no change in scale, structure or ownership of the company within the reporting period.

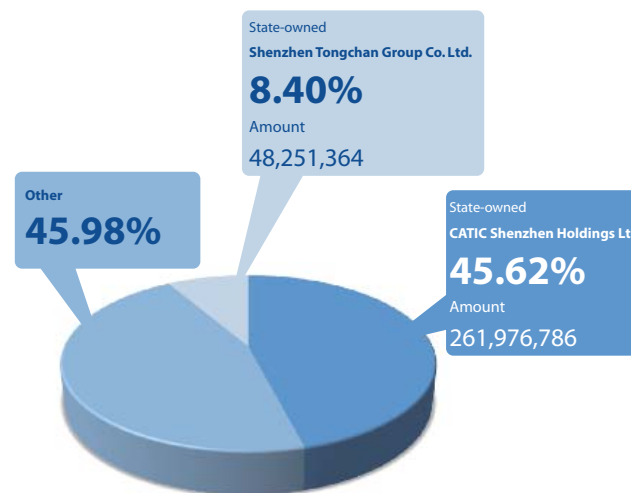
Major Sites:

Tianma Micro-electronics Co. Ltd. (The company)
Shanghai Tianma Micro-electronics Co. Ltd., (Shanghai Tianma)
Chengdu Tianma Micro-electronics Co. Ltd., (Chengdu Tianma)

Major Products:

Tianma Micro-electronics Co. was founded in 1983 and was publicly traded on the Shenzhen Stock Exchange (SZ.000050) in 1995. We are a high-tech enterprise specializing in the design, manufacturing, and supply of high quality LCD and LCM products and have now become a major public company with operations spanning from Research & Development, Design, Manufacturing to Sales and Service. Tianma supports a wide range of applications in Mobile Phone, Automotive, Industrial, Home Automation and others.

Shareholding Structure:



Total Assets

7.803 billion CNY



Total Revenue 2012

4.334 billion CNY



Main Business Revenue 2012

4.238 billion CNY



Net Income 2012

137.56 million CNY



Total Tax Payment 2012

139.17 million CNY



Number of Patents

Application 2012

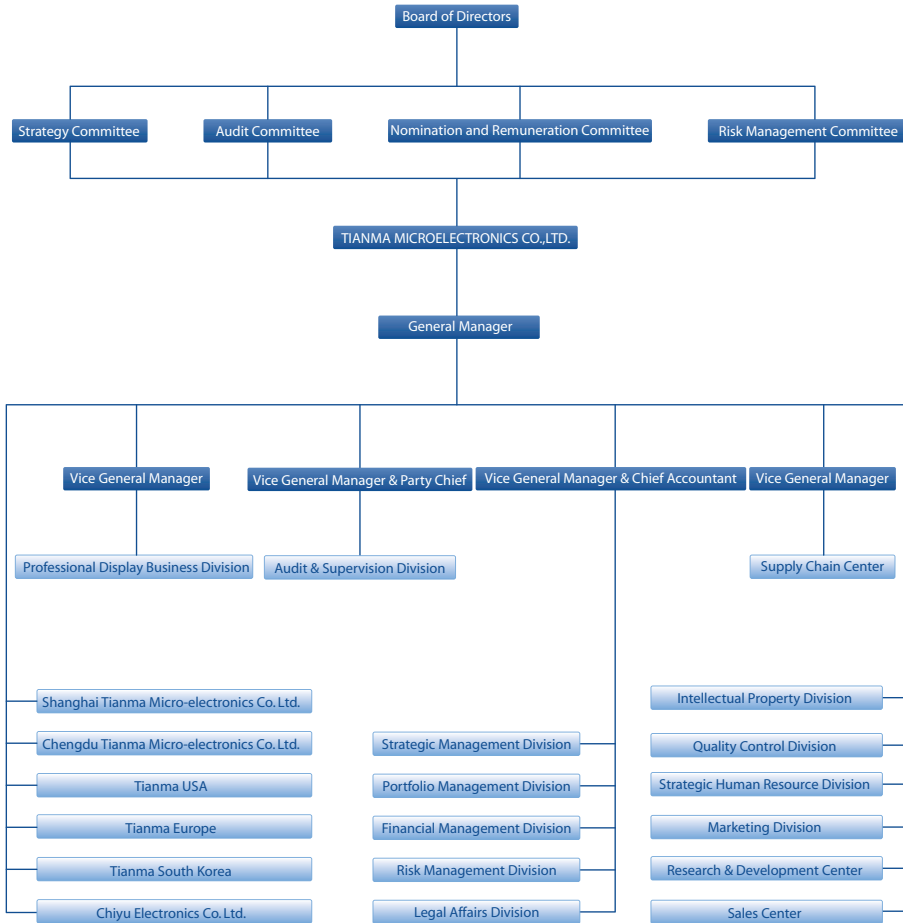
190 items



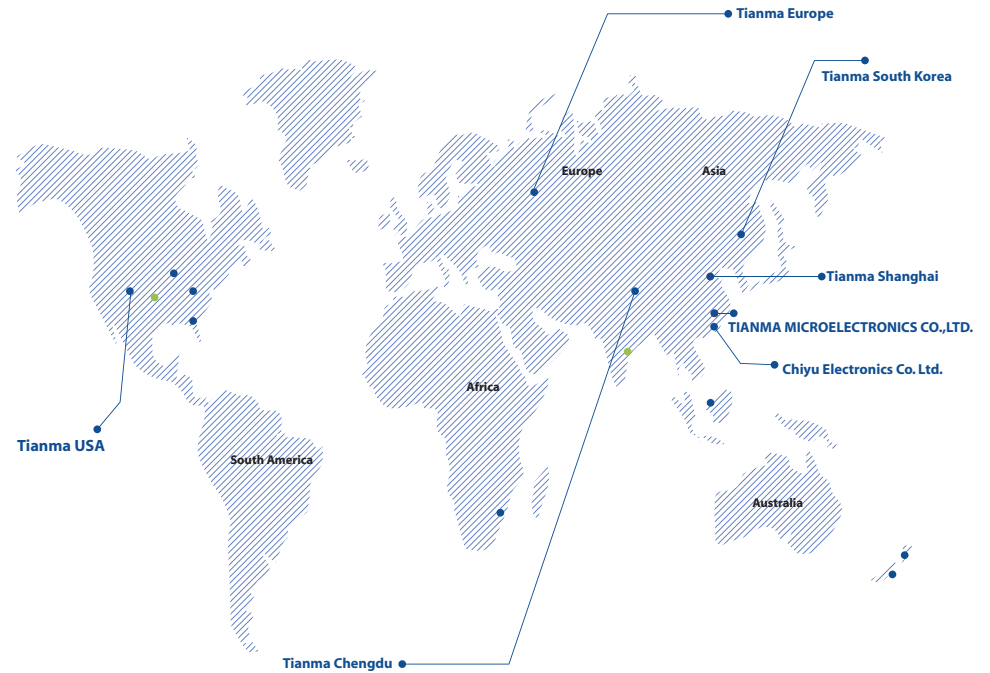
Employees

7,184

Company Structure:



World-wide Operations Network
Being the trustworthy world's leading display company

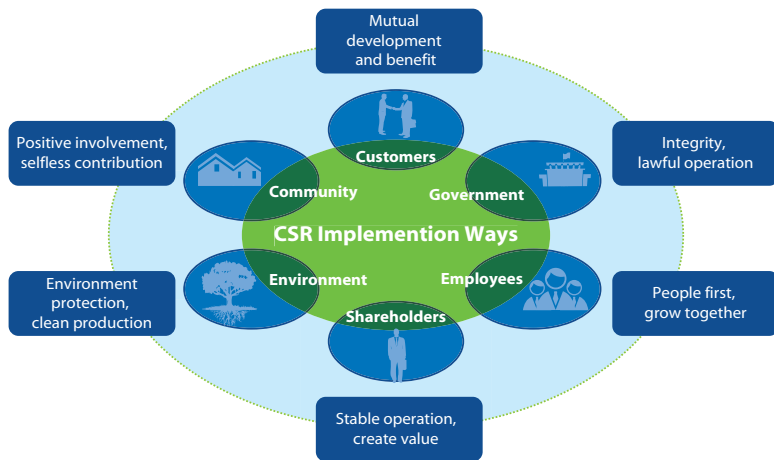


Tianma CSR

Tianma CSR Policy



CSR Vision	Become a reliable global leader in display technology.
CSR Mission	People First. Green Operation. Harmonious and Sustainable Development of Economy, Society and Environment.
CSR Strategy	Develop employee value. Build harmonious business environment. Achieve mutual benefit with business partners. Maximize the enterprise value.



CSR Five-year Work Plan

Construct	Enhancement	Consolidation	Optimization & Improvement
2012	2013	2014	2015-2016
<ul style="list-style-type: none"> Establish Tianma corporate social responsibility values; Preliminarily construct CSR governance structure and relevant responsibilities; Study and take reference from international CSR standards and the experience of the best practice in the industry; Initiate preliminary stakeholder engagement and communication; Construct CSR related governance systems, organize internal CSR audit, identify and evaluate fields of high risk, and promote improvement; Issue the first Tianma CSR report. 	<ul style="list-style-type: none"> Enhance stakeholder engagement and communication; Resolve existing CSR problematic issues in the company continuously; Help key suppliers construct their CSR governance system; Improve CSR knowledge training and advocacy. 	<ul style="list-style-type: none"> Develop CSR risk management tools and improve CSR problem and crisis management ability; Organize comprehensive advocacy of the responsibility culture; Promote outstanding public welfare projects; Score a level of B+ with the CSR report. 	<ul style="list-style-type: none"> Integrate the CSR indicators comprehensively into the entire operation and process management of Tianma and combine it with the holistic risk management; Supervise the CSR performance in motion and establish a full process management and control mechanism; Apply and upgrade CSR risk management tools and enhance CSR problem and crisis management ability; Integrate the responsibility culture into Tianma's company culture and establish Tianma's image of a public welfare brand; Score a level of A+ with the CSR report.

Tianma CSR Management System Model



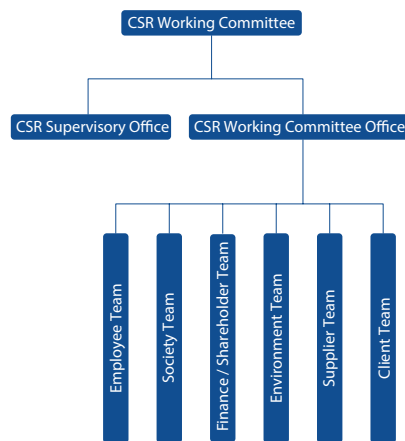
CSR Organizational Management

The company established in 2012 the highest decision-making body for social responsibility – the CSR Working Committee. The Committee is composed of the company President and other senior managers and is responsible to formulate the company’s general CSR strategies, objectives, missions and policies, to direct the construction of the company’s CSR governance structure, to review CSR work plan and issue CSR report, and to organize major CSR activities.

The CSR Working Committee Office is set up under the governance of the CSR Working Committee and is the standing CSR working body of the company. The Office is composed of the middle and senior managers of the Risk Management Division, Financial Management Division, Environment & Safety Division, Human Resource Division, Quality Division, Supply Chain Center, etc. and is responsible to arrange the tasks assigned by the Committee, to promote the construction of risk management structure within the various professional groups, to coordinate the CSR activities within the groups, to collect data and documents in the groups, to study and analyze the data, to compile the CSR report and submit it to the CSR Working Committee for review.

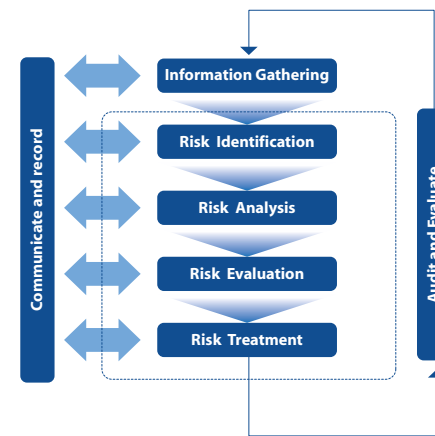
The CSR Supervisory Office is also governed by the CSR Working Committee. It is composed of the members of the Audit & Supervision Division of the company and is responsible to carry out the assignments of the CSR Working Committee, to supervise the company’s CSR performance and to handle the CSR-related complaints.

The CSR Working Committee is divided into six professional teams: Employee Team, Society Team, Finance / Shareholder Team, Environment Team, Supplier Team and Client Team. These teams are composed of the middle and senior managers in relevant positions in Tianma Group and its branches and are responsible to execute the concrete tasks assigned by the CSR Working Committee.



CSR Risk Management

The company performs regular CSR risk evaluation, CSR monitoring and CSR internal audit in such aspects as the environment, health and safety, labor practice and business ethics. The CSR risk management process includes information collection, risk identification, risk analysis, risk assessment, risk treatment, etc. In respect of the CSR management system, the CSR management review is conducted annually by the company president. The company will continuously arrange follow-ups for corrective actions since last audit.



CSR performance management

CSR performance management consists of four steps: identification, confirmation, prioritization and evaluation of CSR topics.

CSR Reporting Management

We chose GRI index based on GRI standard and the company’s reality, all teams are responsible for collecting GRI index data. CSR Working Committee formulates the annual CSR report.

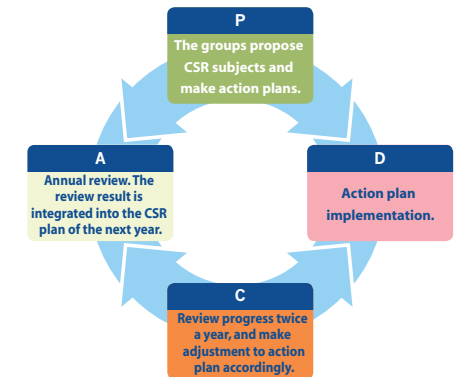
CSR Training Management

There are two models of CSR training of our company: new staff orientation training and specific CSR training. New staff orientation training includes CSR basic knowledge, the company’s CSR policy, business ethics, and employee Code of Conduct. Specific CSR training contains labor practice, EHS training and supplier CSR awareness training.



CSR Continuous Improvement:

We have utilized the PDCA approach to improve our CSR management system. See below:



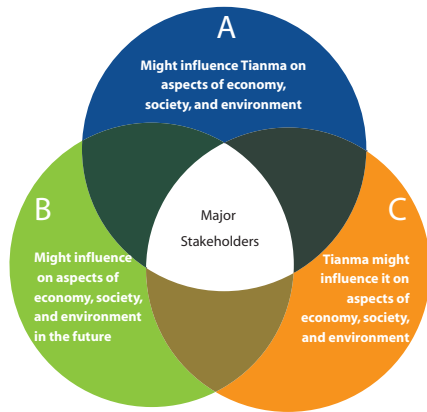
Stakeholder Engagement and Major Topics

Identify major stakeholders

Different stakeholders can influence or be influenced by the corporation at different extents. The company followed the latest AA1000 Stakeholder Engagement Standard to preliminarily identify and rank the stakeholders and finally selected six major stakeholders: supplier, government, customer, employee, community, and shareholder.

NO.	Major Stakeholders
1	Suppliers
2	The Government
3	Customer
4	Employees
5	The Community
6	Shareholders

We prioritize stakeholder by the following aspects:



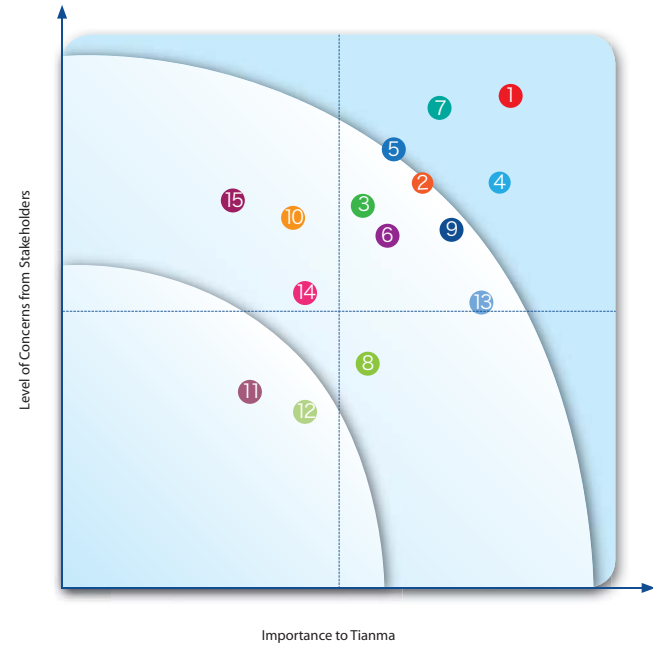
Communicate and interact with stakeholders

We established various and smooth communication ways for different stakeholders, in order to learn their needs timely, precisely, and comprehensively, and give feedbacks.

NO.	Major Stakeholders	Communication
1	Supplier	<ul style="list-style-type: none"> Suppliers Conference Regular Talks Field Audit
2	Government	<ul style="list-style-type: none"> Internal Audit Meeting/Conference Information Disclosure Telephone
3	Customer	<ul style="list-style-type: none"> Satisfaction Survey Complaints Handling Meeting Research and Audit
4	Employee	<ul style="list-style-type: none"> Satisfaction Survey Internal Training Labor Union Suggestion Box
5	Community	<ul style="list-style-type: none"> Community Involvement Tianma Volunteer Union
6	Shareholder	<ul style="list-style-type: none"> Shareholder Meeting Investor Open Day

CSR Major Topics

The company prioritized the major topics according to the results of stakeholder CSR questionnaire and mutual communication in 2012, and formulated Tianma CSR major topics analysis matrix:



No.	Topic
1	Stable Operation and Continuous Profit
2	Labor Relation Communication
3	Employee Wages and Benefits
4	Product Safety and Environmental Protection
5	Employee Training and Education
6	Equal Job Opportunities, Abolition of Child Labor and Elimination of Discrimination in Employment
7	Employee Health and Occupational Health Assurance

No.	Topic
8	Supply Chain CSR Management Enhancement
9	Anti-Corruption / Ethical Business Conducts
10	Customer Complaint and Feedback / Customer Satisfaction Management
11	Energy Management
12	Greenhouse Gas Emission
13	Emissions, Effluents and Solid Waste Disposal
14	Clean Manufacturing
15	Community Involvement and Development

Section 1 Corporate Governance

Our company strictly conforms to laws and regulations and preserves legitimate rights and interests of the company, shareholders and creditors by improving corporate governance structure, operation and supervisory mechanism, and also by promoting effective decision-making system and supervisory system. The board, special committee and independent director have played important roles in protecting legitimate rights and interests of the company, shareholders and creditors.

The board of shareholders is the highest authority of the company while the board of directors is the decision-making body. Under the board of directors, there are four special committees which are strategy, audit, nomination and remuneration, and risk management. The board of directors includes 7 members, which are one chairman, two vice chairmen, one director and three independent directors. All of the members do not hold a concurrent position in company management. Among them, there are two have received the degree of Doctors, and four have received the degree of Master. They are experienced and academically qualified in fields of technique, finance, and law. The meeting of the board is convened strictly adhering to the articles of incorporation. The board of directors is responsible for the general meeting of shareholders and enforcement their legitimate rights of operation decision-making in accordance with law. The independent directors are the chairmen of special committees. Special issues could not be delivered to the board for consideration until having been passed by the special committee.

The strategy committee is composed of 4 directors and is responsible for researching and advising on the company's long-term development strategies and major investment decisions.

The audit committee, including 5 directors, is responsible for communicating, supervising and examining the work of internal and external auditing.

The nomination and remuneration committee consists of 5 directors and is responsible for selecting and advising on the standards and procedures of directors and senior executives' appointment and payment.

April 2011, risk management

committee was found during the 10th of the 6th term of the meeting of the directors as leader group of internal control. Risk management committee consists of 9 members from directors, senior executives and professionals. It is responsible for studying and evaluating the company's risk management, and advising on improving the company's risk management and internal control. The company has set up internal control project teams, containing 4 systems, which are risk control system, strategy and security system, financial system and operation system, to implement risk management and internal control system construction.

And the three independent directors are designated in accordance with the independent director working system and they all take a good performance on their duties to maximize the enterprise value by addressing their own opinions on significant matters. And their subsidies will be linked together with their performance, also the payment level of the district industry and company executives.

The board of supervisors consists of 5 supervisors, two of which are staff representatives. The supervisors all have abundant knowledge and working experiences in law and accounting fields, and they are responsible for supervising the validity and compliance of the corporate finance as well as execution of duty by the directors, managers and others senior executives with the purpose to preserve lawful right and interests of the company, shareholders and creditors.

The shareholders enforce their voting rights on significant issues such as guideline for operation, investment, distribution of profits etc. through the general meeting of shareholders. Besides, our company have been provocatively promoting investor relations to solve their problems and listen to their opinions by building multi-ways communication channels, such as telephone, internet platform, investor site survey and investor open day etc. And we organized a two-day investor open day in 2012 and received about 140 investors.

Risk Management Policy

Risk management should not only prevent the existing value from unnecessarily losing, but also promote the continuous and efficient creation of new value and future value.



01 Stable Operation

The company continuously operates stably, conforms to business ethics, strives for profit for shareholders, and benefits both the government and the community.

Section 2 Business Ethics

Our company has been advocating that all staffs should adhere to business ethics. The audit and supervision department was set up in 2008 to establish the construction of incorruptness and anti-corruption & anti-bribery systems. In addition, there is a working team in risk management department to specifically implement the construction of incorruptness.

"The Employee Code of Conduct" was formulated and validated on 17th May, 2012. There are special chapters and sections which promote and standardize actions of anti-corruption & anti-bribery. The Code of Conduct comes into force throughout the company. The risk management department is responsible for training and advocating in full range within the company. The Code of Conduct is applied to all staff ranged from president to workers at production line. The company is incorporating the Code of Conduct into new staff training and regular training, advocating the importance of business integrity and anti-corruption & anti-bribery, so that the phenomenon of corruption and bribery could be eliminated, and a just, incorruptible and excellent corporate culture could be formed.

Our company invited office worker from judicial authority during the reporting period to give a lecture to staff especially leading cadres about the awareness of incorruptness and anti-corruption & anti-bribery. Aug 21st of 2012, Shenzhen Tianma invited specialist from the procuratorate of Nanshan district to give an incorruptness report on "Safety is the greatest happiness". We have preliminarily constructed the system of incorruptness to eliminate the phenomenon of corruption and bribery, let the company stride forward towards a just, incorruptible world-class corporation.

In order to improve the company's whistle-blowing process, on Aug 23rd of 2011, the company formulated and validated "the guidelines of grievance and whistle-blowing protection" which was conveyed to

employees timely. We set up hot line and clearly define the whistle-blowing handling procedure, deadline and other requirements to keep the privacy of the informer and protect them from retaliation.

Business Ethic Policy

**Adhere to Business Ethic Integrity
Compliance with law and regulation
Abide by Anti-corruption
All staffs self-disciplined
Fair Trading
Mutual Benefit**



Shenzhen Tianma Anti-corruption & Anti-bribery Seminar

In the aspect of intellectual property, the company has set up intellectual property committee to formulate strategy, guideline, and policy concerning intellectual property. What's more, the company has founded intellectual property division which is responsible for implementing intellectual property strategy, including: patent procedure management and operation; customer, supplier and company infringement analysis and intellectual property risk management; construction and operation of intellectual property trading and sharing platform; standardization and certification of intellectual property; collecting, analysis, monitoring and follow-up of patent and technique information; training and education about R&D engineer's innovational culture and skill; patent study and expansion.

Intellectual Property Policy

Compliance with intellectual property law and regulation, respect third-party intellectual property, encourage innovation, apply effectively.

The company also concentrates on protecting business secrets. All the employees must strictly abide by the laws and regulations relevant to business secrets, and observe to "Tianma Micro-electronics Co. business secret protection regulation", aiming at "No speaking when it shouldn't be spoken, no seeing when it shouldn't be seen, no asking when it shouldn't be asked, no listening when it shouldn't be heard". The company regularly organizes all sorts of trainings concerning business secret protection which indeed promotes all employees' confidentiality awareness. The company continuously improves confidentiality measures, prioritizes prevention, and excludes any potential information leaking risks. Besides, New employees shall sign non-disclosure agreement to promise not to reveal any business secrets.

Business Secret Policy

Comply with laws and the company's confidentiality system, protect any business secret of the company and customers, strengthen confidentiality education, raise employee awareness of confidentiality, complete confidentiality measures, and prevent information safety accident.

The company promises to abide by the international conventions and related regulations and laws, adhere to the concept of People First, develop in harmony, take over the social responsibility, and avoid using raw materials that would cause damage and harm the harmonious development during production and manufacture. The company requires suppliers to promise tracking down sources of metal in all products, in order to prevent metal procurement from conflict minerals area, assuring materials contained in products will not cause conflict. Those metal includes Au, Ta, W and Tin from East of the Democratic Republic of the Congo or Middle Africa. Countries of conflict minerals area include Darfur and Southern Sudan, Northern Uganda, Chad and Somalia, on this account the company will not face any claims caused by suppliers' violation of conflict minerals laws of Europe, North American or conflicting ore district countries.

Conflict Minerals Policy

**Peaceful Development
Away from Conflict Minerals**

Section 1 Eliminating Discrimination

The company adhere to the concept of "Prohibit discrimination, care for disadvantaged group". We treat every staff equally in the procedure of recruitment, promotion and welfare, etc. Discrimination on race, gender, native place, age, pregnancy or disability is not allowed when recruiting as stated in company regulations. After recruitment, staff entry procedure would be performed according to regulatory and law. The company should insure employees with social security. Detaining certificate of identification or charging for pledge is strictly forbidden. Labor protection appliances must be sent out to employees on special or high-risk positions. We treat every employee equally, and only take employees' competence, qualification and performance for consideration of promotion. Employees' salary, welfare and vacation are all compliant with regulatory and law.

The company keeps caring for the vulnerable and disadvantaged groups'

survival and development to show caring and warmth. We provide opportunities to disability and now there have been 4 disable employees in our company so far.

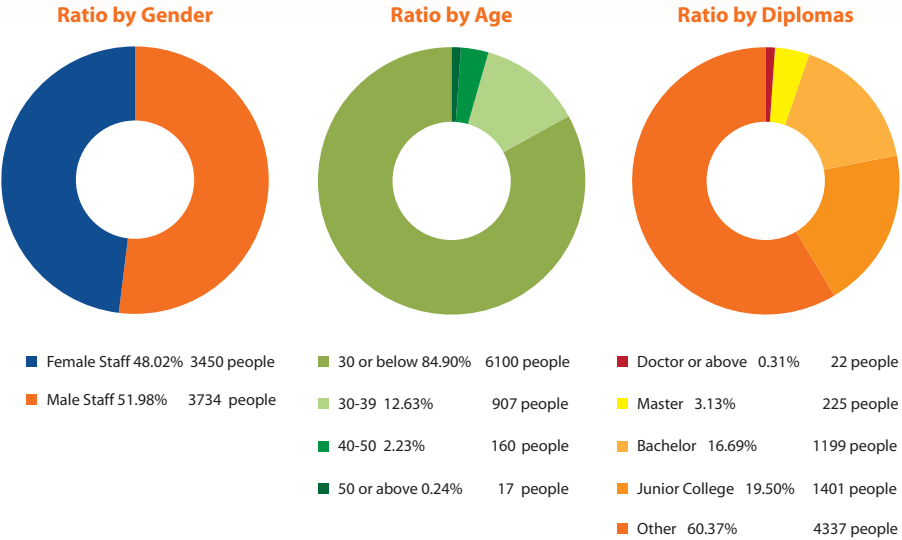
Labor Practice Policy

*Observe Law and Discipline
People First
Mutual Respect
Win-Win*

The company strictly prohibits child labor employment. During the reporting period, the company has never hired child labor or been subjected to administrative penalty due to violation of relevant laws and regulations.

There had not yet been cases on discrimination or grievance of discrimination so far since the establishment and we will keep a watchful eye on this.

Section 2 Staff Allocation



02

Employee Care

The company eliminates all kinds of discrimination, focuses on staff training and personal development, adheres to People First, so as to realize mutual benefit.

Section 3 Wages and Benefits

The company adheres to regulations and laws regarding wages and benefits, to guarantee our payment for the staff is above the minimum wage set by the government to maintain basic living needs. We have signed contract with all employees, and never adopted the form of temporary contract. The company has formulated "Wage Management Regulations" to guarantee employee's wage and benefit. The company has 100% coverage rate of employee's welfare. The company provides employees with Work Injury Insurance, Retirement Insurance, Medical Insurance, Unemployment Insurance, Maternity Insurance and housing fund. On the other hand, we provide personal protection equipment, paid maternity leave & paternity leave, breastfeeding leave, marriage leave and annual leave to our staff. Every year activity funds would be granted to management and staff for dinner party, artistic activities and sports events. The company distributes the only-child allowance to staff.

On women's day there are gifts and related activities for employees. Holiday allowance would be allocated on other festivals.

The total number of company Labor Union member is 3468, and the member to staff ratio is 44.76%.

<p>Ratio of employee labor contract signing</p> <p>100%</p>	<p>Ratio of employee benefit coverage</p> <p>100%</p>
--------------------------------------------------------------------	--------------------------------------------------------------



Employee Birthday Party

Section 4 Staff Training and Improvement



Tianma has always paid attention to staff training and their personal improvement as the company regards innovation study as part of corporate long-term strategy. Our company has formulated a series of training programs and human resource development projects considering the current situation, annual plan, job description, and personal competence differentiation & development requests to promote a win-win situation between company and staff.

CSR Training

During the reporting period, we have already completed the training of CSR basic knowledge for all workers at the production line and most administrative staff. In 2013 we keep exploiting new CSR training courses with the purpose of continuously carrying out CSR training for workers at production lines, improving CSR training for management staff, and increase the company's CSR capacity.

Special Training

In order to improve the employees' comprehensive competence, the company developed respectively the following training courses for different employee and position needs:

Training	Training	Employee
Rookie Plan	3-6 months, for job foreman, aiming at promoting the ability of coaching subordinates, communication and coordination, work planning.	Production line foreman
Diplomas Education	2-3 years, the company founded joint-running schools with universities, set up classes such as upgrading from junior college student to university student, upgrading from high school student to university student, upgrading from high school student to junior college student, and master of engineering, meanwhile, provided students with support, helped them finished their studies.	Production line foreman, and employee at manufacture and R&D positions
Blue Pathway	6 months or above, offer training to newly-entry college students on corporate value, employee code of conduct and fundamental expertise. Help them become professionals through position shifting internship.	Fresh graduate
Deep Blue Pathway	3-5 years, aiming at key position's talent team building. To accomplish the key position training via study road-map and practice, combined with the new tutorial system of "Pass on, Help, Guide?"	Key position staff
Chollima Training	1 year, to form a team of versatile talents who are paragons of both virtue and competence, with integrity, sense of cooperation, preciseness, exploration and innovation, adhere to and implement company's strategy, and with strong leadership.	Front-line management staff With excellent performance
Roc Training Plan	1 year, to promote students comprehensive manage ability in 5 dimensions of execution, innovation management, strategy performance break-down, operation simulation, and leadership.	Medium-to-high management staff

Case Blue Pathway



Wang Zhihong

Major: Applied Physics
Diplomas: Bachelor
Date of Entry: July, 2006
Position of Entry: Process Engineer
Current Position: Plant Manager

2006.7	2008.1	2009.1	2010.1	2011.1	2012.1
Assistant Engineer	Management Supervisor	Planning Supervisor	Assistant Plant Manager	Vice Plant Manager	Plant Manager
Technical Position Assisted Engineer	Management Position Employee Comprehensive Management	Management Position Production and Delivery Guarantee	Management Position Plant Production	Management Position Plant Production	Management Position Overall Plant Management

Awards from Company:



- AVIC Corporate Culture Speech Contest Second Prize
- Tianma Corporate Culture Speech Contest the Second Prize
- AVIC Professional Manager Training Excellent Trainee
- 2008 AVIC Excellent Party Member
- 2008 Safety Knowledge Quiz First Prize
- 2009 Quality Month Excellent Project Prize
- 2009 Tianma Top 10 Lecturer
- Excelsior Six Sigma Excellent Green Zone Prize
- 2009 AVIC Excellent Collective of the year
- 2010 Tianma Top 10 Lecturer
- 2010 China Association for Quality Excellent Project Prize

Messages for Brothers and Sisters

Actually "University" is word with broad understandings. We had left the University of "Ivory Tower", and then entered another one called "Society" with more courses to take, which are no longer confined to Advanced Mathematics, English, Classical Mechanics or Theory of Relativity, but have expanded to communication, collaboration, duty, mission, livelihood, pressure, marriage, and family. Those are all compulsory in the University of "Society".

The company attaches great importance to staff's daily performance, and promotes staffs according to it, so as to enhance staff's self-motivation, and to encourage and improve staff's competence, aiming at fair promotion and staff's growth. The performance evaluation rate of all branch companies' staffs (including production line workers) is 100%.

Ratio of staff involved in performance evaluation
100%

Section 5 Staff Relations and Communication

The company has always been listening to employees' voice initiatively and promoting employee care.

The company has set up labor union for collective negotiation and communication, and also diversifying employees' activities. All the staff representatives are elected democratically, and they negotiate with the company freely and regularly on behalf of employees. The company listens to the voice from staffs to improve itself. Besides, the company collects proposals and reasonable suggestions from staffs about working and living, and formulates effective actions to solve problems. Suggestion boxes are set up in the conspicuous spot of canteen and dormitory which will be opened regularly to gather information.

The company has set up Staff Clinic, Female Health and Employee Caring Home, to be aware of employee's mental state and difficulties, to provide training to employees on mental health, to visit the sick or injured employees, to offer help to employees in financial difficulties in time, to invite social experts to give employee-caring lectures, such as "Happy Life", "Marriage Guide" and "Adolescence Knowledge for Girls". We founded "Tianma Homeland" to record Tianma homeland's stories via words and photos, and exhibited the doom's culture construction. Reading Month and Spring Evening would be held every year to raise the employee's sense of cooperation and solidarity. We surveyed on employees' needs and arranged "Couple Room" to achieve employee caring and humanized management. In the past three consecutive years, we invited parents of top ten production line workers to visit Shenzhen, and 30 parents had come and shared the success of their own children. We hired professional teachers to teach the employees dancing for free, and held

Dancing Culture Month at the square, which attracted many employees to participate in and received comprehensive commendation.

2012.01 New Staff Meeting

Resolved new staff's living and working problems in probationary period, helped staffs better fit in the company, reduced staff turnover rate in probationary period.

2012.04 Staff Long-distance Running

Held large long-distance running activities of 5-kilometer and 10-kilometer for all staffs fitness.



2012.06 "Emotion and Pressure Management" Training

Offered training to staffs in aspect of "Emotion and Pressure Management" through classes.



2009.08 Love Fund

To help employees who are sick or in financial difficulty timely. 13 employees involved, 130 thousands Yuan in total.

2012.11 Organized "Serendipity" Outdoor Match

Provided chances for single young people to get to know each other.

Shanghai Tianma

There is a general manager mailbox in shanghai which will be opened regularly to gather information and someone is responsible for response. There are also psychological guidance hotlines and staff relationship hotlines. We started project called "Soul Neighbor Action" to care for staff and provide mental health evaluation and guide. There are caring salons such as "decompression and relax," "self-acquaintance and career development". On festivals we have special concerns; we apply caring funds for staffs that are in need; we interview with staffs regularly to help them adapt to working environment. We survey on staffs' requirements actively to improve their dining and living conditions and activity facilities. At present, there have been rooms for reading, training and surfing on Internet, and also playfields for basketball, tennis, badminton, table tennis and gym center.

2012.03 White Valentine's Day Dating Party

Love in early spring, love right here. No matter when the doomsday comes, let's be together right here right now.

2012.03 Female Health Knowledge Lecture

Discussed with female colleagues in aspects of misunderstanding in body-shaping, healthy body-shaping concept, female healthy diet, balanced diet, balanced nutrition, nutrition and body-shaping prescription for office lady, and monitoring nutrition condition of oneself.



2012.03 Roses and Gifts

Female staffs received Women's Day Gifts (roses and shampoos) prepared by Labor Union from male staffs.



2012.06 Family Day

Lay down the current thought, abandon the old habits, return to childhood, experience again, the feeling deeply buried in your heart.



2012.09 Mid-Autumn Day Garden Party

Traditional lantern riddles guessing, DIY lantern, fun games, wishing wall.

Chengdu Tianma

As for Chengdu Tianma, special funds provided twice a year are used for team construction. The labor union also organizes sodality with neighbor corporations for young and single people in order to enhance staffs' internal and external communications. Resting area is set up in factory district equipped with television, water heater and auto-seller. Every month there is birthday party with presents and best wishes for staffs.

2012.03 Tree Planting

All staffs were involved in tree planting, along the paths inside the plant field, to beautify the environment. Environment of both sides of the path were improved after the activity.



2012.05 Family Tour

Organized family tour for staffs with children to offer a platform for family communication.



2012.07 Photography Association

Established an association by staffs themselves, a platform to exhibit staffs' mutual interest and organizational ability.



In order to diversify employees' activities, the company holds annual dinner every year, which enhances the cohesion of employees, and raises their sense of honor and content.





03

Environmental Sustainability

Aiming at becoming a first-class corporate citizen in small-to-medium size display, Tianma regards sustainable development as its own responsibility, adheres to the policy of energy saving and consumption reduction, and cares about health and safety.

Safety concerns the corporate rise or decline, has a great to do with people's lives and property. Environment protection is directly relevant to human's survival and development, and also the corporate sustainable development, which is the basic requirement for the company, and the most important part of corporate operational management. April 20th of 2012, the company approved and released "Guidelines for environmental protection, health, safety", devoting itself to creating an environmental-friendly, healthy, safe working place, striving to be a good working field among industry, promoting corporate sustainable development by implementing globalized standards of EHS (Environment, Health, Safety).

The company adheres to the policy of "Safety First, Prioritize Prevention, and Comprehensive Governance", mainly advocates the advanced culture of safety, constantly strengthens safety techniques, and cultivates the safety capacity of employees. Within 2012, the overall situation of corporate safe production is stable. There hasn't been serious production accident, or significant environment pollution. We have achieved the goal of annual EHS.

Section 1 Occupational Health and Safety

Regulatory Compliance, People First

The company prioritizes safe production as its most important mission, adheres to 3E principles of safe production, realizes safe production conditions such as manufacturing technique and mechanical equipment, assures that the employees have mastered the knowledge and techniques required in safe production. To standardize employees' conduct by formulating rules and regulations, examining implementation, and evaluating performance.

The company has set up Group Safety Committee and Safety Office. Safety Committee is responsible for the overall planning of safe production, fire protection, environment protection, energy saving & emission reduction, occupational health, labor protection, special equipment maintenance, clean production, and information safety, while Safety Office is in charge of organizing, coordinating, and implementing. The company has founded Safety Sub-Committee and environment safety Office, allocating 47 full-time staff such as environment safety engineers, technicians, safety heads etc. Staff from all levels have signed up on letters of safety responsibility, and would commit themselves to safe production responsibilities. All staffs would be involved to adopt effective measures to prevent accidents from happening, and the concept of safe production should be carried out into every working process.

In 2012, the Group Safety Office hired EHS legal consultant to collect EHS regulations and laws timely, and assist in compliance evaluation. The company guarantees investment on EHS, mainly for aspects of environ-

ment, safety, procurement and maintenance of fire-fighting equipment, examination and rectification, publicity and education, occupational health check, rewards.



Working Field

Systematically Manage, Continuously Improve

As a social responsible corporation, the company attaches importance to occupational health, continuously reinforces the working field protection, adopts preventive risk management system, assure that security monitoring system operates effectively. Every year the company performs examination on poisonous and hazardous elements in working fields, and reaches all the standards. Before, during and after employment, occupational health body checks have been carried out for employees who engage in occupational disease relevant work for 503 person-times. The body-check coverage rate is 100%, which ensures that there is no occupational disease, and shapes a good corporate image.

Jan 28th, 2011, the company initially passed TÜV Rheinland (Guang-Dong) Ltd. OHSAS 18001 (Occupational Health and Safety Assessment Series) certification, henceforth, Shanghai Tianma and Chengdu Tianma

passed the certification successively, and all passed external audit in 2012.

In 2012, the company has completed safe standardization internal benchmarking. From 2013 to 2015, the company will successively pass the audit of National Safe Production Standardization Rank Two.



Occupational health body-check

Annual body-check coverage rate

503 Person-time

100%

Potential Danger Survey, Comprehensive Governance

Potential danger survey and governance are the key points of company's accident prevention. The company set up potential hazards ledger to record and follow-up through team inspection, 3-grade safety inspection, specific inspection, before-holiday inspection, and regular &

irregular inspection. Responsible department/person, measures and deadline should be recognized for potential hazards correction. The correction rate of potential hazards is 97.52% by the end of Dec. 2012.

Within 2012, the company has organized and completed 18 safety management projects such as hazardous chemicals & hazardous wastes, canteen fire protection, and high-temperature operations and hot-work, which reduced the entire safety risks.

Evacuation Drill, Accident Handling

In 2012, the company improved the comprehensive emergency response plan, specific emergency response plan, and site emergency treatment plan. The company performs comprehensive evacuation drill at least once a year. Emergency drills have been performed for 100 times last year, and 7607 person-times involved in total.

The company formulated rules and regulations for safety accident report and investigation & handling. Once accident happens, investigation & treatment would be performed according to the principle of "Four Checkpoints", corrective actions should be implemented, pertinent safety training should be given, and relevant responsible person accountability should be established.

Emergency Drills

100 Times

Person-times involved in emergency drills

7607 Person-time



Evacuation Drill

During 2012 there is zero death on duty and disability due to injury on duty.

Awareness and Education, Performance Evaluation

Awareness and education are the key points of EHS management, and also the fundamental work of safe production realization. In 2012, the company formulated "Tianma Staff EHS Manual," the new staff 3-grade safety education coverage rate was 100%. All kinds of trainings and educations like 3-grade safety training, construction safety training, traffic safety training, and typical accident case education were given to safety responsible person, EHS manage staff, special operational personnel, and new staffs for totally 19934 person-times.



Watch safe production propaganda video.

The company started safe production column on "Tianma Monthly," regularly released Tianma environment safety bulletin, organized publicity activities such as "Safe Production Month" and "119" Fire Prevention Day 38 times, made the best of posters, blackboard newspaper, internet, broadcast, educational video, and giveaways, so as to enhance the promotion of safety knowledge, to strengthen all staffs'

safety awareness, and eventually to form Tianma safety culture.

In 2012 the company commended and rewarded 75.6 thousands Yuan in total to the groups and personnel who had achieved excellent performances on EHS. Shenzhen Tianma has already considered EHS performance evaluation as an important factor of department annual evaluation of advanced collectives and individuals.



Working team safe production awards

Person-times involved in safety training

19934
Person-time

Commendation and reward

75.6
thousands Yuan

Section 2 Environmental Protection

Green Factory

The company designed and built the green factory in accordance with the concept of sustainable development, used renewable energy initiatives, lessened energy consumption via advanced energy-saving techniques, reduced green house gas emission, adopted renewable and harmless raw materials, constantly decreased the

production and discharge of hazardous waste, ensured the continuous investment of environmental protection which was mainly for environmental protection three simultaneousness, energy saving & emission-reduction equipment, environment inspection, and hazardous waste disposal. During the reporting period, the company has never been punished for environmental illegal actions.environmental illegal actions.

Wastewater effluence reaching the standard:

The company has built wastewater treatment station with complete functions such as pre-treatment, physical and chemical treatment, and biodegradation treatment; the company has set up sound standardized operation procedure and disposal process control system; facility department researched and implemented wastewater effluence reduction every year, wastewater disposal was monitored 24 hours on-line.

Waste gas emission reaching the standard:

The company has built several advanced waste gas disposal equipment, the emission of waste gas was much lower than the government standard; the company has set up sound standardized operation procedure and monitoring; the whole factory conducts inspection on the waste gas emission vent annually.

Environment Policy

Observe Law and Discipline
People First
Energy saving and Consumption Reduction
Pollution Prevention
Green Production
Sustainable Development
All Staffs Involvement

Solid waste transferred as prescribed:

The company has built standardized solid waste transfer warehouse, formulated rules and regulations of solid waste collection, storage, and disposal; granted qualified company to dispose the solid waste, and recorded in accordance with regulations. Within 2012, the company's volume of hazardous waste discharge has been reduced by 726 tons on year-on-year basis.

Noise emission reaching the standard:

The company adopted airtight, sound-proofing, and preventive measures to reduce noise emission.

The company continuously improves the environment protection management system. On October 19th 2004, the company initially passed TÜV Rheinland (GuangDong) Ltd. ISO14001 environmental management system certification, henceforth, Shanghai Tianma and Chengdu Tianma passed the certification successively, and all passed external audit in 2012, promoting the environmental protection management from product design to customers.



The company carries out clean production audit mainly aiming at reducing the consumption and waste of resources, preventing damage to environment, and remaining sustainable usage of resources. The company adheres to the principle of "Energy saving, Emission Reduction, Pollution Reduction, and Efficiency Increase", adopts production ways of less pollution, low cost, and high efficiency, reduces or eliminates pollution generated from production, so as to realize win-win between environment and economy.

The company put employee improvement proposal policy into practice. Proposals included energy saving & emission reduction improvement, 6S improvement, operation process improvement, technology innovation, raw materials saving, usage of solid waste, and disaster prevention. The company organized internal experts to evaluate, elect and reward those projects and improvement performance, which motivated employees' enthusiasm and innovation spirits.

The company and Shanghai Tianma have passed the clean production audit by the government environment protection department in 2010. Chengdu Tianma plans to perform clean production audit in 2013.

The company has passed the GHG emission audit by CESI who released "GHG Emission Audit Report". The company plans to continuously perform clean production audit in 2013 and start energy audit.

In 2012 the company accomplished 18 energy saving & emission reduction projects, invested 4.05 million Yuan, gained economic benefit of 11.91 million Yuan, realized the win-win between environmental protection and economic profit. The major protects please see below:



NO.	Protect	Content	Contribution	Economic Benefit
1	Chengdu Tianma-clean room lighting and power use comprehensive improvement.	Adjusted clean room lighting, carried out T5 reform to floor FAB lighting, and applied for electric charge subsidies in wet season.	Power saving	1.39 million
2	Chengdu Tianma-improve purification ability in clean room	Improve purification ability in clean room, particle control standard is one grade higher than former design in all region, the acceptance rate of purify air conditioner air supply point was 100%.	Power saving, materials cost	1.98 million
3	The company- central air-conditioning replacing boiler steam humidification.	Central air-conditioning humidification system	Natural gas saving	1.92 million
4	The company-Toilet flushing with recycle water project	Use recycle water, replacing tap water, to flush toilet of NO. 1 factory.	Water saving	83.2 thousands
5	Shanghai Tianma-PCW energy saving reform	Change cooling with low-temperature water to medium-temperature water, recycle the heat.	Natural gas saving	1.12 million
6	Shanghai Tianma-CDA heat recycle	Decreased the load of cooler by recycling CDA system heat.	Power saving	1.31 million

Green Office


The concept of environment protection reflects not only in manufacture's energy saving and emission reduction, but also in office area. So the company raised the 3R principles of Recycle, Reduce, and Reuse as below:

☑ **Recycle:**

- Recycle, clean, classify and reuse the work clothes;
- Recycle and reuse "Employee EHS Manual" of new employee training.

☑ **Reduce:**

The company continuously popularizes the OA mode of paperless office, which can save paper and office cost up to 90 thousands Yuan each year. From Oct 2010 to Dec 2012, a total of 200 thousands Yuan was saved.

 **Save paper and office cost**
90 thousands Yuan

 **Save cost**
200 thousands Yuan

 **Power Saved Every Year**
740 thousands kilowatt-hours

Duplex printing or photocopy; perform training and send document via electro-communication and video; power off where lighting isn't needed.



☑ **Reuse:**

2010-2012, the company implemented 1400 cloud-computing desktop-virtualization customer-end projects, replacing high-costly desktop computer, which saves 740 thousands kilowatt-hours every year.

Record informal information on waste paper; bring your own cup and lunch-box, the canteen provides dishes instead of disposable cups and lunch-box.

Green Product

The company pays attention to the designed performance of the product, as well as environmental protection in product technology development. The company has passed the certification of QC080000 Hazardous Substance Process Management System; all products are up to RoHS standard, which indicates the company's LCD has reached a high industrial standard in aspects of reduction of hazardous substance harmful to environment, product design based on Life Cycle, and energy saving.



Transflective display technology

The company has developed transflective display technology. When the ambient light is insufficient, transflective TFT-LCD displays via the backlight source; when under the strong ambient light, transflective TFT-LCD displays through the reflective part of pixels reflecting ambient light, which doesn't need to turn on the backlight, and greatly reduces the energy consumption of the module. (More than 90% of the energy consumption of the TFT-LCD module comes from the backlight source.)



The organic film high aperture ratio technology

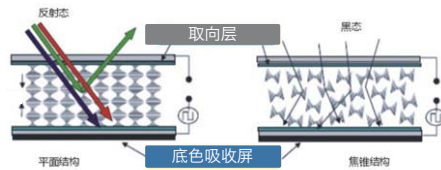
The organic film high aperture ratio technology uses organic transparent dielectric film as a passivation layer material, with reasonable panel design, which effectively improves the pixel aperture ratio by 10%, and the LCD panel transmittance ratio by 20%. In other words, when obtaining equal brightness of the display with traditional display products, the new products enormously reduce the energy consumption of the backlight source.

ASG technology

ASG technology (a-Si Gate driver on panel) lowers the cost and compacts the structure of the display by integrating gate driving circuit into LCD active matrix substrate. Meanwhile, it reduces the energy consumption of LCD panel with special circuit design.

Active Matrix Driven E-paper Technology

The active matrix driven E-paper is one type of the reflective LCDs which utilizes its surrounding light to irradiate the panel, there is no need of additional high-power backlights, so the energy consumption is lower and the products are environment-friendly; Moreover, the E-paper is based on the bistability of the device itself, so it is unnecessary to apply the voltage on the top and bottom electrodes all the time, the electric field will be needed just when switching the pixels, and the image is maintained without the electric field, hence the energy consumption is further decreased.



Section 3 Government Reward

In 2012, the company's achievement on EHS has received support and encouragement from local government, and gained tens of awards. Rewards and subsidies were 847.3 thousands Yuan in total.

NO.	Award-giving Unit	Awards
1	Pudong New District, Shanghai	Emission reduction project
2	Shanghai City	Energy saving technology reform project
3	Pudong New District, Shanghai	Winner of "Wellness Cup" in 2012
4	Shenzhen City	Advanced corporation in "Shenzhen waste reduction action" in 2011
5	Longgang District, Shenzhen	Energy saving and emission reduction subsidy
6	Baolong Community, Longgang District, Shenzhen	the second runner-up in fire protection skill competition
7	Baolong Community, Longgang District, Shenzhen	Advanced company of fire control in 2011
8	Nanshan District, Shenzhen	Model company of "Safety entity responsibility implementation" in 2011
9	Sub-district office, Gaoxin District, Chengdu City	Advanced company of safe production



The company aims at becoming a leader in small-to-medium size display, strives to establish a conserving and environment-friendly corporation, integrates green environment protection system into company's strategy management, makes the best of earth resource, reduces influence on the environment, builds up the "Green Display Industry" together, and achieves the company's sustainable development.

Section 1 Supply Chain Management

Our company keeps promoting our suppliers' operation level and management standard by supervising and cultivating them for a harmonious cooperative relationship.

to key suppliers, and implemented CSR good practice guides, so as to urge suppliers to be compliant with regulations & laws and related CSR standards, measures taken as follows:

During the reporting period, the company has already begun CSR audit

Start to require suppliers to sign CSR Agreement

Increase the frequency of audits and enlarge the audit scope;

Use the third party's CSR audit experience for reference to improve the supplier audit procedure and management process

Raise the supplier access standard

Enhance audit standard

Continuously follow up the improvement of suppliers.



04 Win-win With Business Partners

To embody the social responsibility value, the company always focuses on improvement and development with the whole industry chain, hand in hand, side by side, stepping towards excellence.

Our company formulated CSR audit checklist and 2013 suppliers CSR audit plan. In 2013, our company will promote the key suppliers to establish CSR management systems, and we plan to sign CSR agreement with all of them, compile CSR audit checklist individually, and formulate supplier audit plan for 2013, integrate CSR audit into supplier access standard. There will be no admittance without the achievement of benchmark scores. As for the existing suppliers, the company will offer CSR training and provide support to key suppliers at sample randomly. A CSR self-evaluation would be a request. The company will conduct audits to each of the key suppliers in accordance with the audit plan, consistently track down the improvement, combine the improvement results into suppliers' performance management, and prompt the suppliers to implement similar CSR measures to their low-tier suppliers, such as CSR training and audit.



The scene of major supplier CSR training

Green Logistics

Tianma has been advocating energy-saving and cost-reducing, and as for logistics and transportation, we keep exploring ways to lower cost and reduce pollutants.

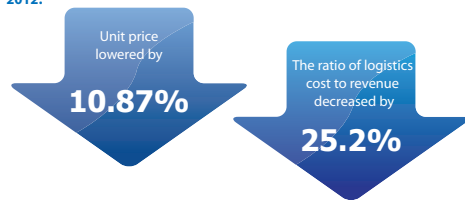
Established flat administrative system, convenient for cooperation and management.

Flat administration not only helps the group integrating coordination and management, but also triggers all branch companies' enthusiasm and initiatives. As members of the team, all branch companies' logistics heads undertake part of the group's overall planning work, which exploits the advantages of specialty and strong implementation to the full.

Integrate logistics KPI and standards of all companies. (Logistics Cost, Obligation Risk, Storage, Insurance etc.)

To unify standards on which the group evaluate the branch companies, and set up fair and impartial assessment mechanism based on branch companies' different requirements and expectations towards logistics operation, regarding to operational generality and specialty.

The measure of "Central Procurement, Unified Bargaining" has been adopted for the group's transportation, which has lowered the transportation unit price by 10.87% on 2011 basis, and brought down the ratio of logistics cost to revenue by 25.2% compared with 2012.

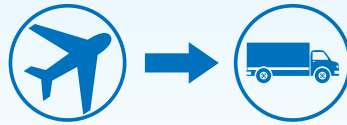


More transportation discount would be granted to us due to central bidding and unified bargaining, which consequently reduces transportation cost, and improve economic benefit.

We have integrated the original transportation suppliers from 13 to 6 (Among them there are 3 strategic suppliers, and 3 regional suppliers) to divide the lines and confirm the business scope. (select the most competitive suppliers in the region.)

On the premise of meeting business demand

we continuously refine transportation mode, minimize costs. We choose the most economical transportation ways to reduce pollution emission. All companies are upgrading the transportation mode, to decrease the distance and ratio of air transportation, and increase the ratios of land transportation and shipping.



Take Chengdu Company as an example. Air transportation of large-size glasses has dropped from 16% to zero after combing the process. The changing transportation mode also results in the lower damage rate. Large-size glass damages are mainly caused by air transportation according to the analysis of different cargos through different transportations in the group. Hence, the group assisted Chengdu Company in combing the process of large-size glass delivery, cut down the air transportation, and adopted land transportation, consequently lowered the damage rate from 8‰ to 0.4‰ and gained the advantages in transportation insurance rate negotiation.



The scene of logistics operation

Green Procurement

The company knows well about the mutual benefit between local economy and itself. So we stick to local purchase, devote ourselves into promoting and developing local economy, and drive a prosperous economy.

Regarding the recycle of waste water, the recycling rates of strippers and diluents at Shanghai Tianma were both 50%. In the aspect of plastic packing materials recycle, the company has kept exploring recycle methods and ways. The recycling rate of PPBOX at Chengdu Tianma is approaching 100%.

In aspect of hazardous substance, the company abided to the strictest RoHS standard, and also formulated environmental protection standard

for relevant products, set strict rules on the limiting amount of 4 heavy metals which were Cadmium, Lead, Mercury, and Cr+6, and fire retardant which were PBB and PBDE.

So far, the company has passed the certification of QC080000 hazardous substance management. The company launched hazardous substance general survey when integrating suppliers resources, improved hazardous substance data base, set up green purchase channel. The company formulated "Management Regulation of hazardous Substance" in May, 2012 to standardize hazardous substance management, aiming at effectively identifying and controlling the involvement of hazardous substance, and being responsible to the society.



Section 2 Client Orientation



2012 New-tech product launch event



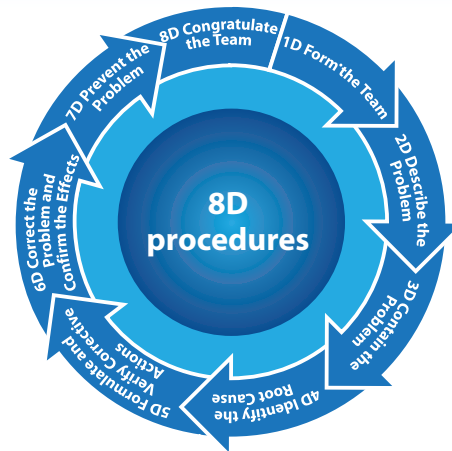
Experience the new-tech product

The company commits to the core values of "People First, Openness and Diversity, Integrity, Customer Oriented, Embrace Change", focuses on Customer Oriented, absorbs the concept of Six Sigma, and makes progress consistently.

In the year of 2012, we imported EICC social responsibility management system in accordance with the expectation and requirement of our customers, meanwhile, Nokia has conducted CSR audit to Shanghai Tianma and Wuhan Tianma. In the audit report, Nokia made positive comments on our CSR system, the diversity of communicational means, and our deep investigation and improvement on the minor injuries. At the same time, Nokia pointed out a few drawbacks like insufficiency of labor union education, and that Employee Bulletins had not been distributed to all staff. Concerning those drawbacks, improvements have been and will continuously be made to assure Customers Oriented and mutual progress.

Besides, we've set up Quality and Customer Service Department, which is responsible for handling customer complaints. We deal with the complaints according to 8D procedures if caused by our company to finally close the case. The 8D procedures are as follows: 1D Form the

Team>2D Describe the Problem>3D Contain the Problem>4D Identify the Root Cause>5D Formulate and Verify Corrective Actions>6D Correct the Problem and Confirm the Effects>7D Prevent the Problem>8D Congratulate the Team.

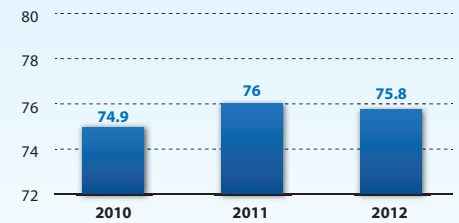


Client Satisfaction

We attach great importance to customer satisfaction, and list it on our annual strategies, then break it down and merge into department and employee KPIs. The company carries out customer satisfaction survey every year to comprehend their demands and suggestions to improve our products and services, so as to innovate our solutions.

It was revealed in the 2012 customer satisfaction survey results that, our customers approved our products, services and implementations of contracts. The company will formulate work plans on basis of the results, and implement them to every department and everyone, in order to gain more trust on our promoting competence from customers.

Client Satisfaction Developing Chart



Debuted in FPD CHINA 2012



The scene of product introduction

Customer Privacy and Complaint

The company has always been protecting customer's privacy and information carefully. The company signs non-disclosure agreements with every customer. And both sides are obliged to abide by the clauses. Furthermore, OA program is set to manage customers' information and documents with strict limits of authority that only few can access the program. During the reporting period, the company hasn't received any customer complaints on privacy infringement or information leaked out

The company is sure to standardize and monitor customer service department and employees according to customer complaint and settlement, aiming at customers' greatest satisfaction and mutual development.



In March of 2009, Tianma Volunteer Team was founded, aiming at raising employees' sense of citizenship, building a cooperative, harmonious and mutual-help interpersonal relationship, helping indigent and disadvantaged groups, protecting the environment, caring for public welfare, forming a public image of the corporate and promoting social harmony and development. The current 130 volunteers promoted the volunteer spirit of "Involvement, Mutual-help, Contribution, and Progress", melted indifference with care, called for true feelings with bona fides, overcame hardships with courage, put competence into implementation. Successively they organized activities like blood donation, city cleaning, transportation safety guide, tree planting.



Volunteer team taking an oath

05 Community involvement

We have always concerned about community involvement, charity, and public welfare, devoted ourselves in contributing to the society, and constructed a harmonious homeland.

Case "Care for the Thalassemia Children"

Shenzhen Tianma has organized the employees to care for the Thalassemia children, presenting a special gift for SEC Shenzhen's 32nd birthday. All the charity sale items were made by the Thalassemia children including hand crafts and painting clothes. Besides, some citizens with warm hearts have donated charity sale toys to help the needy Thalassemia children's family.

7th September 2011

The company's Labor Union joined the TV show "Multitudes Respond to the Charity Call" of Shenzhen entertainment channel, and donated 10 caring studies to the 28th middle school in Kashgar on behalf of the company. All the donative books were published in recent years which were of high standards for the children to read and learn. This charity activity showed the company's caring for children in mountainous area, and fulfilled the children's dream for reading.

Case 2012 Earth Hour



At the night of 31st March, from 8:30 to 9:30, Shenzhen Tianma launched the Earth Hour activity, turned off the unnecessary lights and promised to make a change to the environment protection. Let's get start now, make use of your resources, and call up people around you to make a change for environment protection.

2600 staffs were involved.

From March to December in 2012

Shenzhen Tianma held the activity of "Guangdong Province Global Funds HIV/AIDS Program—Prevention and Control of HIV/AIDS Intervention," and invited the Longgang district Longgang street preventative health-care station to join in the peer education activity. Our company set up peer education working team to give out educative brochures. About 2047 employees received relative training. We care for the employees' mental and physical health and growth.

Staff Trained
2047 Person/time



12th March 2012

In order to promote the environment protection concept and enhance employee's awareness, Chengdu Tianma carried out the tree planting activity under the leadership of vice-general manager Lei Wang. They have grown over 300 trees inside the factory area. The employees have witnessed Tianma's growth and development together with the company.



22nd April 2012

Shenzhen Tianma organized the Tianma Volunteer Team to participate in the local voluntary tree planting activities called "Green Ecological Landscape Forest" for the goodness of building a green earth.



16th July 2012

After 2 years' continuous volunteer teaching activities, Shanghai Tianma's general party branch department launched the activity of "Caring for the Old Liberated Area Children, Spread Tianma's Compassion Continuously," and it was formed by Shanghai Tianma's HR department and 2 fresh graduates. They went to the Xiejiaogou primary school in Laiyuan County of Hebei Province and carried out volunteer teaching activity for 3 weeks, caring for the society, and caring for the growth of the mountain needy children.



From 16th August to 31st August 2012

Shenzhen Tianma's Environmental Safety Department and Administrative Department together organized over 10 security directors and others to conduct compulsory traffic duty in Baolong road Longgang district of Shenzhen city. They participated in the traffic guide, corrected pedestrians' traffic violation for 240 times. They have brought traffic safety service to the community.



16th September 2012

In response to the international ocean conservancy and the project aware's call, the company came to the beautiful shenzhen beach to join the "ten thousand people say no to consuming shark fin" activity held by the shenzhen city blue ocean environment protection association.



25th November 2012

Shenzhen Tianma launched the third collective blood donation activity named "Thank You Anonymous"; 52 voluntary employees brought warmth to the community.



In 2012
Amount donated to Disabled Fundation
1,310,095.73 yuan

Appendix I Tianma Milestones

Company Establishment	State Leaders Visit	Domestic Technology Gap	National Winter LCD Academic Conference	State Economic and Trade Commission and Ministry of Foreign Trade and Economic Cooperation	Domestic Technology Gap	COEMA LCD Branch
1983.11	1985.04	1991.02	1993.11	1994.04	1995.08	1996.07
Tianma Micro-electronics Co. was established.	Former CPC Shanghai Municipal Committee Secretary JIANG Zemin, former CPC Tianjin Municipal Committee Secretary LI Ruihuan and foreign state leaders came to visit Tianma.	"640x400 monochrome and color LCD" High-tech Project was approved. This project filled the domestic technology gap.	Tianma was contracted to undertake the National Winter LCD Academic Conference and was the main speaker at the conference. Thus Tianma assumed the leading role in the industry.	Tianma was appraised by State Economic and Trade Commission and Ministry of Foreign Trade and Economic Cooperation as "National Advanced Enterprise for Mechanical and Electrical Product Exportation".	Research on STN-LCD was awarded "First Prize in Science and Technology Advancement" by the Shenzhen government. Shenzhen Science and Technology Bureau appraised this as a gap-filling, state-of-the-art high resolution flat panel display technology that was widely applicable to laptops, etc.	Tianma was selected as the Vice-Chairman Company at the First Council Conference of China Optics & Optoelectronics Manufactures Association LCD Branch in Beijing.

China Flat Panel Display Academic Conference	SONY Audit	2004 Summer Olympics in Athens	World First QCIF+SFD	National Key New Product Scheme	First 4.5 Generation Production Line in China	Provincial Famous Brand
2002.04	2003.11	2004.09	2006.01	2006.12	2008.03	2009.07
Tianma was contracted to undertake the China Flat Panel Display Academic Conference at Silver Lake, Shenzhen.	Tianma passed the SONY Green Partner audit with all excellence.	The YEPP-53 MP3 LCD module developed by Tianma and Samsung Bluteck collectively and manufactured by Tianma independently was used in the 2004 Summer Olympics in Athens.	Tianma successfully developed the world first QCIF+SFD.	Tianma's in-car LCD display was listed in the National Key New Product Scheme.	Shanghai Tianma completed the construction of its TFT Factory, indicating the completion of the first 4.5 generation Production Line with full independent intellectual property rights in China.	"Tianma" was certified by Guangdong Province Famous Brand Certification Committee as Provincial Famous Brand.

Appendix II Awards

No.	Time	Award	Issued by
1	1991.12	Remarkable Engagement in Social Welfare	Shenzhen Children's Welfare Center
2	1996.08	Key High-tech Enterprise Certificate (Q9644264 Torch Plan)	State Scientific and Technological Commission
3	2000.09	2000 Guangdong Province Environmental Protection Outstanding Demonstration Project	Guangdong Province Environmental Protection Industry Association
4	2004.12	"Light of the Nation" Honor	Government Electrical & Mechanical Work Supervisors, Craftsmen & Workmen Association
5	2007.01	Pengcheng Waste Reduction Certificate	Shenzhen Environmental Protection Bureau
6	2007.02	2006 Shenzhen "Capital Circle" Social Donation Award	Shenzhen Association for Public Companies / "Capital Circle" Magazine
7	2008.01	Energy Saving Lighthouse Scheme Demonstration Enterprise	Shenzhen Energy Saving Association
8	2008.02	2008 Best Supporting Company for Spring Festival Transportation Disaster Management	Shenzhen Nanshan District Government
9	2009.01	5.12 Wenchuan Earthquake Charity Donation Award	Shenzhen Association for Public Companies / "Capital Circle" Magazine
10	2009.02	2008 Annual Investment Contribution Award	Shenzhen Longgang District Government
11	2009.04	2009 Ten Thousand People Tree Planting Certificate	Shenzhen Green Fund Association
12	2010.04	Qinghai Yushu Earthquake 500,000 RMB Donation Certificate	Shenzhen Charity Federation
13	2010.03	2009 Annual Ten Major Low-carbon Economy Low-energy Low-emission Enterprise	Shenzhen Charity Federation
14	2011.03	Nanshan District National Ecological Zone Advanced Enterprise for Foundation	Shenzhen Nanshan District Government
15	2011.08	Shenzhen Nanshan District "Green Channel" Enterprise Certificate	Shenzhen Nanshan District Government
16	2012.04	Member Enterprise of Convention on Business Integrity	Guangdong Enterprises Confederation Guangdong Entrepreneurs Association

Appendix III GRI Indicator Index

Category	G3 Guidelines	Location
PROFILE		
1.1	Statement from the most senior decision-maker of the organization	Management Letter
1.2	Description of key impacts, risks, and opportunities	Management Letter
2.1	Name of the organization	About Tianma
2.2	Primary brands, products, and/or services	About Tianma
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	About Tianma
2.4	Location of organization's headquarters	About Tianma
2.5	Number of countries where the organization operates	About Tianma
2.6	Nature of ownership and legal form	About Tianma
2.7	Markets served	About Tianma
2.8	Scale of the reporting organization	About Tianma
2.9	Significant changes during the reporting period regarding size, structure, or ownership	About Tianma
2.10	Awards received in the reporting period	Appendix II
3.1	Reporting period (eg. fiscal/calendar year) for information provided	About This Report
3.2	Date of most recent previous report (if any)	Not involved
3.3	Reporting cycle (annual, biennial, etc.)	About This Report
3.4	Contact point for questions regarding the report or its contents	About This Report
3.5	Process for defining report content	About This Report
3.6	Boundary of the report	About Tianma
3.7	State any specific limitations on the scope or boundary of the report	About Tianma
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations	Not involved
3.9	Data measurement techniques and the basis of calculations	About This Report
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	Not involved
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	Not involved
3.12	Table identifying the location of the Standard Disclosures in the report	Appendix III
3.13	Policy and current practice with regard to seeking external assurance for the report	Not involved
4.1	Governance structure of the organization	About Tianma
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	Stable Operation
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members	Stable Operation

Category	G3 Guidelines	Location
PROFILE		
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	Employee Caring
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organization's performance	Annual Report
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	Annual Report
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity	Stable Operation
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	Management Letter
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	Not involved
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	Not involved
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	Stable Operation
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	Not involved
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations	Not involved
4.14	List of stakeholder groups engaged by the organization	Tianma CSR
4.15	Basis for identification and selection of stakeholders with whom to engage	Tianma CSR
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Tianma CSR
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	Tianma CSR
Disclosure on Management Approach		
Disclosure Economy / Environment / Society		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	About Tianma
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Not involved
EC3	Coverage of the organization's defined benefit plan obligations	Employee Caring
EC4	Significant financial assistance received from government	Not involved
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	Not involved
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	Not involved
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	Not involved
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	Not involved

Category	G3 Guidelines	Location
Disclosure on Management Approach		
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	Not involved
EN1	Materials used by weight or volume	Not involved
EN2	Percentage of materials used that are recycled input materials	Not involved
EN3	Direct energy consumption by primary energy source	Not involved
EN4	Indirect energy consumption by primary source	Not involved
EN5	Energy saved due to conservation and efficiency improvements	Environmental Sustainability
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	Environmental Sustainability Win-win With Business Partners
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	Environmental Sustainability
EN8	Total water withdrawal by source	Not involved
EN9	Water sources significantly affected by withdrawal of water	Not involved
EN10	Percentage and total volume of water recycled and reused	Not involved
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not involved
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Not involved
EN13	Habitats protected or restored	Not involved
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	Not involved
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	Not involved
EN16	Total direct and indirect greenhouse gas emissions by weight	Not involved
EN17	Other relevant indirect greenhouse gas emissions by weight	Not involved
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	Not involved
EN19	Emissions of ozone-depleting substances by weight	Not involved
EN20	NOx, SOx, and other significant air emissions by type and weight	Not involved
EN21	Total water discharge by quality and destination	Not involved
EN22	Total weight of waste by type and disposal method	Not involved
EN23	Total number and volume of significant spills	Environmental Sustainability
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	Not involved

Category	G3 Guidelines	Location
Disclosure on Management Approach		
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	Not involved
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	Win-win With Business Partners
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	Win-win With Business Partners
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Environmental Sustainability
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	Not involved
EN30	Total environmental protection expenditures and investments by type	Not involved
LA1	Total workforce by employment type, employment contract, and region, broken down by gender	Employee Caring
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region	Not involved
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	Employee Caring
LA4	Percentage of employees covered by collective bargaining agreements	Employee Caring
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	Not involved
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	Not involved
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender	Environmental Sustainability
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	Not involved
LA9	Health and safety topics covered in formal agreements with trade unions	Not involved
LA10	Average hours of training per year per employee by gender, and by employee category	Not involved
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Not involved
LA12	Percentage of employees receiving regular performance and career development reviews, by gender	Employee Caring
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Employee Caring
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	Not involved
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening	Not involved
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken	Win-win With Business Partners
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Not involved
HR4	Total number of incidents of discrimination and actions taken	Employee Caring

Category	G3 Guidelines	Location
Disclosure on Management Approach		
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights	Not involved
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	Employee Caring
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	Not involved
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	Not involved
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	Not involved
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Community Involvement
SO2	Percentage and total number of business units analyzed for risks related to corruption	Not involved
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures	Not involved
SO4	Actions taken in response to incidents of corruption	Stable Operation
SO5	Public policy positions and participation in public policy development and lobbying	Not involved
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	Not involved
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	Not involved
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Not involved
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	Not involved
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	Not involved
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	Not involved
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	Not involved
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	Win-win With Business Partners
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	Not involved
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	Not involved
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Win-win With Business Partners
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Not involved

Appendix IV Reader Feedback

Dear Reader:

Thank you for reading the "Tianma 2012 Annual Corporate Social Responsibility Report". Our company would like to hear from your opinions and advices. Please feel free to leave us feedback.

With sincere thanks,

Tianma Micro-electronics Co.

March 2013

Name:

Contacts: Phone: Email:

Company:

Report Evaluation	Balance	Comparability	Accuracy	Timeliness	Reliability	Clarity
Tianma CSR						
Stable Operation						
Employee Caring						
Environmental Sustainability						
Win-win With Business Partners						
Community Involvement						

Your expectations of our next report:

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PS: Please rate on a scale from 1 to 5, 1 being "Very Poor" and 5 being "Very Good".

Please send it to CSR_office@tianma.cn, and thank you for your valuable advice.