

Tianma Microelectronics Co., Ltd

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Dear Customers,

We would like to update you on the impact of the Covid-19 (Coronavirus) on Tianma's operations and assure you that we are continuing to take all possible steps to minimize the impact on deliveries to our customers worldwide.

Tianma takes the health and safety of its staff very seriously. To this end, on the advice of medical professionals, strict measures have been implemented to avoid the spread of infection within Tianma locations, including on the work-floor, in canteens and in dormitory facilities. Wherever possible, staff has been authorized to work from home, supported by the relevant IT tools and facilities.

As is normal practice at Tianma, some key facilities continued to operate at limited capacity through-out the Spring Festival period. Tianma's strict health and safety policies contributed to its receiving approval to restart all its operations, except in Wuhan, as of February 10th. Consequently, our panel fabs have achieved the normal level of planned output and the major assembly facilities are running at around 70%. These loading rates are, however, dependent on the resumption of material deliveries and the availability of staff and operators, many of whom are still restricted from returning to work from their vacation locations by regional travel restrictions.

Transport restrictions are in place in many regions in China. In Wuhan, public transport is still suspended. In other regions air-transportation and import/export services are operating. Despite these limitations, Tianma is making every effort to ensure the smooth flow of goods.

The full impact of the Covid-19 virus on Tianma's supply chain is not yet clear. Some suppliers resumed operations on February 10th, but many others did not. Most output in February has been sustained by inventory, but subsequent deliveries are dependent on the resumption of material supplies. Tianma's sourcing teams are working closely with all suppliers, and customers will be kept



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fully informed as and when delivery schedules are confirmed. Where possible and approved, alternative material sources are also being evaluated. Your regular Regional or Global Account Management contact will keep you informed. .

In addition to its efforts to normalize manufacturing operations, Tianma is proud of its actions to support national efforts to combat the virus. At the end of January, AVIC, our major shareholder, donated RMB50 million to epidemic-stricken areas. Additionally, Tianma donated essential medical protective materials to Wuhan and the delivery of displays for urgently needed medical diagnostic equipment was speeded up.

Within the context of a diminishing rate of new infections and industrial and transport activities beginning to resume, Tianma remains committed to minimize the impact of the present situation on our customers' businesses whilst ensuring the health and safety of our staff.

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