

Montage Technology Co., Ltd.

Corporate Value and Return Enhancement Action Plan 2024

To adhere to the principle of "investors first" and uphold the interests of all shareholders, Montage Technology Co., Ltd. (hereinafter referred to as the "Company" or "Montage") has formulated the "Corporate Value and Return Enhancement Action Plan" for the year 2024. This plan aims to further solidify the Company's leading position in the industry, enhance its core competitiveness, safeguard investor rights, and foster a positive image in the capital market. The main measures are outlined as follows:

I. Focusing on Strengthening Core Business, Enhancing Operational Quality, and Achieving Stable Growth in Core Operations.

Montage is an internationally leading company specializing in data processing and interconnect chip design, dedicated to providing high-performance, low-power chip solutions for the fields of cloud computing and artificial intelligence. The Company currently has two main product lines: interconnect chip product line and Jintide[®] server platform product line. In the era of artificial intelligence, the demand for "Computing Power" and "Storage Capacity" in computer systems is rapidly increasing, with systems requiring higher "Data Movement Power". Montage provides high-performance "Data Movement Power" for computing and intelligent applications.. The Company's various high-speed interconnect chip products can effectively enhance the system's "Data Movement Power" and will play an important role in the future era of artificial intelligence.

Montage's interconnect chip products mainly include memory interface chips which includes MRCD/MDB chips, memory module supporting chips, MRCD/MDB chips, CKD chips, PCIe Retimer chips, MXC chips, etc. The Jintide[®] server platform products include Jintide[®] CPU and hybrid security DIMM[®] (HSDIMM[®]).

In 2023, amidst a global decline in demand for servers and computers, accompanied by a surplus of related chips entering a destocking cycle, the Company

faced operational pressures from this industry-wide destocking trend. However, it confronted the challenge head-on by steadily advancing various initiatives around its strategic objectives and operational plans. It actively progressed the iteration of DDR5 derivatives to maintain its global leading position in this field. Concurrently, with the rapid advancement of artificial intelligence fueled by large models sweeping across the globe, there has been a surge in demand for computational power and storage. As a result, Montage capitalized on this opportunity by making significant strides in developing a variety of high-speed interconnect chip products during the reporting period.

In 2024, Montage aims to enhance operational quality and core competitiveness primarily through the following two avenues:

(i) Consolidating its leading position in memory interface chips to drive rapid growth in product sales revenue:

A. Memory interface chips and memory module supporting chips: Responding to market demands and industry trends, the Company will strengthen product iteration, upgrade, and quality control to solidify its industry-leading position, driving sales revenue growth of DDR5-related products.

B. Jintide[®] server platform: As industry demand gradually rebounds, the Company will continue to intensify market promotion and sales efforts for the Jintide[®] server platform product line, aiming to introduce Jintide[®] CPUs into more end-user and application domains for significant 2024 sales revenue growth compared to 2023.

(ii) Seizing artificial intelligence industry trends to promote the scale shipments of high-performance "Data Movement Power" chips

Steadily advancing preparatory work for various high-performance "Data Movement Power" chips ahead of scale shipments, including PCIe 5.0 Retimer, MRCD/MDB, CKD, MXC chips and others. These new products are expected to commence scale shipments gradually from 2024 in line with industry ecosystem development. The Company will seize opportunities in the AI era by intensifying market promotion for these products, striving to contribute new growth drivers to

performance.

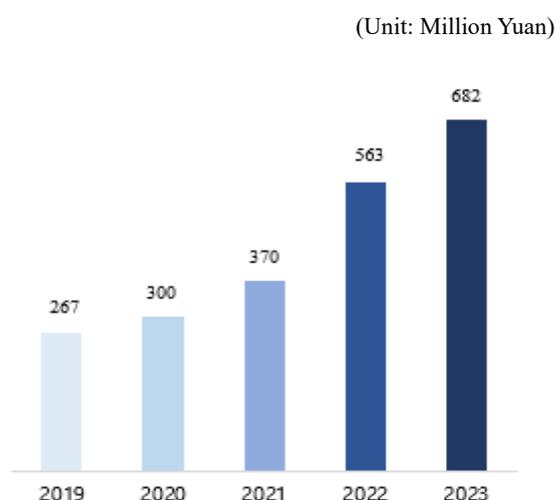
Information on Montage's new products of high-performance "Data Movement Power" chip is as follows:

Product Name	Application Scenarios	Industry Position of Montage
PCIe Retimer Chip	<p>The PCIe Retimer chip is an ultra-high-speed timing integration chip designed for high-speed PCIe data transmission protocols. It primarily addresses issues such as inconsistent signal timing, significant signal loss, and poor signal integrity encountered during high-speed and long-distance data transmission in data centers. It can be applied in typical scenarios such as AI servers, NVMe SSDs, and riser cards.</p> <p>In the era of artificial intelligence, the importance of PCIe Retimer chips is becoming increasingly prominent with the rapid growth in demand for AI servers. Currently, a typical AI server equipped with eight GPUs requires eight or sixteen PCIe 5.0 Retimer chips.</p>	Global Leading PCIe 5.0 Retimer Chip Vendor
MRCDB/MDB Chips	<p>MRCDB/MDB chips are the core logical components of the server's high-bandwidth memory module (MRDIMM). The development of AI and big data applications, along with the evolution of related technologies, has led to a rapid increase in the number of cores in server CPUs. There is an urgent need to significantly increase the bandwidth of the memory system to meet the data throughput requirements of multiple cores in CPUs. MRDIMM has been developed to address this application demand. Each MRDIMM requires 1 MRCDB chip and 10 MDB chips as standard components. The first-generation product can support a speed of 8800MT/s, and future iterations will continue to increase bandwidth and support rates.</p> <p>It is anticipated that there will be significant demand for MRDIMM and MRCDB/MDB chips in application areas such as high-performance computing and AI, where memory bandwidth sensitivity is critical for performance.</p>	JEDEC SPEC owner of MDB
CKD Chip	<p>As DDR5 transmission rates continue to increase, the integrity of clock signals becomes increasingly critical with rising as clock signal frequencies rise. When DDR5 data rates reach 6400MT/s and above, memory modules for desktop and laptop PCs memories modules (such as UDIMM and SODIMM), require a dedicated clock driver chip to buffer and re-drive the clock signals on the memory module. This ensures the</p>	Delivered the Industry's First DDR5 CKD Chip Engineering Sample

	integrity and reliability requirements of high-speed clock signals are met. In the era of artificial intelligence, AI PCs require higher bandwidth memory to improve overall computational performance. This will drive the demand for higher-speed DDR5 memory and accelerate the penetration of CKD chips.	
MXC Chip	The MXC chip is primarily used in the fields of memory expansion and memory pooling, designed for memory AIC expansion cards, backplanes, and EDSFF memory modules. It significantly expands memory capacity and bandwidth, meeting the growing demands of high-performance computing, artificial intelligence, and other data-intensive applications. As the era of artificial intelligence draws closer, the demand for memory platforms that support fast interfaces and scalability is becoming increasingly urgent. Novel memory modules based on CXL will be one of the most promising memory solutions in the future era of artificial intelligence.	Delivered the World's First CXL Memory Expansion Controller Chip (MXC)

II. Continuous Investment in R&D Innovation, Advancing Development and Iterative Upgrades of Multiple New Products.

As a chip design company, Montage has consistently maintained a high level of R&D investment, continuously expanding its product portfolio. Since its listing, Montage's R&D investment has continued to grow. In 2023, the R&D investment amounted to 682 million yuan, an increase of 21.00% compared to 2022, accounting for 29.83% of its operating revenue.



Graph: Montage's Annual R&D Investment Since Listing

In 2024, Montage will continue to invest in R&D innovation, steadily advancing product development and iterative upgrades, thereby enhancing the Company's core competitiveness.

Product Name/Category	Main R&D Plan of New Products for 2024
Memory Interface Chips	Advance the R&D of the mass-produced version of the fourth generation DDR5 RCD chip and complete the engineering R&D of the fifth generation DDR5 RCD chip.
New Products of High-Performance "Data Movement Power" Chips	Complete the tape-out of engineering samples for the second generation DDR5 MRCD/MDB chips, second generation MXC chips, and PCIe 6.0 Retimer chips. Additionally, finished the preparation of engineering sample chips for PCIe 6.0 Retimer chips.
Clock Generator Chips	Advance the testing and verification work for the clock generator chips, and complete the R&D of the production version.
Jintide® Server Platform	Advance the R&D of the sixth generation Jintide® CPU.
AI Chips	In response to industry trends, characteristics of the next-generation large models, and user demands, we carry out the product architecture and frontend design work for the next-generation chips.

III. Actively Enhancing Investor Returns and Engagement, Sharing Company Development Achievements with Investors

(i) Dividend Distribution and Share Repurchase Information Since Listing

A. Dividend Distribution

Montage places high importance on providing shareholders with reasonable investment returns and actively executes dividend distribution plans and profit allocation policies to share the Company's development achievements with investors. Since going public, the Company has implemented dividend distributions for four consecutive years, with a total cash dividend of 1.359 billion yuan from 2019 to 2022,

accounting for over 30% of the cumulative net profit attributable to parent company during this period.

Despite the impact of the global decline in demand for servers and computers leading to customer destocking in 2023, resulting in a decline in revenue and net profit compared to the previous year, the Company remains committed to actively enhancing investor returns and engagement, safeguarding their interests, and providing stable dividend expectations. Upon approval at the 26th meeting of the second board of directors, the Company plans to maintain the dividend distribution ratio unchanged from previous years. The proposed profit distribution plan for the year 2023 is as follows: a cash dividend of 3.00 yuan (tax included) per 10 shares, totaling approximately 339 million yuan in cash dividends, accounting for 75.16% of the Company's net profit attributable to shareholders in 2023. This profit distribution plan will be implemented after approval at the Company's 2023 Annual Shareholder's Meeting.

B. Share Repurchase

To embody the development philosophy of being "investor-value" and to safeguard the interests of all shareholders, based on confidence in the Company's future prospects and its recognized value, Montage implemented two share repurchase programs in 2021 and 2023. In total, the Company repurchased 11.263 million shares, amounting to a total repurchase value of 686 million yuan.

(ii) Planned Dividend Distribution and Share Repurchase for 2024

A. Dividend Distribution

In accordance with relevant laws, regulations, and normative documents, and based on firm confidence in the Company's future development, as well as considering the undistributed profits and financial situation of the Company, the cumulative cash dividend ratio for the fiscal years 2023 to 2024 will not be less than 30% of the cumulative net profit attributable to shareholders for these two years. Additionally, the Company will explore the feasibility of mid-term dividends and multiple dividends based on fund utilization arrangements, operational development needs, and business

strategic objectives. It will reasonably increase the dividend payout ratio and dividend yield to safeguard the legitimate rights and interests of shareholders, ensure the long-term steady development of the Company, achieve an effective balance between performance growth and shareholder returns, and establish a sustainable shareholder value return system.

B. Share Repurchase

To uphold company value and shareholder rights, Montage launched a new share repurchase program in February 2024, as approved by the 24th meeting of the second board of directors. The Company agreed to utilize its own funds to repurchase company stocks through centralized bidding trading. The planned total repurchase amount is between 300 million to 600 million yuan, and the repurchase period is within three months from the date of approval by the board of directors. As of March 31, 2024, the Company has repurchased a total of 4.37 million shares through centralized bidding trading, accounting for 0.38% of the Company's total share capital. The total amount paid for the repurchases is approximately 216 million yuan.

IV. Actively Engage in Investor Communication to Convey Long-Term Investment Value

The Company attaches great importance to investor relations and adheres to relevant laws, regulations, and regulatory requirements to ensure the standardization of information disclosure. We are committed to the principles of truthfulness, accuracy, completeness, timeliness, and fairness, fulfilling our obligations towards comprehensive information disclosure. The Company received an "A Grade" (Excellent) rating in the Shanghai Stock Exchange's information disclosure evaluation for the years 2022 to 2023. Additionally, the Company was honored with the 14th "Investor Relations Pegasus Award" and the "Outstanding Investor Relations Secretary Award."

In 2024, the Company will carry out investor communication from the following aspects to convey Montage's long-term investment value: On one hand, we will leverage both online and offline avenues to conduct research activities with domestic

and international institutional investors to deepen their confidence in the Company's long-term development strategy. On the other hand, Montage will continuously enrich investor communication methods, expand communication channels, and enhance transparency. The Company has allocated dedicated personnel responsible for investor relations, who will maintain efficiently communication with investors various channels such as investor hotlines, email, and will promptly address inquiries on the Shanghai Stock Exchange's interactive platform. This ensures that investors have smooth communication with the company, enabling a through diverse platforms and gain in-depth understanding of the Company's dynamics.

Moreover, in terms of interpreting regular reports and performance explanations, Montage will release at least four vivid interpretation materials following the disclosure of regular reports. This effort will help investors better understand the Company's operating status. We will actively hold performance explanation meetings on a regularly basis and participate in both online and offline investor communication activities no fewer than 60 sessions to actively convey the Company's long-term investment value to investors.

V. Establishing an Interest-Sharing Constraint Mechanism and Continuously Improving Talent Incentive Mechanisms

(i). Improving the Executive Performance Evaluation System Linked to Business Indicators

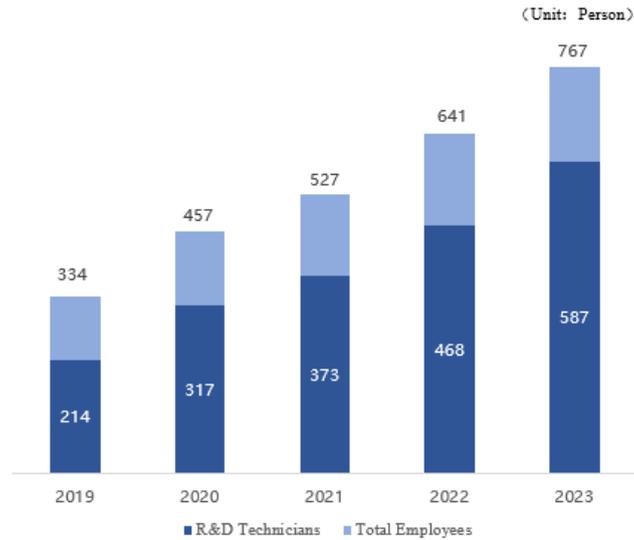
The current executive cash compensation consists of basic annual salary and annual performance bonuses, and an executive performance evaluation system linked to business indicators has been implemented. The annual performance bonus for executives is linked to the Company's main operational indicators and market value performance for the current year. The Compensation and Appraisal Committee of the Board of Directors is responsible for studying and supervising the setting and evaluation of executive performance. In 2024, the Company will continue to improve the executive performance evaluation system linked to business indicators, strengthen

the accountability of "key few," establish assessment criteria closely related to investor interests, and continuously optimize and implement executive performance assessment plans.

(ii). Strengthening Team Building and Improving Management Efficiency

As a "hard technology" enterprise focused on R&D, Montage Technology recruits outstanding global technical and management talents globally to build an internationally-minded team. This is crucial for maintaining Montage's technological leadership and global competitiveness. The Company provides the R&D team with world-leading and challenging projects, aiming to create a career platform where their talents can fully shine. Montage not only values technological innovation but also strives to cultivate a positive and inclusive working environment. It encourages employees' innovative thinking, promotes a spirit of craftsmanship spirit, and emphasizes equality and mutual respect among team members to facilitate mutual growth for both employees and the Company. To attract and retain talents, Montage provides competitive compensation and benefits packages, including an all-employee stock ownership plan to deeply align the interests of shareholders, the Company, and employees. Since its listing, the Company has implemented three restricted stock incentive plans and one employee stock ownership plan, with a comprehensive coverage rate of over 95% for equity incentives. These measures not only enhance the Company's ability to compete for talent and unite the team.

Through a sound talent development mechanism and incentive systems, Montage has successfully attracted many outstanding professionals and effectively retained core talents. In recent years, the Company's employee turnover rate has remained at a relatively low in the industry, reflecting effective human resource management. From the end of 2019 to the end of December 2023, Montage's total workforce has grown significantly from 334 to 767 employees, with R&D personnel increasing from 214 to 587. This demonstrates the continuous enhancement of the Company's overall competitiveness and lays a solid talent foundation for the Company's future growth and development.



Graph: Total number of employees and R&D technicians since listing

As the Company's employee team continues to expand and its business scale expands, higher requirements are placed on its team development and management. In 2024, Montage will further strengthen team building and enhance management efficiency: On one hand, the Company will improve the job grading system and promotion standards, optimize human resources management processes from multiple dimensions, and ensure the efficient operation of personnel management, team collaboration, performance evaluation, and organizational development to support the talent echelon construction of various business departments and the steady development of company business. On the other hand, the Company will focus on R&D management personnel capability enhancement and business empowerment plans around strategic goals, meticulously develop a diversified special R&D management talent curriculum system, and implement corporate values in practical business operations to enhance the overall team effectiveness of the company. Meanwhile, the Company will continue to promote talent incentive plans, tap into and stimulate employee potential, enhance team vitality, and more closely align the interests of employees, the Company, and shareholders, strengthening employees' sense of responsibility and mission for the Company's sustainable development, laying a solid foundation for the Company's continuous and healthy development.

VI. Enhance Governance Standards and Promote High-quality Development of the Enterprise.

In 2024, Montage will strictly adhere to the "Administrative Measures for Independent Directors of Listed Companies" and the "Guidelines of on Articles of Association", actively implement internal governance documents, revise the "Articles of Association" "Independent Director Working Rules" and rules of procedures for various Board committees to improve its governance structure.

The Company plans to complete the election of its third board of directors and the board of supervisors in 2024. In accordance with relevant laws, regulations, and requirements of the "Articles of Association", the Company will conduct these elections and organize the Company's directors, supervisors, and senior management to actively participate in training organized by institutions such as the Shanghai Stock Exchange, China Securities Regulatory Commission, and Listed Companies Association. The Company will also arrange for the board of directors, supervisors, and senior management to participate in training provided by professional institutions and internal experts, promoting their understanding of responsibilities and duties to ensure the Company's continuous standardized operations.

Moreover, to better assist the board of directors and supervisors in performing compliance duties, and to solidifying their responsibilities, the Company will continue improving communication methods. Through regular summaries of capital market regulations and regulatory trends, the Company will promptly convey information to the board of directors and management, strengthening the compliance awareness of key personnel, and supporting high-quality development.

VII. Benchmarking Against Industry-leading ESG Practices and Continuously Improving ESG Management Levels

Montage attaches great importance to ESG, actively fulfilling corporate social responsibilities, and safeguarding the legitimate rights and interests of shareholders, employees, customers, suppliers, and other stakeholders. It promotes the deep

integration of ESG concepts into strategic decision-making, daily management, and business operations, demonstrating its commitment to the sustainable development of the enterprise.

In 2024, Montage will continuously refine and improve its ESG systems, processes, and execution based on the characteristics of the integrated circuit design industry and combined with global advanced practices. The Company will actively refer to international advanced experiences, further integrating sustainable development risks and opportunities into ESG strategic considerations and development goals. It will conduct research on carbon emissions-related policies, deeply implement ESG concepts into the supplier management system, and take multiple measures to strengthen team building and talent development to enhance employee satisfaction. At the same time, the Company will comprehensively review its practices in accordance with the Responsible Business Alliance (RBA) guidelines for the international electronics industry to meet relevant requirements. Building on its strengths in R&D innovation and core business operations, the Company will better serve customers, reward shareholders, empower employees, and contribute to society, striving to achieve harmonious development between the Company, society, and the environment.

This report contains forward-looking statements that are not fait accompli and do not constitute substantial commitments by the Company to investors, so investors are advised to pay attention to the relevant risks.

Montage Technology Co., Ltd.

Board of Directors

April 8, 2024