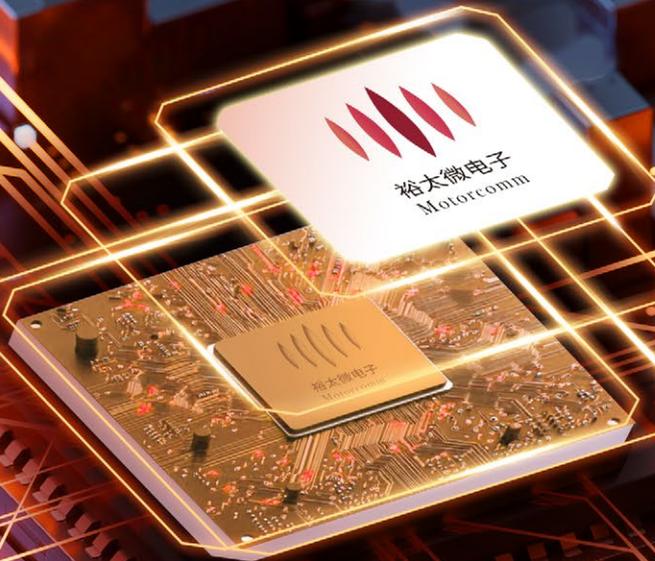




裕太微电子  
Motorcomm

Stock Symbol  
688515



# Evaluation Report on 2024 Corporate Value and Return Enhancement Action Plan and 2025 Action Plan

Motorcomm Electronic Technology Co., Ltd.

# ABOUT THIS REPORT

Motorcomm Electronic Technology Co., Ltd. (hereinafter referred to as "Motorcomm" or the "Company") actively implements the "Initiative on Carrying out the Special Corporate Value and Return Enhancement Action for Companies Listed in Shanghai Stock Exchange". Upholding that investors are essential for markets and listed companies are foundations for markets, the Company released 2024 Corporate Value and Return Enhancement Action Plan was released on April 29, 2024 and Semi-annual Evaluation Report on 2024 Corporate Value and Return Enhancement Action Plan on August 29, 2024 in reliance upon its firm belief in its future development and its recognition of its long-term value, in order to safeguard the interests of all shareholders.

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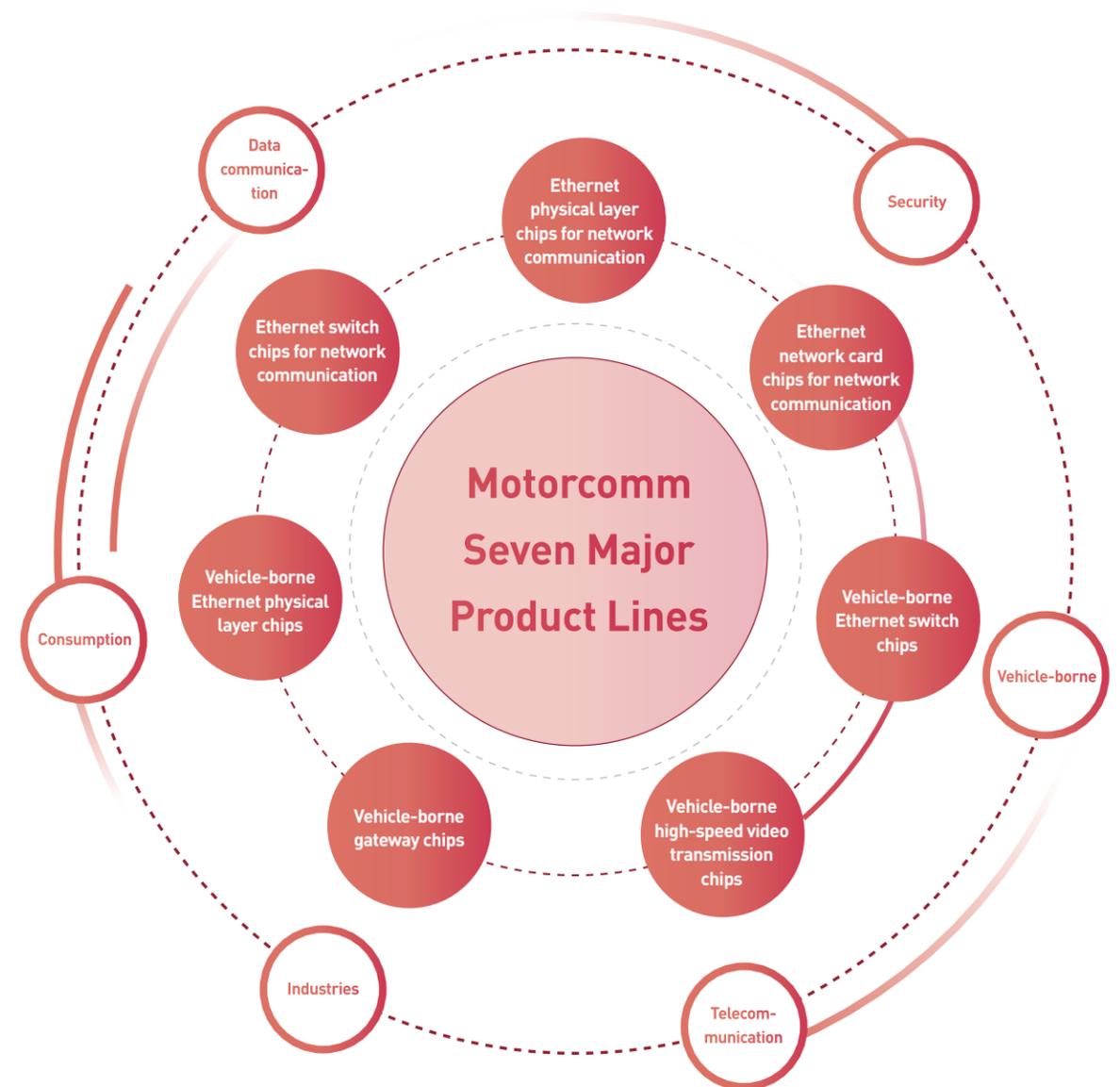
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To continuously promote the optimization of operations, standardize corporate governance, and enhance investor confidence, the Company conducted an overall assessment on the implementation of the 2024 Corporate Value and Return Enhancement Action Plan. Meanwhile, based on its own development strategy and operating conditions, the Company has drafted the 2025 Corporate Value and Return Enhancement Action Plan, with details shown as follows:

## Adhering to Independent Innovation, Focusing on the Principal Business, and Enhancing Core Competencies

Having always been committed to becoming a leader in the field of high-speed wired communication chips, the Company has insisted on conducting persistent R&D and innovation of high-speed communication chips extending to higher-level communication architectures based on Ethernet physical layer chips.

## Continuously integrating industry resources around the seven major product lines to keep advanced within the industry



In 2024, relying on technological innovations, reliable quality and high-quality services, the Company achieved total operating revenue of RMB **396.23** million, with a year-on-year increase of **44.86%**. In the four quarters, its operating revenue amounted to RMB **72.53** million, RMB **82.15** million, RMB **111.39** million and RMB **130.16** million respectively. During the reporting period, the Company achieved steady quarter-over-quarter growth in its operating revenue.

### Regarding Ethernet network communication chips

2024 was the year when 2.5G network communication products were put into mass production, the operating revenue from a single product project was up to RMB 141.70 million, with a year-on-year growth rate of 579.31%, and it was a harvest period;

Gigabit Ethernet physical layer chips for network communication were constantly being improved in terms of their varieties. At present, there have been products with different numbers of Gigabit ports, including single port, 2 ports, 4 ports and 8 ports;

5-port and 8-port Ethernet switch chips were mass-produced for shipment. The YT923X switch chips were launched at the end of 2024. The Company not only provided 8/16/24-port Gigabit switch solutions, but also significantly improved and optimized software and hardware features. As of the end of 2024, it had developed products with different numbers of ports at varying rates, including 2, 4, 5, 8, 16 and 24-port products, covering application scenarios such as commercial and enterprise networks.

The switch chips were launched and letters of intent were entered into with leading customers in respect of these chips. Having become one of the supporting product lines of the Company's vehicle-borne high-speed wired communication chips and combined with the mass-produced vehicle-borne Ethernet physical layer chips, they further facilitated and unified the customer needs for overall vehicle-borne Ethernet solutions;

The vehicle-borne Ethernet physical chips have been put into mass production and shipped. At present, 100M and 1,000M products are available to the customers. Among them, the YT8011A series won the "Excellent Product Award for Automotive Chips" at Editors' Choice Award by China Electronics News Agency (CENA) at 2024 Beijing Auto Show;

Smooth progress was made in R&D of vehicle-borne high-speed SerDes video transmission chips, and all the data of the test samples reached the expected design targets.

### Regarding vehicle-borne Ethernet chips

In 2025, with BU as its important strategic pivot, the Company has made special arrangements around upgrading of the product matrix and expansion of the scenario-based applications, with a view to creating more competitive solutions and driving sustained revenue growth through technology iteration, product optimization and strategic resource focus. Besides, it will continuously develop related products to adapt to new application scenarios. Driven by 5G-A/6G wireless networks, the Company will make more contributions to new quality productive forces as various new trends emerge in the Internet of Vehicles, high-speed copper wire transmission, and industrial Internet.

## Maintaining intensity of R&D investments and keeping on making innovations to continuously improve independent R&D capability

The Company has remained committed to technological innovation, strengthening its own performance resilience and vitality across industry cycles. It independently developed Ethernet physical layer IP technology, which endowed the chips with functions for polarity detection and correction as well as adaptive equalization, and effectively improved the accuracy and stability of data transmission. Besides, the backbones of the Company participated in the discussion for IEEE 802.3 formulation and took the lead in drafting a number of automotive Ethernet-related standards, demonstrating the Company's profound foundation and innovative strength in the technical field.

To speed up the improvement of the high-speed wired communication product system and gain priority in the layout of markets across different fields, the Company has always adhered to "market-oriented and technology-driven" strategy, upheld technological innovation as the core, and firmly implemented the strategy for enhancing R&D.

In 2024, the Company continuously strengthened its R&D investment, with a cumulative R&D investment of RMB **293.61** million, with a year-on-year increase of **32.40%**, accounting for **74.10%** of the current operating revenue. It applied for **18** new invention patents, and a total of **143** invention patents.

The key core technologies mastered by the Company are as follows:

| SN | Descriptions of core technologies                               | Main purposes   | Applications   |
|----|---|---|--|
| 1  | High-performance SerDes design technology                       | Board level high-speed communication interface between the physical layer and the data link layer | Full range of products   |
| 2  | High-performance ADC design technology                          | Perform digital sampling of physical layer analog signals   | Vehicle-borne/ Ethernet physical layer chips for network communication |
| 3  | High-performance DAC design technology                          | Generating physical layer analog signals  | Vehicle-borne/ Ethernet physical layer chips for network communication |
| 4  | High-speed digital equalizers and acoustic echo cancellers      | Recovering received signals and echo cancellation for transmitted signals in the digital domain   | Vehicle-borne/ Ethernet physical layer chips for network communication |
| 5  | Design technology of high reliability surge protection circuits | Improving the reliability of signal interfaces of the physical layer chips                        | Vehicle-borne/ Ethernet physical layer chips for network communication |
| 6  | Design technology for low jitter phase-locked loops             | Generate wide-range low jitter reference clocks   | Full range of products   |
| 7  | Broadband analog echo cancellation technology                   | Cancel echo of transmitted signals in the analog domain   | Vehicle-borne/ Ethernet physical layer chips for network communication |

| SN | Descriptions of core technologies  | Main purposes   | Applications  |
|----|--|---|---|
| 8  | Ultra-long distance Ethernet transmission method                                   | Complete ultra-long distance (greater than 400 m) Ethernet transmission via a private physical layer protocol   | Vehicle-borne/Ethernet physical layer chips for network communication, vehicle/Ethernet switch chips for network communication                              |
| 9  | Wire and cable defect detection technology   | Detect wire and cable conditions (open or short circuit) by detecting the echo of transmitted signals   | Vehicle-borne/ Ethernet physical layer chips for network communication  |
| 10 | SOC integration technology   | Low-to-medium power design and verification methodology for SOCs, signal and power integrity design verification methodology improve chip quality       | Vehicle/Ethernet switch chips for network communication, Ethernet network card chips for network communication, vehicle-borne gateway chips                 |
| 11 | IEEE 1588 Standard for a Precision Clock Synchronization Protocol                  | Realize precise time synchronization between different physical layer nodes in Ethernet networks  | Vehicle-borne/Ethernet physical layer chips for network communication, vehicle/Ethernet switch chips for network communication, vehicle-borne gateway chips |
| 12 | MACsec   | Guarantee the security of Ethernet data frames through identity authentication, data encryption, integrity check, replay protection and other functions | Vehicle-borne/Ethernet physical layer chips for network communication, vehicle/Ethernet switch chips for network communication, vehicle-borne gateway chips |
| 13 | Design technology for fractional-N phase-locked loops                              | Realize the applications in non-integer multiples of output clocks and reference clocks   | Full range of products  |
| 14 | LDPC/RS channel encoding and decoding, their low power implementation technologies | Realize channel encoding and decoding, lower the bit error rate of physical layer information transmission, and reduce the power for implementation     | Vehicle-borne/ Ethernet physical layer chips for network communication  |
| 15 | Vehicle-borne TSN switch implementation technology                                 | Satisfy the core needs for real-time, high reliability, and low latency communications of modern intelligent connected vehicles                         | Various vehicle-borne domain controllers  |

The Company will continuously increase the investment in R&D of new products, optimize existing products, and provide customers with product mixes with different performance levels and transmission rates to accommodate the changing needs of end customers.

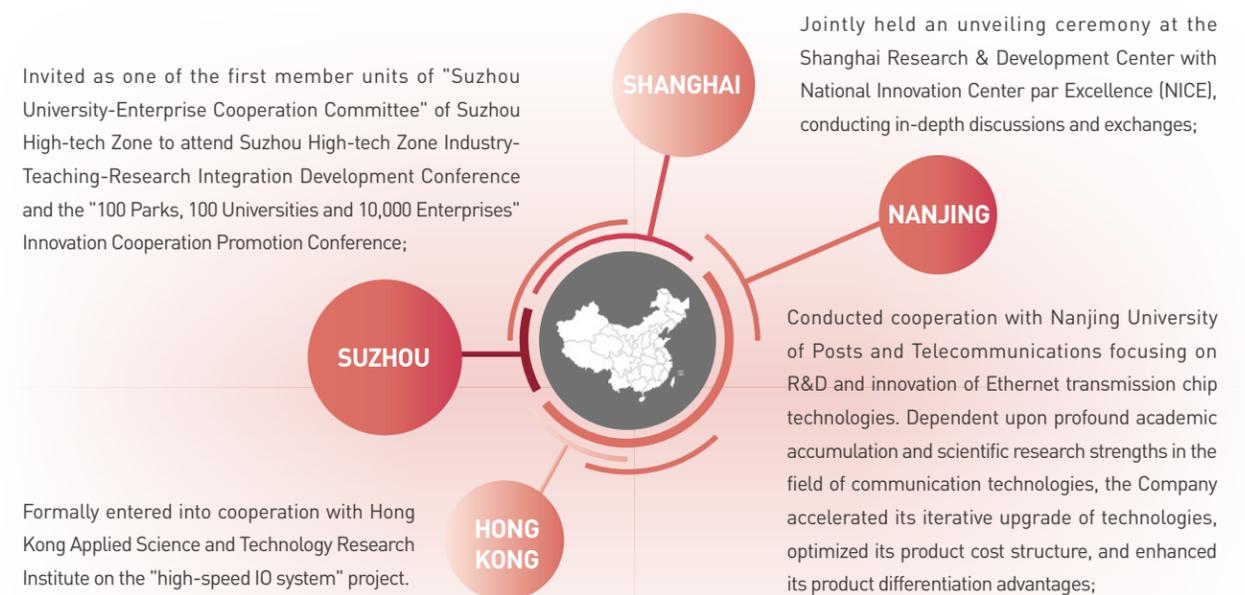
In 2025, the Company will focus on investing in R&D of the following fields, including network communication and vehicle-borne products. In terms of network communication products, it will continue investing in 2.5G chip upgrading and iteration, continuous iteration and performance optimization of Gigabit series products, Ethernet switch series products and network cards. Regarding the vehicle-borne products, the Company will focus on building a complete ecosystem of vehicle-borne Ethernet solutions and creating a competitive product matrix, including vehicle-borne TSN Switch and a complete product chain of vehicle-borne wired communications. In addition, it will accelerate the R&D of next-generation vehicle-borne chips to support higher bandwidth and multi-domain integration, expand overseas certifications and applications, and extend to charging piles, V2X and other automotive peripheral fields to create a complete vehicle-borne communication ecosystem. As a leading domestic leading enterprise of vehicle-borne Ethernet chips, the Company will continue to seize industry upgrading opportunities in reliance upon technological innovations and localized services.

## Attaching importance to the talent development strategy and optimizing the incentive mechanism to maintain stability of the scientific research team

In reliance upon its profound understanding of Ethernet, related communication protocols and chip design technologies, the Company has constructed mature and effective interdisciplinary collaborative R&D and R&D talent training mechanisms, thus demonstrating its own unique core talent characteristics and advantages. It has built a highly educated and high-level R&D team. With senior talents specializing in multiple fields, including integrated circuits, electronic engineering, microelectronics, communications, computers and information technology, the core technical team has rich academic knowledge and more than ten years of practical experience in R&D and innovation, with a profound understanding and judgement about cutting-edge technologies and development trends in the industry, constituting the backbone force of the Company's R&D.

Team with a total of **262** R&D employees, with a year-on-year increase of **28**, accounting for **68.41%** of the Company's total employees. In that team, the employees holding a master's degree and above approximately occupy **65%**.

In 2024, the Company actively participated in industry-university-research cooperation in the chip design industry. Focusing on scientific innovation and talent cultivation, it adhered to the concept of win-win cooperation, and joined hands with many universities and scientific research institutions to carry out in-depth research on cutting-edge technology projects, for the purpose of promoting the joint development of the industry:



By cooperating with these companies, the Company improved its supporting hardware, office environment and R&D scenarios. It could better attract scientific and technological talents, further improved the layout of "Big Laboratories", and accelerated its global supply chain layout.

In addition, the Company always upheld "openness, inclusiveness, communication and sharing" for its R&D activities. Its internal R&D team hosted several corresponding special technical sessions (i.e. Technical Day series activities) for technical research and internal exchanges, to empower its products the perspective of product iteration, performance optimization, development process and other key aspects.



Special Session of "Technical day-IR Drop"



Special Session of "Technical Day - Verification&Validation"

## Strengthening brand building and marketing network construction and actively developing domestic and overseas markets

In the chip design industry, overseas application scenarios are abundant, and customer coverage is wide. In the process of continuously consolidating and deepening its cooperation with local customers, the Company always regards overseas market development as one of the priorities for its work.

In active response to the national "Going Aboard" strategy, the Company set up a development center in Singapore, completed the early team building, and achieved phased results in global business promotion. The Company also appeared at Electronica and 2024 IC CHINA, showing its strong competitiveness and growth potential in overseas markets.

In the future, the Company will continue to consolidate and expand its domestic businesses while enhancing its overseas

market layout, in order to realize the transformation from a domestic technology-based startup to a global business group. Guided by market demand, the Company will continue to reinforce its construction of new product lines, continuously improve its design schemes for its existing products, and satisfy the diverse needs of global customers with better products and service systems.

In 2024, the Company realized overseas operating revenue of RMB **73.75** million, with a year-on-year growth of **157.84%**.

## Promoting strategic M&A of resources around industries and performing industrial-financial integration to enhance competitive advantages

With the focus on high-speed wired communication as its principal business, the Company will always persist in and intensify its ecological construction. Drawing lessons from enterprises at different stages of development in multiple dimensions such as scientific and technological process, growth space, ecological co-construction, the Company will constantly pool its surrounding resources, consider investment and M&A tools when appropriate, and speed up its supplementation of product lines and fill the technical gaps around the upstream and downstream industries related to its principal business, so as to make breakthroughs in higher speed fields, steadily promote the industrial clusters related to its principal business, and enhance its core competitiveness.

**Optimizing Financial Management, Improving Quality of Earnings, Increasing Operational Efficiency and Enhancing Competitiveness**

## Using a scientific management system to comprehensively promote cost reduction and efficiency improvement

Relying on the DSTE management system, the company drafts scientific and forward-looking strategic plans for R&D and innovation, decomposes its strategic objectives, optimizes its R&D and production processes, promotes its implementation of strategies, transforms them into business results, and takes multiple measures to reduce costs and increase efficiency.

In 2025, while making efforts for industrial diversification and product mix optimization, the Company will integrate the concept of cost reduction and efficiency improvement into all links, including R&D, procurement, production, sales and market development, in an attempt to maximize returns by streamlining investments, and make every effort to create more substantial returns for its investors.

## Enhancing customer diversification and increasing asset profitability

The Company's products have been applied in thousands of customers or end customers of different fields, and entered the supply chain system of more customers. The Company can provide customized solutions according to the actual needs of its customers to improve customer satisfaction and product adaptability. At present, the Company's products have been applied in thousands of customers or end customers of different fields, including H3C, Xiaomi and Nova. Those products have been included in the lists of more customers' suppliers for product testing and shipment.

In 2024, the Company's sales to the top five customers were approximately RMB **222.78** million, accounting for **56.23%** of the total annual sales.

In 2025, the Company will accelerate the R&D of new products and enhance its efforts for customer development at home and abroad, in an attempt to increase the return on assets, including three aspects:



Strengthening in-depth cooperation with existing customers, satisfying new customer needs in a timely manner while increasing the existing market share, and create an excellent supply chain ecosystem together with customers;



Actively exploring new customers, increasing the data communication market share, and focusing on the market of automotive chips; actively strengthening cooperation with various car companies and related suppliers that vigorously promote development in smart driving; actively deploying the relevant markets of data centers, and accelerating customer diversification through implementation of strategic cooperation projects;



Based on seven product lines, continuing to diversify and optimize the product mix by expanding new downstream application scenarios so that the related products of the Company in the field of data communication may be applied in households, enterprise networks and more fields.



## Optimizing financial management capability and improving internal operational efficiency

Financial management capability affects the Company's daily operational efficiency and overall business performance. As of the end of 2024, the Company's overall asset-liability ratio was about **7.77%**; the balance of accounts receivable was RMB **80** million and the turnover rate of accounts receivable was approximately **5.67**; the inventory balance was about RMB **150** million, and the inventory turnover was approximately **1.49**.

In 2025, the Company will continue to strengthen optimization of the financial management and improve its operational efficiency, including:

Promoting industry-finance integration, strengthening informatization construction of financial management, optimizing the forward-looking and process management of planned expenditures, and providing more accurate financial support for the management to make predictions;

In terms of accounts receivable turnover ratio, enhancing the credit evaluation mechanism, optimizing credit policies, developing favorable collection procedures, doing a good job in the management of payment collection and accounts receivable for orders, and continuing to optimize its cash flow;

For inventory turnover ratio, strengthening delicacy management of the supply chain, continuously improving inventory management, and achieving quick market penetration in compliance with the sales model "focusing on distribution, supported by direct selling".

## Reasonably planning capital stock and increasing capital utilization rate

The Company attaches great importance to the reasonable planning and use of its capital stock. In 2025, the Company will continue to strengthen cash management, improve the capital utilization efficiency, and better realize fund preservation and appreciation. On the premise of its fund liquidity and security, the Company will invest part of its idle self-owned funds in banks' wealth management products with certain returns.

As of the end of 2024, the balance of the Company's monetary fund was approximately RMB **740.15** million, and the balance of financial assets held for trading amounted to RMB **581.89** million.

## Strengthening the efficacy of raised funds and consolidating the ability to manage projects invested by raised funds

In 2025, the Company will strengthen the efficacy of its raised funds, and promote its principal business through the implementation of these projects in strict compliance with relevant laws and regulations, normative documents and the Company's Management Measures for Corporate Fundraising, to realize expected returns of the projects, and enhance its overall profitability. Some idle raised funds will be properly used for cash management to increase capital efficiency on the premise of not affecting the construction of fundraising projects and the safety of raised funds.



## Optimizing Corporate Governance and Enhancing the Awareness of the "Key Minority"

The Company has always regarded reliable governance as an important cornerstone for achieving high-quality development, continuously improved its management as a modern enterprise, constantly standardized its corporate governance structure, strengthened its construction and efficient operation of the Board of Directors, established and improved its internal governance system. It has actively promoted the diversification of its Board of Directors.

During the reporting period, the Company convened **3** shareholders' meetings, **8** meetings of the Board of Directors, **5** meetings of the Audit Committee, **2** meetings of the Nomination Committee, **3** meetings of the Remuneration and Appraisal Committee.

In the future, the Company will continue to focus on the diversification of its Board of Directors, build a leadership core with more insight and decision-making power, facilitate effective implementation of its strategies, and steadily promote its sustainable development in the industry.



## Promoting improvement of the internal governance mechanism

In 2024, the Company performed its management based on the ESG, promoted the ESG governance mechanism with the Board of Directors assuming the main responsibility, set up the Strategic Investment and Sustainable Development Committee through the rules of procedure for three meetings and amendment to the Articles of Association, and gradually built/improved the three-tier management architecture with supervision and decision-making by the Board of Directors, coordinated management by the Strategic Investment and Sustainable Development Committee, and collaborative implementation by the ESG Working Group under the Board of Directors. With a systematic structure and supporting processes, the Company strived to ensure that ESG matters are accurately implemented at all levels, and to build a solid institutional guarantee for long-term sustainable development.

In 2024, with its Wind ESG rating upgraded from BB to BBB, the Company won 2024 5th Caitian Press ESG Zhiyuan Award: Corporate Governance (G) Pioneer Award and the Second Guoxin Cup • ESG Golden Bull Award. Relying on its past accumulation through practices, the Company will continue to fully integrate the ESG concept into its corporate management system and business operation process, and actively respond to the concerns and expectations of its stakeholders about its sustainable development capabilities.



## Ensuring that independent directors perform their duties according to law

The Company has implemented the reform requirements for the independent director system, and built an independent director working group to ensure that independent directors can keep abreast of its development and operations in a timely manner through monthly regular meetings, special meetings and irregular communications of the independent directors. Besides, the Company provided comprehensive and convenient conditions for its independent directors to perform their duties, and designated the Office of the Board of Directors as bridge for communications to effectively protect the right of its independent directors to know and facilitate its independent directors to carry out on-site work for no less than 15 days every year.

In the future, the Company will continue implementing the reform requirements of the independent director system, further leverage the professional expertise of its independent directors, regularly evaluate its independent directors' independence, ensure that they can perform their duties independently and fairly, to provide a solid guarantee for its steady development.

In 2024, it held a total of **20** regular meetings of independent directors to fully report its operating conditions and major matters to the independent directors in time.



## Increasing the normative consciousness of directors, supervisors and senior executives

The Company pays close attention to the standardization of duty performance by the "Key Minority", including its controlling shareholders, actual controllers, directors, supervisors and senior executives, and steadily carries out policy research and study to help the "Key Minority" adapt to the changes in the regulatory environment in a timely manner. In 2024, the Company continuously strengthened the awareness of the "Key Minority", depth and frequency of daily learning and training:

The Office of the Board of Directors published 12 editions of the Corporate Governance Monthly and promptly sent them to the directors, supervisors, senior executives and relevant personnel to ensure that the "Key Minority" understand the latest laws and regulations, continuously increase the awareness of "improving quality, increasing efficiency and rewarding", and continuously better the operations management. The Corporate Governance Monthly includes multiple modules, including industry information, policies, systems, typical cases, corporate governance and market value analysis.

In the future, the Company will continue to deeply improve its internal training system, actively organize online and offline training for the "Key Minority", including directors, supervisors and senior executives, and further optimize the reporting mechanism to accurately push information such as changes in macroeconomic policies, latest development trends of the industry, updates of various regulatory laws and regulations, and issues particularly on investors, in order to help the management improve their abilities to perform their duties and effectively enhance their scientific, accurate, forward-looking decision-making.

Internally, the Company organized **27** employees to sign up for special training of the CSRC, SSE, and China Associations for Public Companies, mainly covering "Nine Articles of NPC", corporate governance, performance of duties by directors, supervisors and senior executives, investor relations management, and industrial M&A, with an attendance rate of **100%**.



## Improving the internal control system

In 2024, the Company revised 24 rules, including the Articles of Association, Rules of Procedure for the Board of Directors, Rules of Procedure for Shareholders' Meetings, Rules of Procedure for the Board of Supervisors, Related Transaction Management System, Foreign Investment Management System, External Guarantee Management System and Management Measures for Raised Funds according to the Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Rules Governing the Listing of Stock on the Shanghai Stock Exchange, Guidelines for the Articles of Association of Listed Companies, Measures for Independent Directors of Listed Companies, Code of Corporate Governance for Listed Companies, Guidelines for Self-regulation of Listed Companies on the Shanghai Stock Exchange No.1 - Standardized Operations, and the Guidelines for Self-regulation of Listed Companies on the Shanghai Stock Exchange No. 5 - Transactions and Related Transactions.

In 2025, the Company will continue to optimize its construction of the internal control system, revise and improve the internal control system in a timely manner, ensure its standardized operation, protect the rights and interests of its investors, strengthen its internal control supervision and inspection, improve its internal control management, effectively prevent various risks, and promote its healthy, sustainable development according to a series of latest regulatory rules, including the new Company Law and the Guidelines for the Articles of Association of Listed Companies.

## Improving Information Disclosure and Building a Multi-Level Investor Communication Mechanism

The Company always places information disclosure and investor relations management in an important position, and strictly abides by the Rules Governing the Listing of Stocks on Shanghai Stock Exchange STAR Market and its Information Disclosure Management System and other relevant regulations. On the basis of earnestly fulfilling its information disclosure obligations, it will continuously strengthen its investor research efforts and disclose material information such as regular reports and temporary announcements.

The Company also attaches great importance to the investor relationship management, and develops multi-platform and multi-level investor communication channels through statutory information disclosure, collective performance briefings, its official website, its official account, roadshows/reverse roadshows, etc., to facilitate the investors' understanding of the Company. The Company persistently enhances its investor research efforts, with a view to narrowing information gaps in response to its investors' expectations.



### Increasing the readability of information disclosure

The Company actively explores and diversifies its presentation and dissemination forms of the Company's information disclosure, flexibly demonstrate the Company's operating conditions, R&D progress and product status to the investors in diverse manners, and highlight key information points to reduce the investors' reading burden.

- [1] The Company interpreted the 2024 annual report and semi-annual report more intuitively in visual forms like Infographic, helping its investors better understand its operating result, financial status and development strategy;
- [2] The Company presented its information in the form of PPT + videos through data charts and scenarios in its collective performance briefings, quarterly performance briefings and irregular investor research activities, to make the information more intuitive and comprehensible;
- [3] Disclosed 2024 ESG Report of Motorcomm Electronic Technology Co., Ltd., to demonstrate its performance and fulfillment of social responsibilities to its investors in an all-round manner.



### Making the information more accessible

In addition to legal information disclosure channels, the Company also provides more platforms for communicating and exchanging with the investors through the official website, official accounts and so on. The Company will set up places for displaying its development histories, diversifying the channels for the investors to obtain information, effectively conveying its value, and building market confidence:

The Company uses its WeChat official account "Motorcomm Electronic" to promptly push its latest developments and transmit cutting-edge industry trends to the investors. Besides, the Company optimizes the "Investor Relations" column of its official website, under which five sub-columns, namely Corporate Announcement, Stock Information, Investor Relations, Social Responsibility (ESG) And Investor Contact, have been set up.

In the future, the Company will continue to focus on improving the readability of information disclosed and the convenience of information acquisition, and further provide true, accurate, complete, timely and effective information for the investors' value judgment and investment decision-making.



### Strengthening investor communications

In 2024, the Company arranged a series of investor relations activities to promote the establishment of long-term, stable and mutually trustworthy relationships with the investors, including holding 3 online performance briefings, receiving 280 investor surveys, publishing 68 survey records, answering 147 questions at E-interactive, with a response rate of 100%, answering 158 phone calls from the investors, and maintaining full communications with the investors through public email and other means. In [December] 2024, the Company won the "Snowball Annual Gold Medal List • 2024 Investor Relations Management Award".

In the future, it will continue to strengthen the transparency of its information disclosure, adhere to the basic principles of conciseness, clarity and easy-to-understand, and protect the rights and interests of its minority shareholders.



## Sharing the Benefits between the Management and Shareholders and Actively Conveying the Company's Value

The Company will continue improving the business management model, optimize the remuneration and incentive system, strengthen the benefit sharing mechanism between the management and shareholders, and actively guide the "Key Minority" to assume corresponding responsibilities for promoting the Company's long-term stable development.



## Establishing a normalized equity incentive mechanism, and maintain consistency among the interests of the management and the shareholders

In 2024, the Company drafted and implemented 2024 Restricted Stock Incentive Plan. Taking the growth rate of operating revenue and shipment quantity of vehicle-borne chips as the company-level performance appraisal targets, it synchronously defined individual-level appraisal requirements, and strengthened its strategic layout in the field of vehicle-borne chips on the basis of its total revenue target.

In the future, the Company will actively explore and establish a sound long-term incentive and restraint mechanism, firmly retain key talents while attracting outstanding talents to gather, effectively unify the interests of itself, its shareholders and employees, so that all parties can jointly focus on its long-term development and ensure that its established development strategies and business objectives can be realized.



## Considering both development of the Company and shareholder interests, actively conveying value of the Company

The Company attaches great importance to paying appropriate returns on investment to shareholders and has drawn up the Shareholder Dividend and Return Plan for Three Years after Listing of the Company in combination with its Articles of Association. On the premise of satisfying the conditions for cash dividends, the Company will give priority to profit distribution with cash dividends, maintain the continuity and stability of the profit distribution policies, and take into account its long-term interests, the overall interests of all shareholders and its sustainable development.

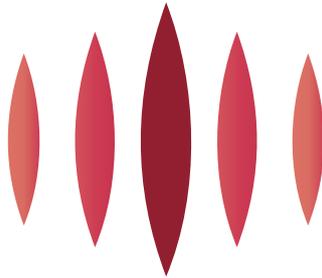
The Company will establish a stock price stabilization mechanism according to the capital market conditions, clarify over significant decline in short-term stock prices, fall below the issue price, or the net asset per share as an initiation condition, establish corresponding trigger mechanism, and take corresponding stock price stabilization measures, including stock repurchase, to stabilize stock prices and enhance investor confidence.

## Other Matters

The Company will continue to focus on the principal business, improve the operations, and earnestly fulfill the responsibilities and obligations as a listed company through favorable operations management, standardized corporate governance, and positive investor returns, repay the investors for their trust, maintain the Company's good market image, and facilitate steady and healthy development of the capital market.

The Company's planning, development strategy and other forward-looking statements involved in this Report are not fait accompli, and do not constitute a substantial commitment of the Company to investors.





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