

BIWIN Storage Technology Company Limited

FY 2024 "Enhance Quality, Boost Efficiency, and Maximize Returns" Strategic Plan

To thoroughly enact the directives of the Central Economic Work Conference and the Central Financial Work Conference, actively heed the Political Bureau of the Central Committee's call to invigorate the capital market and bolster investor confidence, and to uphold an investor-centric philosophy, BIWIN Storage Technology Company Limited (hereafter referred to as "the Company") has developed the "Enhance Quality, Boost Efficiency, and Maximize Returns" strategic plan for the fiscal year 2024. This plan was reviewed and approved at the 18th meeting of the third session of the Board of Directors on April 29, 2024.

The objective of this strategy is to drive the continual improvement of the Company's operations and governance standards, while proactively delivering returns to investors. By further enhancing operational efficiency, strengthening market competitiveness, and safeguarding investor interests, the Company aims to make a positive impact on the stability of the capital market and the high-quality growth of the economy. Key initiatives include:

I. Focusing on Operations to Enhance Core Competitiveness

Since its establishment, the Company has specialized in the storage sector, centering on the semiconductor memory industry chain. It has developed an integrated business model encompassing both R&D and testing. The Company has continually fortified its core capabilities across several domains, including development of storage solutions, IC design of main control chips, wafer-level advanced packaging and testing, and development of storage chip testing equipment. In the field of storage solutions, the Company has continuously built product competitiveness in terms of performance, power consumption, reliability, and capacity to meet the demands of leading customers both domestically and internationally. In IC design, the Company's inaugural master control chip, noted for its superior performance, has successfully completed post-fabrication testing and is now gearing up for mass production. In advanced packaging and testing, the Company's wafer-level project has been

officially established in the Dongguan Songshan Lake High-Tech Zone. For storage chip testing equipment, the Company has independently developed a comprehensive range of testing devices and algorithms, thereby creating a holistic chip testing solution. The implementation of these projects and capabilities is set to significantly enhance the Company's ability to empower end-users and contribute to industry development.

In 2024, the Company aims to capitalize on the upward trajectory of the industry, achieve significant market and performance breakthroughs, and enhance operational performance. With the mission "Storage Empowers Everything," we are dedicated to becoming a world-class leader in storage solutions and advanced packaging and testing.

1. Capitalizing on Industry Growth Cycles for Market and Performance Breakthroughs

As the storage industry rebounds in 2024, the Company will seize market opportunities, aiming to penetrate top-tier customers by enhancing product competitiveness and expanding customer reach, thereby driving revenue growth in the mobile, PC, and server sectors. We will also strategically allocate resources in the smart wearables and industrial vehicle sectors to refine our product offerings and aspire to become a dominant market player. Concurrently, the Company will focus on optimizing production delivery and increasing efficiency to foster performance growth.

2. Deepening the Industry Chain to Boost Profitability

In 2024, the Company plans to scale up the mass production of our proprietary master control chips, thereby improving product competitiveness. We will expand the scope and operational efficiency of our advanced packaging and testing facilities, leveraging economies of scale to enhance cost competitiveness. Additionally, we will increase the deployment of our in-house chip testing equipment, reducing testing costs and generating new revenue streams.

3. Enhancing Our Consumer Brand Presence

In 2024, the Company will escalate efforts to build its consumer brand, consistently introducing innovative products that compete effectively in the industry,

thereby enhancing our market presence and increasing profitability.

4. Expanding Globally and Actively Going International

In 2024, the Company will pursue a proactive globalization strategy in its overseas operations, deepening collaborations with globally renowned clients such as HP, Acer, Google, Meta, Motorola, and HMD. By actively developing a comprehensive global sales, production, and delivery network, we aim to surpass regional OEM markets with superior product competitiveness and optimal localized service, continuously growing our global market share and enhancing brand influence.

II. Enhancement of Technological Innovation Capabilities

The company will bolster R&D investments across several domains, including storage solutions, chip design, and advanced packaging and testing equipment, aiming to continuously foster new productive forces and achieve high-quality development. Over the years 2021-2023, the company's R&D expenditures were 106.8710 million Yuan, 126.3967 million Yuan, and 249.9804 million Yuan, constituting 4.10%, 4.23%, and 6.96% of the operating income, respectively. As of December 31, 2023, the company has secured a total of 307 domestic and international patents and 27 software copyrights, comprising 95 invention patents, 148 utility model patents, and 64 design patents. In 2023 alone, the company filed for 84 new invention patents, received approval for 56, and was granted 1 new integrated circuit layout design.

In 2024, the company will continue to escalate its R&D efforts, with R&D expenditures in the first quarter 97.7075 million Yuan, representing a year-over-year increase of 217.62%. In 2024, the company will push forward with the mass production of its proprietary master control chips and focus on enhancing product competitiveness; it will promote the expansion and technological innovation of the Huizhou advanced memory packaging and testing base, further improving automation levels to support the growth of the company's business and the continuous enhancement of product competitiveness; it will also expedite the construction of the Dongguan wafer-level advanced packaging and testing project, striving for early production to strengthen the company's core competitiveness in the advanced packaging and testing field. By implementing these cutting-edge technology projects, the company fulfills its mission of "Storage Empowers Everything."

III. Enhancing Financial Management to Boost Efficiency and Effectiveness

Since its inception, the company has placed a high priority on rigorous financial management as a foundation for enhancing operational efficiency and quality.

In 2024, the company intends to intensify its financial management practices, with a particular focus on managing accounts receivable and inventory more effectively. This effort aims to enhance operational efficiency and strengthen the oversight of fund utilization. Additionally, the company will establish an encompassing risk management system to further solidify its comprehensive risk management capabilities. These initiatives are designed to elevate the enterprise's core competitiveness, optimize operational management, and improve operational quality and profitability. By doing so, the company seeks to navigate market fluctuations and challenges, boost its operational performance, and thereby generate increased value for its shareholders.

IV. Enhancing Corporate Governance for High-Quality Development

The company has consistently prioritized the robustness of its corporate governance structure and the effectiveness of its internal controls. In 2023, it eagerly embraced regulatory reforms, accelerating the adoption of institutional changes. This included revising and creating internal controls such as the "Independent Directors Work System," "Financial Assistance Provision Management System," "External Guarantees Management System," "External Investment Management System," and "Insider Information Management System." These efforts are aimed at enhancing the standardization of operations and the scientific rigor of decision-making processes, thereby protecting shareholder interests.

For 2024, we are committed to further strengthening our internal control framework, continuously refining our internal control management systems, and enhancing our risk early warning and response mechanisms to ensure robust and compliant operations.

1. We will persist in refining our governance structure to guarantee that all shareholders can fully exercise their rights. This ensures that the Board of Directors,

including its specialized committees, the Supervisory Board, independent directors, and management team, fulfill their roles diligently to effectively protect the interests of both the company and its minority shareholders.

2. The company plans to implement a dynamic regulatory tracking and feedback mechanism to systematically gather and analyze the latest regulatory policies and legal statutes from the capital markets. This information will be timely communicated to major shareholders, directors, management, and relevant departments.

3. We will continue to reinforce communication with key stakeholders, monitoring their commitment to their responsibilities. We aim to strengthen their sense of duty and commitment. Additionally, we will arrange no fewer than four training sessions each year, organizing ongoing participation in training sessions held by regulatory bodies such as the Stock Exchange and the Securities and Futures Commission. By regularly updating these stakeholders with the latest regulatory and supervisory developments, we enhance their understanding of relevant laws and professional knowledge pertaining to the capital markets. This initiative is designed to boost their self-regulation and compliance awareness, collectively advancing our company's standardized operations.

V. Strengthening Investor Communications

The Company upholds the core principles of openness and transparency and has developed a comprehensive and effective investor communication framework. This framework is designed to ensure that investors receive timely and accurate information about the Company's operational status and strategic direction. We rigorously adhere to financial reporting disclosure standards, consistently issuing detailed, unbiased, and equitable annual, semi-annual, and quarterly reports. These reports comprehensively reflect the Company's operational performance and strategic initiatives. Building upon this foundation, we have intensified our engagement with investors, hosting three earnings briefing sessions in 2023, where our management team provided a thorough analysis of the Company's performance trends and growth trajectories.

To provide investors with a more tangible and profound understanding of the Company's technological prowess and competitive edge, we meticulously organized five site visits to the Huizhou Packaging and Testing Manufacturing Center in 2023,

welcoming over 60 investment institutions. Furthermore, attentive to investor inquiries, we established a dedicated service hotline, handling over 260 investor calls throughout the year, addressing their queries and concerns regarding various company matters. Moreover, we actively addressed over 70 questions posed by investors on our interactive platform, achieving comprehensive, multilevel real-time communication.

In the fiscal year 2024, the Company will stringently adhere to all applicable laws, regulations, and directives from regulatory authorities. We will rigorously enforce our information disclosure policies to ensure that disclosures are accurate, complete, timely, and equitable. Through a multitude of channels, including public announcements, investor meetings, performance briefings, site visits, SSE e-interactions, phone, and email, the Company will hold no fewer than three performance briefings, timely arrange for senior executives to participate in these briefings, and discuss issues of widespread investor interest. In addition to traditional communication channels, the Company will also more organize offline investor research activities, inviting directors, management, and relevant business heads to join investor events. Through both onsite and online interactions, we aim to establish a more transparent and close communication relationship with investors, effectively safeguarding their rights to information and oversight, conveying the Company's core values and future strategic positioning, and enhancing investor confidence.

VI. Enhancing Investor Returns

To embody our "investor confidence" philosophy as a publicly listed company and protect the interests of all shareholders, we are steadfast in our confidence in the company's future growth, recognition of our corporate value, and our commitment to fulfilling our social responsibilities. Thus, we have implemented a share repurchase program and plan to cancel these repurchased shares. As of the announcement date, the company has cumulatively repurchased 703,464 shares through centralized competitive bidding, representing 0.1635% of the total share capital, with funds totaling RMB 19.9976803 million Yuan excluding expenses such as stamp duties and trading commissions.

In 2024, the company will consider long-term shareholder returns, proactively implementing buybacks and dividends, judiciously utilizing methods such as share repurchases and cash dividends to share the fruits of development with investors, and

enhancing the sense of value investors receive in alignment with our operational performance.

VII. Strengthening Alignment of Management and Shareholder Interests

The 2024 Equity Incentive Plan sets forth performance evaluation requirements that include market capitalization management targets (with a target of achieving a business revenue of no less than RMB 5 billion Yuan in 2024, and the company's total market capitalization reaching or exceeding RMB 20 billion Yuan on any consecutive 20 trading days during the year), establishing a robust long-term incentive and accountability framework that closely aligns the interests of our management and key operational teams with those of our shareholders. This ensures a shared commitment to the company's success, fostering a unity of interests and mutual benefits, thereby enhancing the company's overall value. Moving forward, we will continually refine our management compensation strategies to further solidify the balance of responsibilities, rights, and obligations among management members. This will enhance the operational targets' influence on performance, boosting the drive, initiative, and innovativeness of our management team while safeguarding the interests of the company and all shareholders.

The company remains committed to continuously evaluating and implementing specific measures for "Enhance Quality, Boost Efficiency, and Maximize Returns." We strive to fulfill our duties as a listed company through strong performance, strict corporate governance, and proactive investor returns, thereby repaying investor trust and maintaining the long-term stability of our stock price.

Notice is hereby given.

Board of Directors of BIWIN Storage Technology Company Limited

April 30, 2024