

SIGLENT Technologies Co.,Ltd

Corporate Value and Return Enhancement Action Plan 2024

SIGLENT Technologies Co.,Ltd (hereinafter referred to as the "Company") has formulated the "Corporate Value and Return Enhancement Action Plan 2024" in order to practice the "investor-centric" ethos of listed companies and protect the interests of all shareholders, and promote the high-quality and sustainable development of the Company in light of the development strategy and operational situation of the Company. The details are as follows:

I. Deeply Exploring the Main Business to Strengthen Core Competitiveness

The Company is a R&D-driven high-tech enterprise. Since its establishment, the Company has been focusing on the development and technological innovation of general electronic test and measuring instruments. The Company is a state-level "Little Giant" enterprise, with its main business being the research, development, production and sales of digital oscilloscopes, waveform and signal generators, spectrum analyzers, network analyzers, power supplies, multimeters and other general electronic test and measuring instruments.

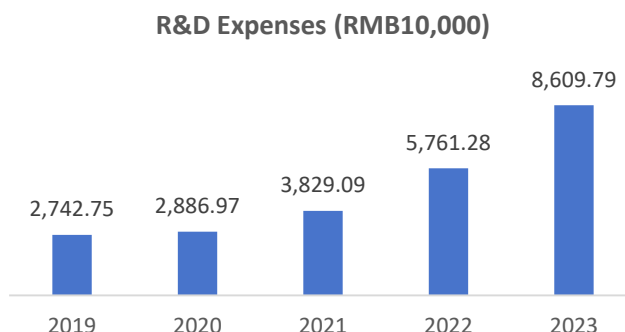
The Company is one of the few manufacturers of general electronic test and measuring instruments in the world that has the ability to develop, produce and sell the four main products of general electronic test and measuring instruments, namely digital oscilloscopes, signal generators, spectrum analyzers and network analyzers, and it is also one of the few companies in the world that owns these four main products at the same time, and has entered into the high-end field of the entire line of the four main products. The Company is headquartered in Shenzhen, with subsidiaries in Cleveland (USA), Augsburg (Germany) and Tokyo (Japan), a branch office in Chengdu, and offices in Beijing, Shanghai, Xi'an, Wuhan and Nanjing.

In 2024, the Company will continue to focus on the continuous exploration of its main business, adhere to independent research and development of technological innovation, and continue to launch new products through intense investment in research and development. The Company will firmly promote the high-end development strategy, continuously improve the product matrix, consolidate the competitive advantages of RF microwave products and high-resolution digital oscilloscope products, and strengthen the construction of channels and brands, to continuously enhance the comprehensive competitiveness of the Company. The measures are as follows:

1. Insisting on Independent Innovation, and Continuously Increasing Efforts on R&D

The Company has always emphasized R&D innovation, focusing on the deep integration of technological achievements with the industry, market demand and products, and continued to carry out iterative upgrading of products and technologies through high-intensity R&D investment. In 2023, the Company's R&D expenses amounted to RMB86,097,933, representing a year-on-year increase of 49.44%. The Company's R&D expenses accounted for 17.82% of operating revenue, an increase of 3.33 percentage points over the same period of the previous year, when it was 14.49%. At the end of 2023, the number of R&D personnel of the Company reached

213, representing a year-on-year increase of 36.54%, and the proportion of R&D personnel was 46.10%, showing a further expansion of the R&D team. Led by an experienced core technology team, the Company has achieved remarkable R&D results. In 2023, the Company released seven new products, and owned 297 patents (including 198 invention patents), with the number of patents increased by 33.



In 2024, the Company will continue to prioritize technology-orientation and continue to maintain a high level of investment in research and development for key core technology research. At the same time, the Company will continue to strengthen the construction of the technical research and development team, continue to introduce technical personnel to enrich the technical team, and strengthen the product technology innovation and product development strength. Continuous technical research and accumulation will lay a solid foundation for subsequent product development and generate core technologies. The Company will develop patents around these core technologies and improve the independent intellectual property rights system centered on patents.

2. Continuing to Improve the Product Matrix to Consolidate the Advantages of Product Support

The Company has released two new products since 2024. On January 10, 2024, the Company officially released the SDM4000A series of high-speed 6.5-digit digital multimeters. Equipped with a touch screen and new interface, this series of products can help improve the testing efficiency of products, which are widely used in test automation, electric power engineering, electronic manufacturing and maintenance, etc. On January 23, 2024, the Company officially released the 8 GHz bandwidth high-resolution oscilloscope (SDS7804A), which set up a new benchmark for domestic high-resolution oscilloscopes, and marked the acceleration of the high-end process of the Company's instruments. The presence of these new products will bring positive impact on the Company's performance improvement, and the basic information of new products is as follows:

Product name	Product model	Product performance indicators
SDM4000A high-speed 6.5-digit digital multimeters	SDM4065A SDM4065A-SC	Resolution accuracy: 6½ (2,200,000 count); DCV basic accuracy: 35PPM; Maximum reading rate: 50,000 readings/second; Minimum sampling interval: 20 μs.

SDS7000A high-resolution oscilloscope	SDS7604A H12 SDS7604A H10 SDS7804A H12 SDS7804A H10	Maximum bandwidth: 8 GHz; Vertical resolution: 10/12-bit; Storage depth: Up to 1 Gpts/ch; Number of channels: 4; It supports USB2.0, Ethernet and other protocol conformance analysis as well as eye pattern and jitter test for LVDS, MIPI and other high-speed signals.
---	--	---

In 2024, the Company will continue to deepen its high-end development strategy, promote technological upgrading, and rely on its globalized brands and channels to achieve stable growth in operating results. In the field of digital oscilloscopes, the Company has released 8GHz bandwidth 12-bit high-resolution digital oscilloscopes, and will subsequently focus on the development of higher bandwidth digital oscilloscopes above 8 GHz, narrowing the gap with the dominant foreign enterprises to meet more testing requirements. In the field of RF microwave, the Company has released the spectrum analyzer and vector network analyzer with the highest measurement frequency of 26.5 GHz, and will make a breakthrough in the series of products with the frequency of 26.5 GHz or above in the future. Meanwhile, the Company has released the high-end RF microwave signal generator with the output frequency of 40 GHz. In the subsequent R&D, the frequency range will exceed 40 GHz. In the field of arbitrary waveform generator, the Company has released the high-end arbitrary waveform generator with output frequency of 1 GHz, and the subsequent R&D will be directed to the development of arbitrary waveform generator with higher output frequency.

II. Focusing on Investor Returns and Sharing the Fruits of High-quality Development

The Company has implemented the cash dividend policy for two consecutive years since its IPO, with the cash dividend ratio exceeding 60% each year. As at December 31, 2023, the Company's cumulative cash dividends totaled RMB140,666,710.63, and 52,266,683 shares were transferred by way of capitalization from capital reserve. The Company has always attached great importance to investor returns. Since its IPO, the Company has paid cash dividends for two consecutive years to share the fruits of corporate development with all its shareholders.

In 2021, the Company paid a cash dividend of RMB4.6875 (inclusive of tax) for every 10 shares to all shareholders, totaling RMB50,000,015.63 (inclusive of tax), and the cash dividend accounted for 61.68% of the net profit attributable to shareholders of the parent company. In 2022, the Company paid a cash dividend of RMB8.50 (including tax) per 10 shares to all shareholders, and at the same time, the Company transferred 4.9 shares per 10 shares to all shareholders by way of capitalization from capital reserve, without bonus shares. The accumulated cash dividends of the Company amounted to RMB90,666,695.00 (including tax), and the cash dividend amount accounted for 64.41% of the net profit attributable to shareholders of the parent company.

In 2023, the Company intends to pay a cash dividend of RMB8.80 (inclusive of tax) for every 10 shares to all shareholders, totaling RMB140,096,016.72 (inclusive of

tax), and the cash dividend accounted for 90.23% of the net profit attributable to shareholders of the parent company. The company doesn't convert provident fund into share capital or give bonus shares.

The Company promises that cash dividends will account for no less than 30% of the net profit attributable to the shareholders of the parent company in the consolidated statement of accounts in 2024, so as to create more value for investors and safeguard the legitimate rights and interests of shareholders. Mr. Qin Ke, the real controller, chairman and general manager of the Company, undertakes to vote in favor for the dividend at the relevant meeting. The Company will continue to coordinate the dynamic balance between corporate development, performance growth and shareholders' return, adhere to the cash dividend-orientation, and enhance the sense of gain of investors.

In 2024, in the light of the *State Council's Opinions on Strengthening Supervision, Preventing Risks and Promoting High-Quality Development of the Capital Market*, the Company will pay close attention to the trends of the capital market, and actively explore the increase of the frequency of annual dividends, in an effort to promote the Company's high-quality development and the enhancement of investment value. The Company will work with investors to create a better future of value sharing and win-win cooperation, so that investors can share the fruits of the Company's growth in its development, and realize the steady appreciation of wealth.

III. Enhancing Investor Communication and Exchange to Establish Long-term Mutual Trust Channels

Since its IPO, the Company has always highly emphasized its investor relations management work, continuously improved the system related to investor relations management, and established diversified investor communication channels. The Company strengthened investors' understanding of the Company's production and operation status and established good interaction with investors through investor hotlines, e-mails, the Investor Relations section on its official website, and results briefings and shareholders' meetings.

In 2023, the senior management of the Company, including the chairman and general manager, participated in the regular report performance briefing many times to communicate with investors in depth. Through the official website and WeChat account, the Company shows its operation, research and development, and products to the investors, so that they can understand the Company more comprehensively.

In 2024, the Company will continue to follow the principle of "truthfulness, accuracy, completeness, timeliness and fairness". Under the premise of compliance, the Company will continue to carry out specialized investment relations activities in different forms, hold no less than three performance briefing sessions or investor reception day activities, and invite investors to the Company for field research. In 2024, the Company will strictly follow the laws, regulations and regulatory requirements, implement the Company's information disclosure management policy and fulfill its information disclosure obligations, and continue to strengthen investor communication and exchanges, thus establishing a long-term, stable and mutually trustworthy relationship with investors.

IV. Improving Corporate Governance to Enhance Operational Quality and Efficiency

The Company attaches great importance to the soundness of its governance structure and the effectiveness of its internal control system. In 2023, in accordance with the relevant rules of governance of listed companies of the China Securities Regulatory Commission and Shanghai Stock Exchange, the Company revised the *Articles of Association*, the *Working Policy of Independent Directors*, the *Decision-making Rules for Related-party Transactions*, and other systems, to continue to improve the corporate governance and internal control system, enhance the standardization of the Company's operations, ensure the science-based decision-making, and safeguard the shareholders' interests.

In 2024, the Company will continue to strengthen its capital management by improving operational efficiency and increasing the efficiency of capital utilization under the premise of safety and compliance. Meanwhile, the Company will continue to implement the construction of information systems and integrate internal control-related systems and procedures into the information systems. The Company will consistently optimize and further enhance the level of information-based technology to provide support for the rigorous, orderly and efficient operation of the Company and further improve the quality and efficiency of its operations.

The "key few" play a crucial role in the Company's governance. In 2024, the Company will continue to urge the key few to implement their main responsibilities, continue to actively urge directors, supervisors and the senior management to participate in the trainings held by the China Securities Regulatory Commission, Shanghai Stock Exchange, Pujiang Lecture, the local securities regulatory bureaus and other regulators, as well as the continuous supervisory authorities, to enhance the study of the relevant laws and regulations of the securities market and to strengthen and enhance the awareness of compliance, risk and self-discipline, so as to continuously promote the continuous and standardized operation of the Company.

V. Other Matters

The Company will continue to focus on its main business and improve the quality of its operations. In addition, the Company will actively reward investors with good performance and standardized corporate governance, and effectively fulfill its responsibilities and obligations as a listed company, thereby maintaining the good market image of the Company and promoting the smooth and healthy development of the capital market.

The "Corporate Value and Return Enhancement Action Plan 2024" is a judgment based on the actual situation of the Company, which may be affected by policy adjustments, market environment and other factors in the future, with a certain degree of uncertainty, and it does not constitute a substantial commitment of the Company to investors. The Company respectfully requests that investors be cautious in investing and pay attention to the risks of investment.

SIGLENT Technologies Co.,Ltd
Board of Directors
April 29, 2024