

**BOTH ENGINEERING TECHNOLOGY CO., LTD.**  
**ACTION PLAN OF THE “IMPROVING QUALITY AND EFFICIENCY AND  
INCREASING RETURNS” FOR 2024**

To implement the investor-centric concept, promote high-quality development of the Company and enhance investment value, increase investor returns, improve investor satisfaction, and protect the legitimate rights and interests of investors, especially minority investors, BOTH Engineering Technology Co., Ltd. (hereinafter referred to as the “Company”) has formulated the “Improving Quality and Efficiency and Increasing Returns” Action Plan for 2024, which was considered and approved at the second meeting of the seventh session of the board of directors of the Company on June 18, 2024. The details are as follows:

**I. Focusing on and Strengthening Core Business and Promoting Stable Development**

The Company focuses on providing professional clean room system integration solutions for projects such as factory construction and technological transformation in high-tech industries. The Company possesses full-industry-chain capabilities for clean room system integration and offers a series of professional technical services, including project planning and design, procurement, system integration, HOOK-UP, and operation and maintenance of industrial clean rooms and biological clean rooms. With constant improvement and accumulation throughout the course of its thirty years of intense involvement in the clean room sector, the Company has emerged as one of the top businesses in this field in China.

In 2023, the Company continuously focused on national key industries such as semiconductor and pan-semiconductor, new display, life science, food and pharmaceutical health and new energy and seized the rapidly growing market opportunities in downstream semiconductor industry. The management and all employees of the Company made concerted efforts and adhered to an extremely

customer-oriented and project-focused approach, hitting record highs in annual new contract amounts, output value and revenue.

In 2024, the Company will continue to focus on and strengthen its core business, strive for progress while maintaining stability and make every effort to deliver a satisfactory performance. Firstly, the Company will continue to develop its primary business, ensuring steady growth in production and operations. It will always focus on core business, be project-focused, pursue technical accumulation and refinement, and serve industrial customers well; advocate a moderation and austerity culture to reduce costs, increase efficiency and promote high-quality development of the Company; always pay attention to risk management and control in project acquisition, execution and payment collection, with an emphasis on enhancing operational quality. Secondly, the Company will continuously optimize its operating mechanism around the concept of an agile organization. By continuously optimizing the operating mechanism, the Company aims to further improve decision-making quality and efficiency, decentralize decision-making, clarify the “duties, powers, and benefits” of operating units and become performance orientation, and strengthen the role of functional departments in empowering operating units to build a technology-first organization. Thirdly, the Company will build a global strategic layout and vigorously expand overseas business. By adhering to the value output concept and the strategy of long-termism, the Company will redouble its efforts to expand overseas market, connect domestic and foreign customer markets, integrate supply chain system integration capabilities and establish strategic alliances with suppliers to achieve overall synergy. Fourthly, the Company will always prioritize key talents and talent team building. It will improve the strategic talent recruitment mechanism, accelerate the recruitment of key operational talents, break the bottleneck of bringing in leading figures in innovation business and new business development; efficiently utilize information system and practical training systems to enhance the quality of the talent training platform, strengthen the talent team building for key project positions through training and practical work.

## **II. Maintaining Stable Dividends and Emphasizing Shareholder Returns**

The Company actively responds to shareholders' demands, attaches great importance to reasonable returns for investors, and is committed to providing investors with sustained and stable cash dividends and continuously sharing operation achievements with investors. Since its listing in April 2023, the Company has distributed cash dividends for two consecutive years, including the interim cash dividends for the first half of 2023. The Company has cumulatively distributed cash dividends of RMB185,487,500.00 (tax inclusive). In 2023, the proportion of the cash dividend of the Company was 51.28%, a notably increase as compared to 30.20% in 2022.

In 2024, the Company will continue to adhere to the development philosophy of actively rewarding shareholders. Based on fully improving the operation quality and taking the Company's profitability, cash flow status, and future development plans into consideration, the Company will coordinate the dynamic balance between operation development, performance growth, and shareholder returns, continue to implement a positive, continuous, and stable profit distribution policy. At the same time, the Company will also actively explore and study policies on interim dividends and multiple dividends a year and establish a long-term and stable shareholder return mechanism to strive to create better returns for shareholders.

## **III. Emphasizing Technological Innovation and Accelerating the Development of New Quality Productive Forces**

The Company attaches great importance to technological innovation. Relying on its extensive project experience and continuous technical development, the Company has accumulated a large number of patented technologies and non-patented achievements, and has obtained a hundred of various invention, utility model patents, and construction methods in aggregate. At the same time, the Company keeps up with advanced industry technologies and realized the digitization of technology and the industrialization of installation in clean room projects, becoming one of the first

enterprises in the industry to master and apply Building Information Modeling (BIM) technology and modular assembly technology.

In 2024, innovation will act as the driver for achieving strategic goals. The Company will continuously explore pain points for industrial customers, carry out innovation based on customer needs and seek better solutions. It will always pursue technical accumulation and refinement, and with clean room business at its core, the Company will accumulate technology in prefabrication and apply these technologies to modularization, achieving innovative application results. It will strive for substantial breakthroughs in the research and development and manufacturing of clean supporting products.

#### **IV. Strengthening Communication with Investors and Actively Conveying Investment Value of the Company**

The Company attaches great importance to investor relations management, continuously improve the quality and transparency of information disclosure, and promote the establishment of a good communication mechanism with investors. The Company has established various communication methods and channels, including shareholders' general meetings, results briefing, SSE e-Interaction, investor consultation hotline and email, the Company's official website, WeChat official account, other investor exchange activities, comprehensively displaying the Company's operation conditions and prospects, actively conveying the Company's investment value, and promoting the establishment of a long-term, stable and positive relationship between investors and the Company.

In 2024, the Company will continue to strengthen communication with investors, continuously improve the quality of information disclosure, enhance the understanding and recognition from investors. Firstly, in addition to the compliant information disclosure, the Company will strive to make the disclosed content concise, clear, and easy to understand, and adopt various visual forms such as infographics, charts, pictures, and videos to interpret periodic reports, making it easier for investors

to access information and make informed decisions. Secondly, the Company will regularly hold annual, semi-annual, and quarterly results briefings and actively arrange direct and in-depth exchanges between the Company's chairman, financial controller, and independent directors with investors through results briefings, enabling investors to understand the Company's production and operation in a more comprehensive and thorough manner. Thirdly, the Company will play an active part in centralized investor exchange activities, organize research receptions, and strengthen communications and exchanges with investors, industry analysts, and media to improve effectiveness of these communication. Fourthly, the Company will take proactive steps to practice Environmental, Social, Governance (ESG) concepts and establish a preliminary ESG management system, and at the same time, following the latest regulatory guidelines, the Company will actively compile and release social responsibility reports in respect of ESG management in the future, adhere to sustainable development, and actively fulfill social responsibilities so as to adapt to the ever-changing market demand and regulatory environment, thereby creating value for investors and stakeholders.

#### **V. Adhering to Standardized Operations and Continuously Improving Corporate Governance**

In accordance with the requirements of the Company Law, the Securities Law and the Code of Corporate Governance for Listed Companies and other related laws, regulations and regulatory documents, the Company has established a relatively sound corporate governance structure and operational mechanism, consisting of the shareholders' general meeting, the board of directors and specialized committees under the board of directors, the board of supervisors, senior management, independent directors and the secretary to the board of directors.

In 2023, in response to the regulatory policy changes such as independent director system reform and based on the Company's actual situation, the Company amended the Articles of Association and related governance policies and made some changes in the members of the audit committee under the board of directors.

In 2024, the Company will continue to optimize the corporate governance structure to improve the level and efficiency of standardized operations. Firstly, the Company will study the newly amended Company Law, the Measures for the Administration of Independent Directors of Listed Companies and the Guidelines for the Articles of Association of Listed Companies and other related laws and regulations, timely amend and improve internal management systems based on the Company's actual situation, and continuously promote the construction and effective implementation of the corporate governance system. Secondly, the Company will actively promote the reform of independent director system, give full play to the role of independent directors, strengthen performance guarantees, and improve the scientificity, efficiency, and foresight of the decision-making of the board of directors. Thirdly, the Company will establish a preliminary ESG management system and framework and promote the integration of ESG into the Company's production and operations. Fourthly, the Company will strive to prevent and control corporate governance risk, advance the effective integration of the compliance management systems with audit and supervision, risk management and system construction to improve the corporate compliance governance.

## **VI. Focusing on the “Key Minority” and Strengthening Performance Responsibility**

The Company maintains close communication with the “key minority” such as controlling shareholders, actual controllers, directors, supervisors, and senior management of the Company. The Company actively organize relevant training to enhance their understanding of laws and regulations related to securities market, improve their skills in performing duties and raising their compliance awareness, earnestly safeguarding the interests of the Company and its shareholders. The management's compensation of the Company is tied to the Company's business objectives and individual comprehensive evaluations, which motivates the management of the Company, protects shareholders' interests and promotes the Company's long-term stable development.

In 2024, the Company will continue to strengthen communication and exchange with the “key minority”, enhance their skills in performing duties, reinforce their sense of responsibility and make efforts to improve operational quality. The Company will keep them abreast of the latest regulatory requirements through various channels and organize special trainings to continuously enhance their self-discipline and compliance awareness to promote the Company’s sustained and standardized operation. The Company will continue to optimize the remuneration policies and plans for senior management, set scientific and reasonable performance assessment indicators, closely link the management’s remuneration with the Company’s operation performance and long-term development, establish a sound long-term incentive mechanism and strengthen the sharing of benefits between the management and shareholders.

## **VII. Other Explanations**

The Company will conscientiously implement this “Improving Quality and Efficiency and Increasing Returns” Action Plan in the future, monitor and review its implementation, and timely fulfill information disclosure obligations. The Company will focus on strengthening its core business, promote steady development, enhance technological innovation, and repay the investors’ trust with good performance, standardized corporate governance, continuous and stable dividend policies and sincere communication. The Company will earnestly fulfill the responsibilities and obligations as a listed company and maintain a favorable market image of a listed company.

This Action Plan is based on the current operational situation of the Company and does not constitute a substantive commitment of the Company to investors. It is subject to industry development, market environment, and policy change and other factors in the future, and therefore involves uncertainty. Investors are advised to pay attention to relevant risks.

The Board of Directors of  
BOTH Engineering Technology Co., Ltd.