

# **Wuxi Autowell Technology Co., Ltd.**

## **Action Plan for Improving Quality, Efficiency, and Shareholder Returns in 2024**

We at Wuxi Autowell Technology Co., Ltd.(hereinafter referred to as

protect the interests of all shareholders, keep the stock price stable, and strengthen our corporate image on the capital market. With full confidence in our prospects and corporate value, we developed the Action Plan for Improving Quality, Efficiency, and Shareholder Returns, which was reviewed and approved at the 50th meeting of the Third Board of Directors on March 25, 2024. Below are the main measures to be taken.

### **I. Emphasize investor returns and distribute cash dividends to share benefits with shareholders**

As of December 31, 2023, the Company had distributed total cash dividends of RMB502 million and implemented two share repurchase programs with a combined amount of RMB219 million. The total amount of cash dividends and share repurchases is RMB721 million, of which RMB502 million is attributable to shareholders of the listed company.



In 2024, the Company will continue to increase R&D investment and give full play to the role of existing laboratories to strengthen collaboration between industries, universities, and research institutes. We will continue to steer plenty resources toward new product development, improve our overall R&D strength and layout, and beef up our core competitiveness.

In 2024, the Company will further improve our R&D system and the incentive mechanism for the R&D team. R&D personnel are the pillar to R&D and innovation. The Company will adopt various ways such as equity incentives, competitive compensation, and innovative business co-investment to reward R&D personnel with outstanding contributions in R&D, industrialization of R&D outcomes, and other aspects, so as to share benefits with the R&D team and inspire them to reach their full potential for innovation and keep them motivated for work. In this way, we hope to achieve a win-development and employee gains.

## **2. Step up efforts to expand into global markets, strengthen overseas capacity building and R&D cooperation, and provide quality products and services for global customers**

In 2023, the Company sold to over 40 countries and regions, providing quality products and services for more than 600 production bases around the world. Among them, the ultra-high-speed tandem welding equipment, one of our core products, is a key production apparatus for PV modules. The Company sells the equipment to more than 40 countries and commands a market share of over 60%, becoming a competitive producer and a major exporter of PV equipment.

As our products grow in influence in overseas markets, the Company is moving faster to expand our global presence.

In 2024, upholding the customer-centered concept, the Company will actively serve and strengthen overseas marketing efforts and services, thus enhancing the global competitiveness of our products, especially in the fields of PV and lithium-ion battery equipment. At the same time, we will accelerate the construction of overseas production bases and service centers to provide quality and efficient products and services for global customers.

we will enhance the synergy along the equipment manufacturing industry chain, and apply our technology to a broader range of product categories and

increase our market share in the equipment manufacturing segment.

### **III. Accelerate the implementation of proceeds investment projects to achieve expected benefits, with a focus on the core business of high-end equipment manufacturing**

In May 2020, the Company was listed on the Shanghai Stock Exchange Science and Technology Innovation Board, raising a total of RMB574 million. In August 2022, the Company issued shares to pre-determined investors, raising RMB530 million. In August 2023, the Company issued convertible corporate bonds worth RMB1.14 billion to non-speci

s delivery

capacity (by equipment value) has increased from less than RMB1 billion to RMB5 billion. The R&D center came into operation in June 2022, greatly improvin strengthen and efficiency, as well as application of R&D outcomes. The two projects have both yielded expected benefits.

The ongoing proceeds investment projects for high-end intelligent equipment R&D and industrialization (such as LPCVD/boron mine expansion and semiconductor packaging and testing equipment) have received 21.04 percent of the planned investment, including 80 percent of the science and technology reserve fund. Construction of a platform-based smart factory for high-end intelligent equipment has started as scheduled. Another two projects are under construction, including a laboratory for advanced solar cell metallization equipment and the R&D and industrialization project of advanced optical inspection equipment for semiconductor packaging.

In 2024, the Company will speed up the implementation of ongoing proceeds investment projects. The science and technology reserve fund project will be all finished. For the LPCVD/boron mine expansion project,

The Company plans to complete prototype testing and validation at the customer end in the second half of 2024, and finish no less than 70% of the entire project by then. The flip chip bonder project is scheduled to enter the detailed design stage in May 2024, and the wire bonder (Au & Cu) project in November 2024. No less than 50 percent of the two projects will be completed. The platform-based smart factory project will proceed as planned, with no less than 50% of the funds being raised.

During the implementation of the proceeds investment projects, the Company will use the raised funds appropriately in strict accordance with the pertinent regulations on the management of raised funds, and ensure that the projects go smoothly as planned. Efforts will be made to enable the projects to deliver expected benefits as soon as possible, so as to

### **IV. Strengthen receivables and inventory management and improve asset security and turnover ratio**

**V. Optimize the  
responsibility, and push forward high-**

negligence. The Company will provide necessary conditions for independent directors to perform their duties, including but not limited to independent office spaces and working conditions, necessary information for independent directors to learn about the Company situation, and necessary spaces and information for the meetings of independent directors.

In 2024, the Company will further refine the executive compensation scheme, which consists of basic compensation and performance-based compensation, with the latter higher than the former. Performance-

conditions. We will further strengthen the benefit sharing mechanism between the management and shareholders and enhance the sense of responsibility and performance of -term development of the Company.

prove their ability to perform their duties. The Company will organize the "key few" to participate in statutory training organized by regulatory authorities. The Company will organize the "key few" to study the training resources on the Shanghai Stock Exchange Academy and the training platform of the China Association for Public Companies. The Company will urge all the "key few" to participate in training, and ensure that they attend at least four training sessions in the year.

## **VI. Improve disclosure quality and engage with investors in various ways**

Since it went public, the Company has attached great importance to information disclosure and fulfilled its information disclosure obligations in strict accordance with in the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of

Information Disclosure. The Company releases periodic reports, major contracts, and holding announcements in a true, accurate, complete, and timely manner to keep investors informed

disclosure performance during the evaluation of information disclosure work of listed companies conducted by the Shanghai Stock Exchange from 2022 to 2023. The Company won the 2022 2023 Tianma Award for Investor Relations of Chinese Listed Companies and the Outstanding Board Secretary Award for Chinese Listed Companies.

In 2023, the Company placed great emphasis on investor relations management. All senior executives including the Chairman and General Manager participated in the six periodic report briefings and communicated with investors. The Company invited investors to attend product launch events and visit production bases and product exhibitions, so that investors

its operations, R&D, products, and other information to investors through its official website, WeChat Official Account, WeChat Channels, and other methods, so that investors can get a better understanding of the Company.

In 2024, the Company will continue to disclose information in strict accordance with applicable laws and regulations. On this basis, we will further improve the readability and

effectiveness of the content disclosed and give a better interpretation on periodic reports in more intuitive forms such as image, animated short, and video. We will strengthen the management of inside information and ensure that investors have equal access to information. At the same time, we will release the

In 2024, we will hold at least four Investor Open House events to engage with investors face to face. The company will hold no less than six online meetings with investors through such platforms as the SSE Roadshow Center and Comein Finance. All senior executives including the Chairman and General Manager will attend performance briefings and communicate with  
We will organize no less than 50 investor communication events including conference calls or offline events. In addition, we will take the initiative to solicit opinions and suggestions from investors regarding information disclosure, investor communication, and other matters on an ad hoc  
ake measures to improve the quality and transparency of information disclosure.

## **VII. Other matters**

We will evaluate the specific measures set forth in the Action Plan Improving Quality, Efficiency, and Shareholder Returns on an ongoing basis, and fulfill our disclosure obligations in a timely manner. We will continue to focus on core businesses and strain to enhance our core competitiveness, profitability, and risk management capabilities. By delivering good performance and sound corporate governance, we will fulfill our responsibilities and obligations as a listed company and give back to investors. We will make  
g development of the capital market.

This document contains forward-development strategies that do not constitute any substantive commitment of the Company to investors. Such statements involve risks and uncertainties, and investors are advised to exercise caution.