

Corporate Value and Return Enhancement Action Plan

Beijing Yandong Microelectronics Co., Ltd.

In recent years, the Company has continuously deepened its market presence, optimized the product portfolio, and enhanced the service standards. To uphold the “investor-centric” development philosophy of the listed Company, effectively safeguard the interests of all shareholders, and demonstrate the firm confidence in and recognition of the Company’s future value while actively fulfilling the social responsibilities, the Company has formulated the 2026 “Corporate Value and Return Enhancement Action Plan. Moving forward, the Company will further standardize corporate governance, enhance operational efficiency, and strengthen core competitiveness to deliver higher-quality development and build a positive image in the capital market. The main measures are as follows:

I. Focus on Core Businesses and Improve Operational Quality

1. Improve Capacity Utilization

(1) Continuously Optimize Production Planning and Scheduling Management Systems

By focusing on precise demand analysis and comprehensively considering core factors such as market trends, customer order requirements, and seasonal fluctuations, the Company will accurately forecast the scale and structure of market demand. The Company will continuously optimize the formulation of production plans to enhance its scientific rigor and adaptability. The Company will establish a dynamic production scheduling management system to monitor the progress of the entire production process, equipment operating status, and personnel allocation in real time. The Company will flexibly adjust the scheduling of production tasks to ensure the efficient coordination and full utilization of equipment and human resources, thereby guaranteeing the efficient and orderly advancement of production.

(2) Improving Equipment Operational Efficiency

By integrating production schedules with equipment operations, the Company develops comprehensive, systematic equipment maintenance plans. The Company conducts regular equipment inspections, maintenance, and technical upgrades to effectively reduce equipment failure rates and extend equipment lifespan and stable operation cycles. The Company strengthens the development of preventive maintenance teams through systematic training and skill assessments, enhancing the

operational proficiency and technical expertise of maintenance personnel. This continuously improves the first-time success rate of preventive maintenance (PM), providing a solid foundation for production continuity.

(3) Optimizing Supply Chain Management

Deepen collaborative supply chain management by establishing in-depth strategic partnerships with key suppliers. Improve two-way communication and coordination mechanisms to ensure the accurate and timely supply of raw materials, thereby minimizing production stoppages caused by supply chain disruptions. Optimize inventory management strategies by implementing a lean inventory management model. While strictly controlling inventory costs and reducing capital tied up in inventory, precisely match inventory levels with production demand to avoid production delays caused by stock shortages, thereby achieving dual improvements in supply chain efficiency and operational profitability.

2. Accelerate the ramp-up of new production capacity

(1) Deepen Market Alignment to Strengthen the Foundation for Capacity Absorption

Initiate in-depth engagement with key customers well in advance to precisely align production plans, capacity scales, and commissioning timelines for new facilities. This ensures that output meets market demand promptly and effectively mitigates the risk of inventory buildup. Intensify market promotion efforts, diversify sales channels, expand market coverage, and continuously identify latent demand to provide a solid market foundation for the stable ramp-up of new production capacity.

(2) Develop precise plans and advance capacity ramp-up in an orderly manner

Set capacity targets based on the new production facilities and develop scientifically grounded phased implementation plans to ramp up production, clearly defining output targets, timelines, and responsibilities for each stage to ensure orderly progress. Establish a routine evaluation and review mechanism to regularly compare actual production progress, market demand changes, and capacity utilization, dynamically adjusting ramp-up plans to ensure that capacity ramp-up remains in sync with market demand.

(3) Optimize Resource Allocation and Strengthen Capacity Support

Conduct targeted recruitment and systematic training to build a professional talent pipeline, ensuring an adequate supply of skilled technical workers when new capacity comes online to meet production and operational needs. Prior to the official launch of

new capacity, complete full-process equipment commissioning, performance optimization, and trial runs; conduct comprehensive inspections to identify potential operational risks and ensure equipment operates at peak performance, thereby providing the hardware foundation for a stable ramp-up.

(4) Improve the management and control system to enhance production and operational efficiency

Establish a comprehensive production monitoring and management system for the new production capacity to precisely track core indicators, such as production progress and product quality, enabling early detection, intervention, and resolution of issues. Implement lean production principles to continuously optimize the entire production process, streamline redundant steps, reduce various forms of waste, and improve production efficiency and product yield rates, thereby accelerating the attainment of the new production capacity's designed capacity levels.

3. Measures to Improve the Utilization Efficiency of Idle Fixed Assets

(1) Conduct a Comprehensive Inventory Audit and Accurate Valuation

Conduct a comprehensive inventory of idle fixed assets and establish detailed asset ledgers. Clearly document core information for idle assets, including quantity, specifications, condition, book value, and storage locations, to ensure precise correspondence between the ledger and physical assets. Conduct objective value assessments based on the actual condition of the assets, scientifically determining their potential value for revitalization or compliant disposal, thereby providing data support for subsequent disposal and utilization efforts.

(2) Diversify the Revitalization of Existing Assets to Enhance Asset Efficiency

Establish an internal asset allocation mechanism to coordinate the cross-departmental and cross-project allocation of idle fixed assets. Prioritize allocation to departments and projects with actual needs to achieve the circular utilization of internal resources, maximize the extraction of residual asset value, and improve the return on investment for fixed assets.

(3) Improve the Management System and Strengthen Dynamic Oversight

Continuously optimize the fixed asset management system and establish a full-lifecycle dynamic monitoring platform to promptly identify idle assets, ensuring early detection, early review, and early revitalization. Further refine the management system for idle assets by clarifying the criteria for identifying idle assets, the revitalization

procedures, the disposal standards, and the division of responsibilities. Standardize management processes to ensure the rational and efficient utilization of fixed assets.

4. Measures to Accelerate the Implementation of Fund-raising and Investment Projects

(1) Optimize Project Oversight and Clarify Implementation Responsibilities

Develop a scientific and comprehensive master plan for the implementation of fund-raising projects, clearly defining timelines, core tasks, quality standards, and responsible parties for each implementation phase, and establishing a promotion mechanism where “responsibility is assigned to individuals and implemented at every level.” Optimize and improve the end-to-end project monitoring system; conduct regular progress verification and review; promptly identify bottlenecks and challenges during implementation; and implement precise measures to ensure efficient resolution and ensure projects proceed according to plan.

(2) Strengthen Resource Allocation to Solidify the Foundation for Implementation

Coordinate the management of raised funds to ensure timely and full disbursement. Scientifically plan fund utilization processes and allocate resources reasonably across all stages to avoid project delays caused by funding shortages. Assign a core team with extensive project management experience and strong professional capabilities to lead project implementation. Clarify team responsibilities and strengthen skills training to ensure the professionalism and efficiency of project execution.

(3) Deepen Internal and External Collaboration to Foster Synergy

Establish a regular project progress meeting mechanism to strengthen communication and coordination between the project team, Company management, and relevant business departments, thereby synchronizing progress, sharing information, and collaboratively resolving issues. Improve the communication and coordination mechanism among project stakeholders to ensure the timely supply of necessary human, material, and technical resources, thereby guaranteeing the smooth progress of the project.

(4) Strengthen the Risk Control System to Mitigate Implementation Risks

The Company will improve the risk assessment system for fund-raising and investment projects, regularly identifying potential risks related to policy, funding, technology, and the supply chain during project implementation. The Company will develop targeted contingency plans for each risk category, clearly defining response measures, responsible personnel, and timeframes for resolution. By preparing in

advance for risk prevention and control, the Company will effectively mitigate various risks and ensure the smooth implementation and commissioning of fund-raising and investment projects.

II. Adhering to Innovation-Driven Development and Continuously Enhancing Core Competitiveness

To thoroughly implement the requirements for listed companies to improve quality and efficiency, focus on core businesses, and enhance returns, while closely aligning with Beijing Electronics Holding's "Chip-Screen-Intelligence-Convergence" industrial ecosystem strategy and the Company's 15th Five-Year Plan strategic objectives, the Company will adhere to the principles of self-reliance and self-strengthening in science and technology and a value-creation orientation. In 2026, the Company will systematically enhance its scientific and technological innovation capabilities by focusing on key areas, including new product development, new technology R&D, commercialization of research outcomes, talent incentives, R&D efficiency, and industry-academia-research collaboration. The Company will drive high-quality development through technological innovation to strengthen our core competitiveness and support shareholder returns.

1. Accelerate new product development and new technology R&D to solidify our technological leadership

Guided by market demand and industry trends, the Company will focus on business areas such as logic, power, silicon photonics, and solutions. It will accelerate new product development and the breakthrough of key core technologies, continuously building differentiated technological barriers and product competitiveness. Specifically: the logic business will accelerate the establishment of process platforms such as HV CMOS and the iterative upgrading of manufacturing processes; The silicon photonics business will prioritize breakthroughs in key process technologies and accelerate industrialization; the power business will build a differentiated foundry platform, accelerate the deployment of specialized processes, deepen product portfolio restructuring, and increase the proportion of high-value-added products; the product solutions business will accelerate research and development of key technologies such as SOI-CMOS, bipolar processes, and power MOSFET, while deepening the development of high-frequency, high-power RFLDMOS processes.

2. Accelerate the commercialization of innovation outcomes to enhance the commercial value of technology

Establish a customer-oriented core principle for R&D; anchor key elements such as target customers, product forms, and technology roadmaps; treat customer needs as the primary input for R&D; precisely control the product development direction; reduce the risk of product development deviations; and improve product-market adaptability. Strengthen efficient collaboration between R&D, marketing, production, and the supply chain to precisely align with customer needs. Adopt agile development, cross-departmental collaboration, and rapid closed-loop models to shorten product development and introduction cycles. Establish mechanisms for evaluating R&D project ROI, monitoring processes, and making dynamic adjustments to improve the efficiency of commercialization and profit contribution, ensuring that innovation investments are effectively converted into results.

3. Optimize Talent Incentive Mechanisms to Stabilize Core R&D Teams

Thoroughly implement the “Talent-Driven Enterprise” strategy to build a comprehensive talent system covering recruitment, development, utilization, and retention. Precisely recruit high-level design talent, process experts, and testing professionals. Refine technical qualification standards, career development pathways, and specialized training programs to build a well-structured, professionally distinguished innovation talent pipeline. Optimize incentive and accountability mechanisms, expand the coverage of medium and long-term equity incentives, strengthen the alignment of core talent with corporate value, fully stimulate the initiative and creativity of research personnel, and maintain the stability of the core R&D team.

4. Enhance the Efficiency of R&D Investment to Achieve Precise and High-Efficiency Innovation

Adhere to the principles of high-intensity, targeted, and return-oriented R&D investment. By 2026, R&D intensity will be at least 10% of operating revenue, with a focus on fundamental process development, new product development, and breakthroughs in key technologies. Establish a three-dimensional evaluation system covering cost, benefit, and risk to conduct full-cycle evaluations of R&D projects and dynamically allocate resources, optimizing investment direction and scale toward high-value-added and high-growth areas. The Company will actively apply for national and Beijing major science and technology projects and research grants to secure policy funding support, thereby reducing innovation costs and enhancing the efficiency of fund utilization and overall output benefits.

5. Deepen Industry-Academia-Research Collaboration and Build an Open, Collaborative Innovation Ecosystem

Adhere to open innovation and comprehensively deepen collaborative partnerships with universities, research institutes, and leading enterprises in the industrial chain to build an open innovation system characterized by deep integration of industry, academia, research, and application, as well as efficient linkage between internal and external resources. Actively participate in the Beijing Natural Science Foundation-Enterprise Joint Fund projects, focusing on cutting-edge fields to tackle key technological challenges and accelerate the commercialization of technological achievements; actively join industry associations and innovation alliances, and participate in industry technical exchanges, CTO salons, and other activities to continuously enhance industry influence, voice, and brand reach, thereby comprehensively forming an open innovation landscape characterized by efficient collaboration, mutual benefit, and continuous iteration.

Through the implementation of the above measures, the Company will continue to strengthen technology-driven innovation, accelerate breakthroughs in new products and technologies, enhance the commercialization of research outcomes and R&D efficiency, stabilize the talent pool, and deepen open collaboration. By leveraging high-level scientific and technological innovation, the Company will support quality improvement, efficiency enhancement, and steady development, thereby continuously strengthening its core competitiveness and sustainable return capacity.

III. Continuously Optimize Financial Management to Improve Operational and Capital Efficiency

In 2025, the Company's financial management will focus on operational improvements, continuously driving cost reductions and efficiency gains, and empowering efficient business operations through comprehensive budget management, optimization of the internal financial control system, and centralized capital management. In 2026, the Company will continue to focus on lean management, business analysis, and capital control to drive improvements in both operational quality and efficiency. Specific measures are as follows:

1. Strengthen lean management to drive down costs and expenses

The Company will thoroughly implement refined management to reduce various production and operational costs, focusing on improving product margins and enhancing profitability; strengthen in-depth analysis of client needs to drive product

portfolio optimization; and increase R&D investment to enhance product value-added through technological innovation, thereby solidifying our dual advantages in efficiency and cost control.

2. Strengthen operational analysis to drive business improvement through data

Based on the characteristics of the Company and the industry, establish a dynamic monitoring and intelligent early-warning system covering key indicators; continuously optimize the rolling performance forecasting mechanism to ensure that business conditions are quantifiable and subject to early warnings; promote a closed-loop management system for business analysis and improvement; and enhance the foresight of business decisions.

3. Strengthen fund control and improve the efficiency of fund utilization

Effectively strengthen the management of accounts receivable and inventory, as well as cash flow management, to improve the turnover rates of the two funds; enhance credit risk management for customers and suppliers to reduce tied-up capital; improve operational capital efficiency, lower capital costs, and control capital risks.

IV. Improve Corporate Governance and Promote High-Quality Development

The Company places great emphasis on enhancing its governance standards and has established a robust internal control system. The responsibilities and authorities of the Company's shareholders' meeting, board of directors, and management are clearly defined. The board of directors has established four specialized committees—the Strategy Committee, Audit Committee, Nomination Committee, and Remuneration and Evaluation Committee. These committees provide consultation and recommendations on major decisions, thereby ensuring that the board's deliberations and decision-making are professional, efficient, fair, and reasonable.

The Company continuously improves its corporate governance structure and governance standards. From August to November 2025, in accordance with the provisions of the "Company Law of the People's Republic of China", the "Securities Law of the People's Republic of China", the "Shanghai Stock Exchange STAR Market Listing Rules", the "Shanghai Stock Exchange STAR Market Listed Companies Self-Regulatory Supervision Guideline No. 1—Standardized Operations", and the "Self-Regulatory Guidelines for Listed Companies No. 10—Market Capitalization Management", the Company completed the formulation and revision of relevant

systems, including the “Regulations on the Work of Independent Directors”, “Rules of Procedure for the Nomination Committee”, “Rules of Procedure for the Remuneration and Evaluation Committee”, “Rules of Procedure for the Strategy Committee”, “Rules of Procedure for the Audit Committee”, “Articles of Association”, “Measures for the Administration of Raised Funds”, and the “Internal Reporting System for Material Information”. During the reporting period, the Company steadily advanced reforms to the Board of Supervisors, repealed the Rules of Procedure for the Board of Supervisors, and completed adjustments to the powers and responsibilities of the Board of Supervisors and the Audit Committee.

In 2026, the Company will further establish a mechanism for continuously tracking and disseminating regulatory laws, regulations, and market developments, while continuously improving its corporate governance structure and internal control systems to enhance the standardization of operations and the quality of scientific decision-making:

1. The Company will strengthen training and education for directors, senior management, and personnel in key positions. Through channels such as the Association of Listed Companies, the Shanghai Stock Exchange, the China Securities Regulatory Commission (CSRC) local branches, and self-organized initiatives, the Company will actively organize directors and senior management to participate in training on securities market laws, regulations, and professional knowledge. This ensures they accurately understand relevant laws, regulations, and business rules, enhances their professional competence, and continuously improves their risk awareness and self-discipline, thereby driving the Company’s sustained high-quality development.

The Company will create a favorable working environment for independent directors, strengthen their oversight mechanisms, provide a dedicated office, and designate the Board of Directors’ Office as the communication and service unit specifically responsible for preparing meeting agenda materials and handling information feedback. This will facilitate independent directors in conducting on-site work for at least 15 days annually and provide convenient conditions for their duties. At the same time, the Company will promptly report operational conditions and major matters to independent directors and submit relevant documents to effectively safeguard their right to information.

2. The Company will align with the latest regulations regarding independent directors and shareholder returns as stipulated in laws, regulations, CSRC departmental

rules, and stock exchange operating rules. The Company will accelerate the implementation of reforms to the independent director system, optimize the selection of accounting firms and internal audit management, revise and improve relevant management systems and multiple internal control systems, and establish strict approval procedures to provide robust safeguards for the legitimate rights and interests of all shareholders. At the same time, led by the Company's management, the Company will conduct a comprehensive review of the internal control system, thoroughly investigate potential risks within the Company, rectify identified issues, and drive the Company's sustained high-quality development.

V. Prioritizing Shareholder Returns and Improving the Investor Return Mechanism

The Company places great emphasis on quality development and actively responds to policy directives by formulating the "Market Value Management System". The Company firmly upholds the principle of returning value to shareholders, operating with integrity, adhering to standardized procedures, focusing on our core business, and maintaining prudent management. By cultivating and applying new-quality productive forces, the Company drives improvements in operational standards and development quality. Building on this foundation, the Company strengthens investor relations management and enhances the quality and transparency of information disclosure.

The Company places great importance on shareholder returns and strives to create long-term, sustainable value for shareholders. It has formulated and commits to strictly adhering to the applicable profit distribution policies outlined in the "Three-Year (2024–2026) Shareholder Dividend Return Plan and the Articles of Association of Beijing Yandong Microelectronics Co., Ltd."

Based on confidence in the Company's future prospects, to promote stable and healthy development, safeguard the interests of all shareholders, and foster long-term growth, the Company, after comprehensively considering its financial condition and future profitability, announced the "Proposal for Share Repurchase via Centralized Auction" on September 20, 2024. As of September 19, 2025, the Company has completed this share repurchase, repurchasing a total of 2,629,186 shares, representing 0.18% of the Company's total issued share capital, with a total expenditure of RMB 49,966,801.73 (excluding transaction costs such as stamp duty and brokerage commissions).

In 2026, the Company will continue to prioritize investors. Based on its current stage of development, the Company's business status, and future development plans, the Company will maintain a dynamic balance among business operations, performance growth, and shareholder returns. While ensuring the Company's long-term development, the Company will enable shareholders to tangibly benefit from its achievements, establish a "long-term, stable, and sustainable" shareholder value return mechanism, and strengthen investor confidence in the Company's development.

VI. Continuously Strengthening Communication with Investors and Improving the Quality of Information Disclosure

Since its listing, the Company has established open, fair, transparent, and multi-dimensional investor communication channels. The Company has strengthened interaction with investors through the SSE e-Interaction platform, investor email, dedicated investor hotline, and on-site visits. Furthermore, the Company routinely holds performance briefings following the release of periodic reports to deepen investors' understanding of the Company's operations and better convey its investment value. The Company strictly complies with laws, regulations, and regulatory requirements to ensure that information disclosure obligations are fulfilled truthfully, accurately, completely, and in a timely manner, and fairly, in accordance with the Company's information disclosure management system, thereby enhancing investor recognition of the Company and building market confidence.

In 2026, the Company will continue to use various channels—including listed Company announcements, investor meetings, performance briefings, the SSE e-Interaction platform, telephone, and email—to convey the Company's operating results and financial status to investors in a timely, open, and transparent manner.

VII. Strengthening the Alignment of Interests Between Management and Shareholders

The Company has established a scientific and reasonable performance-based compensation system to ensure that management and shareholders share both risks and rewards. The compensation structure for senior executives consists of base salary, annual performance bonuses, term-based bonuses, and medium to long-term incentives: base salary is determined based on job responsibilities and market standards; annual performance bonuses are linked to the results of the Company's annual performance evaluation, reflecting annual contributions; term-based bonuses and medium to long-term incentives are tied to the Company's medium to long-term strategies and

operational results, guiding senior executives to focus on long-term value creation.

Compensation is comprehensively and closely linked to the Company's operating performance, major R&D progress, and business development. In 2025, the Company formulated and disclosed the "Remuneration Management Measures for Directors and Senior Management," institutionalizing the principle of "balancing incentives and constraints" and systematically standardizing the compensation structure and evaluation processes. The Company continues to deepen the strategic-led management system established since the 14th Five-Year Plan, achieving synergistic operations through the integration of annual business plans, comprehensive budgeting, and contractual performance evaluations. In 2026, the Company revised the "Remuneration Management Measures for Directors and Senior Management" in accordance with the latest provisions of the *Corporate Governance Guidelines for Listed Companies* and formulated a work plan regarding the remuneration and performance evaluation of directors and senior management. During the implementation of these evaluations, the Company strictly enforces a dual benchmarking mechanism for performance and compensation, linking total payroll to economic performance. Evaluation results are strictly enforced, and exit clauses are clearly defined, effectively establishing an incentive and constraint framework where "income can increase or decrease, and positions can be promoted or demoted." This closely aligns management's interests with the Company's long-term value and shareholder returns.

The Company engages a third-party firm annually to audit performance evaluation data, disburses compensation based on board decisions, and has established strict clawback mechanisms for serious dereliction of duty and other misconduct.

VIII. Strengthening the Responsibilities of "Key Personnel"

To effectively protect the legitimate rights and interests of investors and maximize the Company's overall interests, the Company's controlling shareholder and actual controller, Beijing Electronics Holding Co., Ltd., as well as relevant directors and senior management, have made important commitments regarding share lock-ups and share price stabilization. The Company will continue to monitor the fulfillment of these commitments and maintain proactive communication to ensure their strict enforcement. At the same time, the Company promptly communicates to key personnel relevant laws, regulations, and training materials issued by regulatory bodies, such as the Shanghai Stock Exchange, to enhance their professional knowledge.

In 2026, the Company will continue to maintain close communication with the “key personnel” (including directors and senior management). The Company will actively organize directors, senior management, and relevant staff to participate in training programs conducted by the China Securities Regulatory Commission (CSRC) and the stock exchange on corporate governance, information disclosure, finance, and other related topics. Furthermore, the Company will invite intermediaries, such as the sponsoring securities firm and law firms, to conduct multiple training sessions for the Company’s directors and senior management to study relevant securities market laws and regulations, thereby promoting the Company’s sustained, standardized operations. The Company will continuously enhance self-discipline, strengthen a sense of responsibility and commitment to fulfilling duties, and jointly promote the Company’s standardized operations.

IX. Continuous Evaluation and Improvement of the Action Plan

The Company will continuously evaluate the specific measures of the Corporate Value and Return Enhancement Action Plan and fulfill its information disclosure obligations in a timely manner. The Company will continue to focus on the core business, enhance the risk management capabilities, profitability, and core competitiveness, and strive to fulfill the responsibilities and obligations as a listed Company through strong performance, sound corporate governance, and proactive investor returns. The Company aims to establish a “long-term, stable, and sustainable” shareholder value return mechanism to repay the trust of our investors and maintain the Company’s positive market image.

Board of Directors of Beijing Yandong Microelectronics Co., Ltd.

April 29, 2026

This report has been prepared in Chinese and English respectively. In case of discrepancy in the interpretation of this report, the Chinese version shall prevail.