

Stock Code: 600499

Company Name: Keda Group

Keda Industrial Group Co., Ltd.
Interim Report for 2022

Important Notice

I. The Board of Directors, the Board of Supervisors, directors, supervisors and senior management of the Company individually and collectively accept the legal responsibilities and confirm that the contents contained in this Interim Report are true, accurate and complete, and there are no false representations, misleading statements or material omissions.

II. All directors of the Company attended the board meeting.

III. This Interim Report has not been audited.

IV. Bian Cheng, the person in charge of the Company, and Zeng Fei, the Accounting Director and the person in charge of the Accounting Department have declared that they guarantee the truthfulness, accuracy and completeness of the financial report contained in this Interim Report.

V. Plan for profit distribution or conversion of capital reserve to share capital for the Reporting Period passed by the Board

Profit distribution or conversion of capital reserve will not proceed during this period.

VI. Disclaimer relating to forward-looking statements

☒Applicable ☐Not applicable

The forward-looking statements (such as future plans) contained in this Interim Report do not constitute any substantive commitments to investors by the Company. Therefore, investors should be aware of the investment risks.

VII. Whether there is any non-operational appropriation of funds by controlling shareholders and its related parties

No

VIII. Whether there are any guarantees to external parties in violation of the specified decision-making procedures

No

IX. Whether over half of the directors are unable to guarantee the truthfulness, accuracy and completeness of the Interim Report disclosed by the Company

No

X. Material risk reminder

In this Interim Report, the Company has elaborated the risks that the Company may encounter. Please refer to the contents corresponding to the “Potential Risks” of the “Other

Disclosure Matters” in Section III “Management Discussion and Analysis” of this Interim Report.

XI. Others

☐Applicable ☒Not Applicable

Contents

Section I	Definitions	5
Section II	Company Profile and Key Financial Indicators.....	7
Section III	Management Discussion and Analysis	10
Section IV	Corporate Governance	26
Section V	Environmental and Social Responsibilities	28
Section VI	Important Issues.....	35
Section VII	Change in Shares and Details of Shareholders.....	44
Section VIII	Preferred Shares	48
Section IX	Bonds	48
Section X	Financial Report.....	49

Documents Available for Inspection	Financial statements signed and sealed by legal representative, Accounting Director, and person in charge of accounting department
	The original manuscripts of all documents and announcements publicly disclosed on China Securities Journal, Securities Times, Shanghai Securities News and the website of the Shanghai Stock Exchange during the reporting period

Section I Definitions

In this Report, unless the context otherwise requires, the following terms shall have the following meanings:

Definitions of common terms	
the Company, Keda Group	Keda Industrial Group Co., Ltd., formerly known as KEDA Clean Energy Co., Ltd.
KEDA (Anhui) Industrial	Anhui KEDA Industrial Co., Ltd.
KEDA (Anhui) Clean Energy	Anhui Keda Clean Energy Co., Ltd.
HLT	Foshan HLT Industry Co., Ltd.
SureMaker	Wuhu KEDA SureMaker Industrial Co., Ltd.
KEDA Hydraulic	Guangdong KEDA Hydraulic Technology Co., Ltd., formerly known as Foshan KEDA Hydraulic Machinery Co., Ltd.
Anhui KEDA Investment	Anhui KEDA Investment Co., Ltd., formerly known as Anhui Xincheng Investment Co., Ltd.
Anhui Smart Energy	Anhui KEDA Smart Energy Technology Co., Ltd.
Anhui Xincheng Financing	Anhui Xincheng Financial Leasing Co., Ltd.
KDNEU	Henan KDNEU International Engineering Co., Ltd.
Shenyang KEDA Clean Energy	Shenyang KEDA Clean Energy Gas Co., Ltd.
Jiangsu Kehang	Jiangsu Kehang Environmental Protection Co., Ltd.
Anhui New Materials	Anhui KEDA New Materials Co., Ltd.
Zhangzhou Juming	Zhangzhou Juming Graphite Material Co., Ltd.
Guangxing Lithium Battery	Sichuan Guangxing Lithium Battery Technology Co., Ltd.
DLT	Foshan DLT Technology Co., Ltd.
Guangzhou Sunda	Guangzhou Sunda Trade Co., Ltd.
Sunda Group	Sunda Group Co., Ltd.
Qinghai KEDA Lithium Industry	Qinghai KEDA Lithium Industry Co., Ltd.
Qinghai Weili	Qinghai Weili New Energy Material Co., Ltd.
Lanke Lithium Industry	Qinghai Salt Lake Lanke Lithium Industry Co., Ltd., formerly known as Qinghai Salt Lake Fozhao Lanke Lithium Industry Co., Ltd.
Foshan KEDA Electromechanica	Foshan KEDA Electromechanica Co., Ltd., formerly known as Guangdong Shunde KEDA Clean Energy Co., Ltd.
Fujian Keda New Energy	Fujian Keda New Energy Technology Co., Ltd., formerly known as Fujian Kehua Graphite Technology Co., Ltd.
Foshan Keda Equipment Manufacturing	Foshan Keda Equipment Manufacturing Co., Ltd., formerly known as Foshan Kejin Ceramics Co., Ltd.
KEDA Purui	Anhui KEDA Purui Energy Technology Co., Ltd.
Ceramic Technology	Foshan KEDA Ceramic Technology Co., Ltd.
Anhui KEDA Yuli	Anhui KEDA Yuli Automobile Technology Co., Ltd.
Dehua Investment	Foshan Dehua Investment Co., Ltd.
Derui Investment	Foshan Derui Investment Co., Ltd.
Binhu KEDA	Hefei Binhu KEDA Smart Energy Co., Ltd.

Keda Holding	Keda Holding (Mauritius) Limited
Brightstar	Brightstar Investment Limited
Tilemaster	Tilemaster Investment Limited
Keda Turkey	Keda Turkey Makine Ticaret Limited Sirketi
Keda Kenya	Keda (Kenya) Ceramics Company Limited
Keda Ghana	Keda (Ghana) Ceramics Company Limited
Keda Tanzania	Keda (Tanzania) Ceramics Company Limited
Keda Senegal	Keda (SN) Ceramics Company Limited
Keda Zambia	Keda Zambia Ceramics Company Limited
Keda India	Keda Industrial (India) Limited
Keda Kisumu	Keda Ceramics International Company Limited
Kami	Kami Colourcera Private Limited
Welko	I.C.F. & Welko S.P.A.
Keda International	Keda International Company S.a'r.l.
Keda Europe	Keda Europe S.r.l.
GDR	Global Depository Receipts
SRC, CSRC	China Securities Regulatory Commission
Zhongxi CPAS	ZHONGXI CPAS (SPECIAL GENERAL PARTNERSHIP)
Yuan, Ten Thousand Yuan, 100 Million Yuan	RMB Yuan, RMB Ten Thousand Yuan, RMB 100 Million Yuan

Section II Company Profile and Key Financial Indicators

I. Company information

Name of the Company in Chinese	科达制造股份有限公司
Abbreviation of the Company name in Chinese	科达制造
Name of the Company in English	Keda Industrial Group Co., Ltd.
Abbreviation of the Company name in English	Keda Group
Legal Representative of the Company	Bian Cheng

II. Contacts and contact information

	Secretary of the Board of Directors	Securities Affairs Representative
Name	Li Yuejin	Huang Shan
Contact Address	No. 1, West Huanzhen Road, Guanglong Industrial Park, Chencun Town, Shunde District, Foshan City, Guangdong Province	No. 1, West Huanzhen Road, Guanglong Industrial Park, Chencun Town, Shunde District, Foshan City, Guangdong Province
Tel	0757-23833869	0757-23833869
Fax	0757-23836498	0757-23836498
E-mail	600499@kedachina.com.cn	600499@kedachina.com.cn

III. Basic information

Registered address of the Company	No. 1, West Huanzhen Road, Guanglong Industrial Park, Chencun Town, Shunde District, Foshan City, Guangdong Province
Historical changes of registered address of the Company	For details, please refer to Announcement No. 2005-009 issued by the Company on 16 July 2005
Office address of the Company	No. 1, West Huanzhen Road, Guanglong Industrial Park, Chencun Town, Shunde District, Foshan City, Guangdong Province
Postal code of the office address of the Company	528313
Company's website	http://www.kedachina.com.cn
E-mail address	600499@kedachina.com.cn

IV. Change of information disclosure and place of inspection

Name of the newspaper selected by the Company for information disclosure	China Securities Journal, Securities Times, Shanghai Securities News
Website for the publication of the Interim Report	www.sse.com.cn
Place of Inspection of the Interim Report of the Company	The Company, Shanghai Stock Exchange

V. Stock/depository receipts profile of the Company

Class of Stock	Stock Exchange for listing	Stock abbreviation	Stock code	Stock abbreviation before Change
----------------	----------------------------	--------------------	------------	----------------------------------

A-share	Shanghai Stock Exchange	Keda Group	600499	KEDA Clean Energy
GDR	SIX Swiss Exchange	Keda Industrial Group Co., Ltd.	KEDA	-

VI. Other relevant information

☐Applicable ☒Not applicable

VII. Key accounting data of the Company and financial indicators**(I) Key accounting data**

Unit: Ten Thousand Yuan Currency: RMB

Key accounting data	Current reporting period (January - June)	Corresponding period last year	Increase or decrease for the current reporting period over corresponding period last year (%)
Operating revenue	565,113.24	455,793.13	23.98
Net profit attributable to shareholders of the listed company	212,072.52	40,943.26	417.97
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss	212,002.63	36,057.13	487.96
Net cash flows from operating activities	35,186.84	43,809.24	-19.68
	At the end of the reporting period	At the end of last year	Increase or decrease for the end of the reporting period over the end of last year (%)
Net assets attributable to shareholders of the listed company	860,623.36	685,171.89	25.61
Total assets	1,841,709.19	1,612,334.43	14.23

(II) Key financial indicators

Key financial indicators	Current reporting period (January - June)	Corresponding period last year	Increase or decrease for the current reporting period over corresponding period last year (%)
Basic earnings per share (RMB per Share)	1.123	0.218	415.14
Diluted earnings per share (RMB per Share)	1.123	0.218	415.14
Basic earnings per share after deducting non-recurring profit or loss (RMB per Share)	1.123	0.192	484.90
Weighted average return on net assets (%)	27.25	6.73	an increase of 20.52 percentage points
Weighted average return on net assets after deducting non-recurring profit or loss (%)	27.24	5.93	an increase of 21.31 percentage points

Description of key accounting data and financial indicators of the Company

☐Applicable ☒Not applicable

VIII. Differences in accounting data under domestic and overseas accounting standards

☐Applicable ☒Not applicable

IX. Non-recurring profit or loss items and amounts

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Non-recurring profit or loss items	Amounts	Notes (if applicable)
Profit or loss from disposal of non-current assets	-5,056,313.13	
Government grants charged to current profit or loss, other than those closely related to the Company's normal business operations that were granted on an ongoing basis at a fixed standard amount or quantity in accordance with certain national policies and regulations	37,633,299.71	
share-based payment expense	-48,248,414.48	
Profit or loss on debt restructuring	-1,687,548.66	
Profit or loss on changes in fair value from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities, and investment income from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities, other debt investment, except for effective hedging transactions that are closely related to the Company's normal operation	595,452.07	
Investment income from disposal of long-term equity investment	-835,750.86	
Reversal of provision for impairment of other current assets	92,012,305.74	
Reversal of provision for impairment of receivables and contract assets which are tested individually for impairment losses	5,759,970.70	
Other non-operating income and expenses apart from the aforementioned items	-85,292,189.88	
Less: Income tax effect	6,656,560.43	
Effect of minority interests (after tax)	-12,474,666.65	
Total	698,917.43	

Description of the definition of non-recurring items of profit and loss as set out in the "Explanatory Announcement No. 1 on Information Disclosure for Companies Offering their Securities to the Public-Non-Recurring Profit and Loss" as recurring items of profit or loss

☐Applicable ☒Not applicable

X. Others

☐Applicable ☒Not applicable

Section III Management Discussion and Analysis

I. Description of the industry and principal activities of the Company during the Reporting Period

(I) Principal business

Keda Group is Asia's first and the world's second largest supplier of building ceramic machinery and equipment. It started its business with ceramic machinery and has achieved the historical goals of "domestic manufacturing of ceramic machinery and equipment" and "becoming a strong global player in building materials and equipment industry" in the field of building materials machinery, and has grown into a leading enterprise in the ceramic machinery industry in China and the world. After 30 years of development, the Company's current principal activities are the production and sales of building materials machinery, overseas building materials, lithium battery materials and equipment, as well as strategic investment in lithium salt business.

1. Building materials machinery business

The Company's building material machinery business mainly focuses on building ceramics machinery, and commits to creating specialized, excellent and refined core products to build a supply capacity of single and whole-line equipment with technical advantage. The core products include press machine, kiln, polishing and grinding equipment, etc. It is the only enterprise in China that has the ability to produce and supply whole-plant and whole-line equipment of building ceramics machinery. With excellent supply capacity of core single and whole-plant and whole-line equipment, the Company has established the leading position in the global building ceramics machinery.

The Company's building ceramic machinery business is deeply involved in "globalization" and "service-oriented" development, and have built strong competitiveness in global market through the strategy of localization in overseas markets, with products widely sold to more than 60 countries and regions. On the one hand, by establishing subsidiaries in Europe, India and Turkey, and acquired Welko, an Italian high-precision manufacturing enterprise, the Company moved its production and services forward. In order to provide better service to overseas customers, the Company also transformed from an excellent equipment manufacturer to a comprehensive solutions provider. By strengthening the integration of overseas localized marketing network, management team and supply chain, and expanding the layout of accessories and consumables network, it has built a service system with wider coverage of accessories, glazing, contracting operation, etc., so as to provide localized comprehensive service solutions for global customers.

Having the advantageous of traditional ceramics machine, the Company also actively develops the cross-industry/field application of mechanical equipment. At present, the Company's kiln equipment has been used in the industries of refractory material, lithium-ion battery, household ceramics, sanitary ware

and solid waste treatment, and the press equipment has extended to the fields of cooking utensils pressing and production, wheel hub pressing and forming, metal forging, aluminum extrusion press. In the future, the Company will continue to deepen its global development, cover more overseas blank markets geographically, and achieve vertical extension through the combination of "equipment + accessories and consumables + service" in terms of product strategies. Through the development of generalization of core equipment, it will achieve horizontal extension to realize the long-term development of building materials machinery business.

2. Overseas building materials business

In the early stage, the Company is principally engaged in building ceramics business in Africa. In view of the urbanization development process and the advantages of demographic dividends in Africa, the Company is currently positioned as a large overseas building materials group. Based in Africa, the Company extends horizontally to other building materials products in terms of product strategy, forming a product structure of "ceramic + sanitary ware + glass"; it gradually extends its development region from Africa to markets in South America and Asia, and develops as an overseas building materials business segment.

At present, the Company has established and operated 6 ceramic factories with strategic partners in Kenya, Ghana, Tanzania, Senegal, and Zambia in Africa, with 14 ceramic tiles production lines built and 5 production lines for building ceramics under construction. In the first half of 2022, the production of ceramic tile in Africa exceeds 54 million m², and the products have been exported to many countries including Uganda, Malawi, Togo, Benin, Burkina Faso and Peru. In order to give full play of the first-mover advantage, actively implement the strategy of "Large Building Materials Group", and promote the horizontal expansion of its business from building ceramics to relevant diversified fields such as sanitary ware and household glass, the Company, relying on its comprehensive sales network in Africa, has initiated a sanitary ware project in Ghana and Kenya with annual capacity of 2.6 million pieces after completion; has planned to build a float glass in Tanzania. In the future, the Company will keep its roots in Africa and accelerate the localization manufacturing of various types of building materials in Africa on the basis of expanding and strengthening its building ceramics business, so as to build a building materials manufacturing industry group with international competitiveness.

3. Lithium-ion battery material business

The Company's lithium battery material business includes self-operated lithium-ion battery anode material and the investment layout of lithium carbonate production and sales and lithium salt processing business formed by strategic investment in Lanke Lithium Industry.

In terms of anode material, the Company is actively constructing a production capacity layout of "40,000 tons/year of graphitized products-20,000 tons/year of artificial graphite-1000 tons/year of silicon carbon anode material" in Fujian and Anhui bases, and simultaneously initiated the capacity construction of the second-phase 50,000-ton/year anode material integration project in the Fujian plant, with a view to gradually develop into a major supplier of lithium battery anode materials in southeastern China. In 2017, besides the anode material business, the Company set foot in lithium carbonate deep processing and trade

businesses through equity holding in Lanke Lithium Industry. In June 2022, the 20,000-ton/year battery-grade lithium carbonate project of our joint-stock company Lanke Lithium Industry was completed, with a capacity of 10,000+20,000 tons/year of lithium carbonate. This project takes the old brine discharged from the production of potassium fertilizer as raw material and introduces Russian advanced technology to extract lithium carbonate, which is an important milestone for technology extracting lithium from salt lakes in China.

(II) Description of business model

1. Building materials machinery: The Company's building materials machinery business adopts sales models such as domestic direct sales, foreign direct sales or distribution, and adopts the production and operation model of "determining production based on sales". Raw materials are mainly purchased from qualified suppliers with long-term cooperation on non-exclusive basis. Part of the business will be provided by its financial leasing company with ancillary financial services depending on customers' needs.

2. Overseas building materials: The Company's overseas building materials business adopts sales models such as direct sales, distribution, and engineering business. At present, the sales of building ceramics products have covered more than 3,500 sales outlets/distributors. The Company adopts the production and operation model of "order + forecast", and purchase raw materials from local suppliers on non-exclusive supply basis.

3. Lithium battery materials: The Company's lithium battery materials business mainly adopts the R&D, production and sales coordination mechanism with sales as the leading role, R&D and quality as the guarantee, and technology as the support. It adopts the business model of "determining production based on sales", and generally purchases from qualified suppliers through price comparison.

(III) Industry overview

1. Building materials and mechanical equipment: During the reporting period, the domestic ceramic industry faced challenges such as the decline in the real estate market and the rising costs of energy, raw materials and transportation. The implementation of the "double carbon" policy forced ceramic enterprises to increase the demand for energy conservation and consumption reduction, and raise the entry barriers for building ceramic production. At the same time, the government departments promoted use of building materials in rural areas, provided appropriate subsidies or discounts on loan interests for green building materials consumption in qualified areas, promoted the digital development of the ceramic industry, and encouraged the development of thin ceramic tiles; in terms of building materials machinery, it encouraged the application of energy conservation and consumption reduction technology for industrial kiln. Ceramics industry is in a process of constant transformation and iteration.

Looking at overseas markets, due to the complex changes in the international situation, major building ceramic production areas such as Italy, Spain, and India are facing the challenge of increasing costs of energy and raw materials. Although there are many uncertainties, according to the Italian "Ceramic World Review", in the first half of 2022, the sales of the Italian ceramic industry continued to maintain a double-digit growth, and Italian ceramic enterprises were operating at full capacity. In addition, with the development of urbanization in certain emerging countries, the demand for building ceramics is on the

rise. Together with the global consumption of building ceramics, the demand for the upstream building ceramics machinery still maintains development at a stable level. Currently, the Company is accelerating its development of ceramics machinery business, with its market size only second to an Italian competitor. It ranks first in Asia and second in the world in terms of comprehensive strength.

2. African building materials: According to the statistics of relevant research report of ceramic industry, the per capita use of ceramics in Africa was approximately 0.9 m². Sub-Saharan Africa is the region with the fastest aged population growth rate, and the per capita use of ceramics in some countries therein was only 0.6m², representing a huge gap as compared with the per capital use of ceramics of 2.1 m² in the world. Therefore, in recent years, with the release of localized production capacity in Africa, its productivity has continued to grow. In 2020, the productivity of building ceramics in Africa amounted to approximately 918 million m², representing an increase of 6.1%. Meanwhile, China's exports of building ceramics to Africa fell by 24.7% (90 million m²). In addition, according to the research report on relevant sanitary ware market, the annual consumption of sanitary ware in Ghana, Kenya and neighboring countries was approximately 4.3988 million units in 2021, and the productivity of a few local sanitary ware manufacturers was less than 1/4, representing a huge gap between supply and demand. In this context, the subsidiaries of the Company based in Africa seized the market opportunities to deploy layout actively, so as to rapidly increase the market share of building ceramics business, achieve stable growth in building ceramics business, and gradually explore sanitary ware and other segments in Africa.

3. Lithium battery materials: In the first half of 2022, led by the goal of carbon peaking and carbon neutrality and driven by strong downstream demand, China's lithium-ion battery industry achieved rapid growth. According to industry standard announcements of enterprise information, industry associations, and the calculation and statistics of the High-tech Lithium Battery Research Institute, in the first half of 2022, the national lithium-ion battery output exceeded 280GWh, representing a year-on-year increase of 150%; the shipment of negative electrode materials amounted to 540 thousand tons, representing a year-on-year increase of 68%. The average price of artificial graphite was about 50 thousand yuan/ton; subject to the dual-control policy on domestic energy consumption, the progress of graphitization capacity construction and deployment has slowed down, and the graphitization was in short supply. The graphitization price has risen from 24 thousand yuan/ton in early 2022 to 28 thousand yuan / ton; in terms of lithium carbonate, China's output in the first half of the year reached 150 thousand tons, representing a year-on-year increase of 34%, and the price fluctuated at a high level. The average price of battery-grade lithium carbonate in the first half of the year reached 445 thousand yuan / ton. With the continuous growth of the power and energy storage battery market, China's lithium battery material industry maintains a relatively high degree of prosperity.

II. Analysis of core competitiveness during the Reporting Period

☒Applicable ☐Not applicable

Over the past 30 years, the Company adheres to the core business philosophy of “innovating infinitely”, takes “advanced product, leading technology” as its development strategy, and regards

forward-looking and sustainable technology, product research and development, innovation as the most important core competitiveness. During the period, the Company has further improved its competitiveness in the following aspects:

1. Leading the new development of the industry with continuous iteration of research and innovation

As the industry leader, the Company has multi-level R&D and cooperation platforms such as “National Certified Enterprise Technology Center”, “National Engineering Technology Center”, “Postdoctoral Research Station” and “Academician Studio”, which have accumulated significant technical reserves for the Company’s product R&D. At the same time, the Company attaches great importance to the protection of technology and patents, actively participating in the formulation of national and industry standards. During the period, the Company had applied for 3,416 patents in China, including 1,174 invention patents; and had obtained 2,548 China authorized patents, including 417 invention patents; had submitted a total of 76 foreign patent applications, and obtained 28 foreign authorized patents, including 26 invention patents; had 86 scientific research achievements passed the national and provincial appraisal of scientific and technological achievements, and has obtained nearly one hundred scientific and technological awards at different spheres. Since 2010, the Company has been actively participating in the national and industrial standards development and revision projects and by this way, so far, 9 national standards, 40 industry standards and 11 group standards have been released, leading the technological advancement of the industry.

2. Making use of the scale advantage of multi-brand and optimize the global network layout

Over the years, the Company has built many famous brands such as KEDA, HLT, DLT, Welko and SureMaker. With excellent technology research and innovation ability, product performance, quality and cost control ability and complete service support, the Company enjoyed a good reputation in more than 60 countries and regions around the world. In China, the Company has established a long-term and stable cooperative relationship with high-quality ceramic manufacturers in the industry, and won a leading position in the industry through the research and development of equipment and the setting of standards. At abroad, through the localization operation of subsidiaries in India, Turkey and Italy, the Company has successfully extended the brands and products of the Company to other areas all over the world, such as Southeast Asia and Europe, where both of the brand services and products have been recognized by our clients.

During the reporting period, the digital flexible processing line of sintered stone plate won the “Award of Advanced Sintered Stone Plate Equipment” ; the full set of roll forming equipment won the “Annual Award of Excellent Product” ; the three major technologies/products including the intelligent temperature control technology for ultra-wide body roller kiln, Sintered Stone Plate based on 5G and cloud computing, management platform and full set of equipment for “intelligent processing” of stone and fettling line of KDXJ intelligent robot won the “Technology Innovation Award. LT6800 automatic hydraulic press launched by HLT won the “Gold Award of Annual Product”. DLT’s carbon neutralization

double-layer sintered stone plates kiln won the “Gold Award of Annual Product” and the “Award of Advanced Sintered Stone Plate Equipment”.

At the same time, after 6 years of development in Africa, the ceramics brands and products of the Company had exerted a great influence in the African region, and the Company has also taken up the social responsibility as a global enterprise. During the reporting period, Keda Kenya donated scholarships to educational institutions to support local education development, and Keda Ghana and Keda Senegal made donations to the local governments to support their activities in culture, education and sanitary, which demonstrated the social responsibility and commitment of Chinese enterprises and greatly enhanced the brand influence of the Company in the local area.

As for lithium battery materials, over years of cultivation in the industry, the Company has established a mature sales network and stable relationship with customers. Artificial graphite anode products have been gradually recognized by domestic first- and second-tier battery manufacturers and included in their supply chains. The graphitization business underwent close collaboration with industry giants such as BTR, and the mature graphite-related technology it possesses is highly recognized and favoured in the industry.

3. Empowering operation through digitalization and boosting manufacturing upgrade

The Company takes SAP and ERP as the base to vertically and horizontally crisscross the supply chain coordination system, introduces high-end intelligent equipment to quantify the product manufacturing process, constructs a digital factory in the equipment manufacturing industry, and strengthens the reassignment of research, production, marketing, storage and other resources and realizes the integration of business and finance, enterprise resources, and group management and control, so as to provide strong information infrastructure for the Company’s operation and development, and promote the transformation of enterprises to intelligent manufacturing upgrade. Keda Group MES system construction project, Keda Group PLM upgrade project and Keda Group digitalized financial platform construction project were launched officially during the reporting period, optimizing the planning and scheduling, monitoring, resource allocation and production process of short-term production operations, providing a series of solutions to support the creation, management, distribution and application of information throughout the product life cycle, and providing support for the establishment of electronic file system, formation of the integration with external systems, and solutions of financially-discrete accounting problems respectively. The three major digital projects indicate that the Company’s digital exploration has reached the “deep water area” in terms of enterprise operation and management, and has entered the stage of entire digital transformation.

4. Globalizing capital allocation and expanding international financing channels

With the in-depth development of the Company's globalization strategy, in recent years, the Company has continued to explore international financing channels and types of financing, so as to reduce capital costs, optimize financing structure, and create synergies with business development. In 2020, the Company reached a cooperation with International Finance Corporation, which provided a long-term low-interest loan up to USD 165 million to the Company to facilitate the rapid development of the Company's

African building ceramics project. During the reporting period, in order to further expand international financing channels, strengthen the brand image and corporate influence in overseas markets, and expand business in the European and American markets, the Company initiated the project of issuance of global depositary receipts and listing on the SIX Swiss Exchange in April 2022. The international issuance has been completed on 28 July 2022, and the Company has also been officially listed on the SIX Swiss Exchange, becoming the one of the first Chinese companies tapping into the Swiss capital market under the "China – Switzerland Stock Connect" mechanism. In the future, the Company will make full use of global capital allocation to escort the implementation of the global strategy and investment layout.

III. Discussion and analysis on operation

In the first half of 2022, in response to the complex and severe international circumstances, and the various risks and challenges brought by the repeated domestic epidemics and the downturn in the real estate industry, the Company has internally upgraded its R&D, replicated the advantages of manufacturing and developed across various fields, and externally accelerated the globalized deployment, promoted the localized operation of building materials machinery and overseas building materials, and supported the production capacity construction and release of the lithium battery material business in view of the rapid development of the new energy industry. The Company's performance continued to reach new highs. During the reporting period, the Company achieved an operating revenue of RMB5.651billion, representing an increase of 23.98% on the same period of last year and a net profit attributable to shareholders of listed companies of RMB2.121billion, representing an increase of 417.97% on the same period of last year.

During the reporting period, the Company carried out the following main tasks:

1. Steadily developed building materials machinery and continued to advance the globalization

In the first half of 2022, domestic downstream ceramic customers faced challenges such as shrinking demand, "double carbon" policy, and increase in cost, which exerted certain pressure to the Company's domestic ceramic machinery business. However, the shutdown of some production capacity lagging behind also brought demand for upgrades of production lines. In addition, the rapid development of the new energy vehicle industry in recent years has spawned the domestic market demand for lithium battery materials and equipment. Therefore, during the reporting period, the Company seized customers' energy-saving needs in natural gas and electricity consumption, and in response to the difficulty of thick bricks sintering, the Company innovated a number of technological achievements, such as multi-layer drying, early oxidation, and the use of enhanced transmission; at the same time, through the DDI4.0-A intelligent management and control system, the Company conducts cloud computing and comprehensive management of the overall operation of the kiln production line. With the support of the self-developed patented technology of the Company, it brings customers with a highly automated, intelligent and digitally managed production model to meet the needs of transformation of production capacity lagging behind. In addition, the Company actively explored the cross-field development of construction ceramics machinery products, and initiated the investment in building materials and lithium battery equipment

intelligent manufacturing base projects, and large-scale high-end intelligent equipment manufacturing digital factory projects, which were used to carry out businesses such as lithium material roller kiln and high-end medium and large aluminum extrusion press, respectively, seeking new profit growth engines for the Company.

In terms of overseas business, thanks to the layout and implementation of its “globalization” strategy and initiative to seize hot markets, the Company’s overseas business maintained a strong development momentum in overseas markets. In Southeast Asia, Middle East, South America, Africa and other markets, the market performance maintained growth over the same period of last year. In Turkey, a number of whole line projects were put into production in the first half of the year, the glazed brick production line customized by the Company for VITRA, a well-known high-end building material brand, was successfully put into production and passed the acceptance inspection, laying a foundation for the whole line of products to open up the European thick brick product field and the mid-to-high-end market; in Indonesian, the whole line project Phase IV built by the Company for the well-known ceramic enterprise ID032 was successfully put into production, and the Keda PC dispatching brick storage system was successfully applied in overseas market for the first time, realized the efficient interconnection among various production processes, and established a new benchmark of Keda's overseas intelligent whole-factory for overseas Chinese standard production lines, setting a new benchmark for Keda overseas intelligent whole factory; in Africa, the model of the Company's whole-factory and whole-line project has also significantly enhanced the influence of the Company locally and in the surrounding countries.

2. Accelerated the implementation of new production capacity, leading to rapid growth in the overseas building materials business

As an important local ceramic tile production supplier in Africa, the Company continues to expand the production capacity of building ceramics in Africa, and stabilizes the scale advantage of the localized supply chain; actively promotes the implementation of new types of projects, extends development leveraging on the first-mover advantages, and maintains a high market share of building ceramics in Africa to sustain the rapid growth of overseas building materials business, and to accumulate future sustainable growth potential.

In June 2022, the first phase of the Company's Kenya Kisumu ceramics project and the fourth phase of Ghana building ceramics production project were completed and put into operation; at the same time, the Company will successively commence the construction of the second phase of the Senegal building ceramics production project, the fifth phase of the Ghana building ceramics production project, the Kenya Kisumu ceramic sanitary ware and the Ghana sanitary ware project in 2022. Currently, 14 tile production lines have been built, and 5 tile production lines are under construction. The above-mentioned new ceramic and sanitary ware production lines are expected to be put into operation successively in 2023. By then, the Company will have a total of 19 building ceramics production lines with an annual production capacity of 150 million m², and 2 sanitary ware production lines with an annual production

capacity of 2,600 thousand pieces upon completion, promoting the capacity ramp-up of the African building ceramics business continuously.

3. Lithium-ion battery materials and equipment are growing rapidly, strategic investment stepping into harvest period

Since 2021, the Company has focused on advancing the construction of an integrated anode material plant around its Fujian subsidiary. Its first phase of 40,000 tons/year graphitized products and 10,000 tons/year artificial graphite anode material projects will be completed in the second half of 2022. During the reporting period, the second and third production lines of the lithium battery anode material graphitization device production line in the first-phase project of the subsidiary Fujian Keda New Energy have been completed and put into operation at the end of March 2022, achieving a graphitization processing output of about 5,000 tons. The first artificial graphite production line has been put into production and gradually released production capacity. After the first-phase project of Fujian Keda New Energy is put into operation, together with the production situation of the Company's Anhui Dangtu factory, the Company will have a production capacity of 40,000 tons/year for graphitization processing and 20,000 tons/year for artificial graphite products by then; at the same time, in the second half of 2022, the Company will simultaneously start the preparatory work for the second phase of Fujian Keda New Energy's 50,000-ton anode material integration project, and will carry out site selection and planning for the third phase of the anode material project, so as to fully promote the integrated production capacity construction of anode materials.

Relying on 30 years of deeply rooted experience in equipment manufacturing and years of accumulation in the lithium battery material industry, the Company will strategically fully unleash the lithium battery industry compatibility application of core mechanical equipment in 2022. For cathode material equipment, it adheres to independent innovation, absorbs the excellent design experience of combined ceramic kilns, focuses on promoting the market application of new lithium battery material sintering kilns, and arriving at system solutions for automated cathode material unmanned factories by building core automation equipment. For anode material equipment, through the successful independent research and development of granulation and pre-carbonization integrated kiln, graphitization system, automatic crucible loading system, pneumatic conveying system and other core systems, the Company's original single core equipment technology and performance advantages have been upgraded to the systemic advantage of whole line of anode materials. The traditional artificial graphite anode material production line has been upgraded to an intelligent and integrated manufacturing factory with clean and green features.

In June 2022, the 20,000 tons/year battery-grade lithium carbonate project of a joint-stock company, Lanke Lithium Industry, was completed, with a stable daily output of over 100 tons of lithium carbonate. During the reporting period, Lanke Lithium Industry produced 15,253 tons and sold 15,004 tons of lithium carbonate products, respectively, achieving an operating revenue of RMB 5.258 billion and a net profit of RMB 3.685 billion, bringing an investment income of RMB 1.79 billion to the Company with positive effect of net profit attributable to shareholders of the listed company amounted

to RMB 1.606 billion. At present, all shareholders are actively promoting Lanke Lithium Industry's high-quality operation and follow-up technical transformation projects, so that Lanke Lithium Industry is able to release higher production capacity under its existing scale, further increasing market supply and driving the development of China's new energy industry. At the same time, as a participant in the new energy industry, the Company is firmly optimistic about the long-term development of new energy electric vehicles in the future, and pays close attention to the investment opportunities of high-quality vehicle and battery manufacturers. In the future, the Company will carry out relevant strategic investments in a timely manner, so that the "lithium salt + anode material business" and the strategically invested vehicle and battery industries will achieve synergy and a win-win situation.

Material changes in the Company's operation during the Reporting Period, as well as events during the Reporting Period that have significant impact on the Company's operation and are expected to have significant impact in the future

☐Applicable ☒Not applicable

IV. Major operations during the Reporting Period

(1) Analysis of principal business

1 Analysis of changes in relevant items in financial statements

Unit: Ten Thousand Yuan Currency: RMB

Subject	For the current period	For the corresponding period last year	Change (%)
Operating revenue	565,113.24	455,793.13	23.98
Operating costs	403,498.42	344,155.63	17.24
Selling expenses	26,456.07	22,922.73	15.41
Management expenses	33,581.36	22,684.73	48.04
R&D expenses	15,643.73	12,371.32	26.45
Financial expenses	4,113.32	6,863.78	-40.07
Net cash flows from operating activities	35,186.84	43,809.24	-19.68
Net cash flows from investing activities	3,612.26	-103,233.21	103.50
Net cash flows from financing activities	-26,718.37	50,573.34	-152.83

Reasons for changes in management expenses: The amount of management expenses in current period increased by 48.04% as compared with the amount incurred in the same period of previous year, which was mainly attributable to the share-based payment expenses arising from the implementation of equity incentives by the subsidiary Fujian Keda New Energy.

Reasons for changes in financial expenses: The amount of financial expenses in current period decreased by 40.07% as compared with the amount incurred in the same period of previous year, which was mainly attributable to the increase in the gains on foreign exchange of the Company in current period.

Reasons for changes in net cash flow from investing activities: The net cash flow from investing activities in current period increased by 103.50% as compared with the same period of previous year, which was mainly attributable to the increase in net cash paid by the Company due to its capital contribution in the joint venture Lanke Lithium Industry and the acquisition of 100.00% equity of its subsidiary Foshan Keda Equipment Manufacturing in the same period of previous year.

Reasons for changes in net cash flow from financing activities: The net cash flow from financing activities in current period decreased by 152.83% as compared with the same period of previous year, which was mainly attributable to the increase of bank loans obtained by the Company in the same period of previous year.

2 Details of the material changes in the Company's business type, profit components or profit source during the current period

☒Applicable ☐Not applicable

The profitability of the building materials machinery business of the Company improved steadily, combining with the release of production capacity of overseas building materials business, the market share remained at a satisfactory level. As for lithium battery materials business, the anode materials integrated factory in Fujian of the Company gradually released its graphitization processing capacity, resulting in higher efficiency as compared with last period. In addition to the outstanding results of the principal businesses, the Company also achieved exceptional results for its strategic investment business. With the rapid growth of global new energy industry, there has been a sustained shortage between demand and supply of lithium carbonate. Due to the surge of price of lithium carbonate, combining with the release of production capacity of the investee company Lanke Lithium Industry, during the reporting period, Lanke Lithium Industry recorded an operating revenue of RMB 5.258 billion and net profit of RMB 3.685 billion, while the Company recognized investment income of RMB 1.79 billion correspondingly, bringing a positive effect of net profit attributable to shareholders of listed company amounted to RMB 1.606 billion.

(2) Description of significant changes in profit due to non-principal business

☐Applicable ☒Not applicable

(3) Analysis of assets and liabilities

☒Applicable ☐Not applicable

1. Assets and liabilities

Unit: Ten Thousand Yuan

Item	Amount at the end of current period	Proportion to total assets for amount at the end of	Amount at the end of last year	Proportion to total assets for amount at the end of	Proportion of change in amount at the end of current	Description
------	-------------------------------------	---	--------------------------------	---	--	-------------

		current period (%)		last year (%)	period over the end of last year (%)	
Monetary funds	240,393.49	13.05	196,065.88	12.16	22.61	
Financial assets held for trading			5,823.40	0.36	-100.00	
Notes receivable	1,843.40	0.10	1,798.07	0.11	2.52	
Accounts receivable	162,889.94	8.84	144,153.18	8.94	13.00	
Receivables financing	15,328.70	0.83	23,037.61	1.43	-33.46	
Prepayments	36,282.52	1.97	26,096.07	1.62	39.03	
Other receivables	14,020.89	0.76	10,798.10	0.67	29.85	
Inventories	325,917.46	17.70	326,244.54	20.23	-0.10	
Contract assets	39,495.67	2.14	35,499.99	2.20	11.26	
Non-current assets due within one year	58,514.70	3.18	64,116.71	3.98	-8.74	
Other current assets	16,538.02	0.90	17,214.89	1.07	-3.93	
Right-of-use assets	924.06	0.05	1,026.73	0.06	-10.00	
Other non-current financial assets	500.00	0.03	500.00	0.03		
Long-term receivables	17,871.02	0.97	19,296.41	1.20	-7.39	
Long-term equity investments	355,360.02	19.30	209,219.88	12.98	69.85	
Other equity instrument investments	858.46	0.05	858.46	0.05		
Fixed assets	325,157.10	17.66	293,673.96	18.21	10.72	
Construction in progress	21,277.80	1.16	30,190.35	1.87	-29.52	
Intangible assets	86,834.73	4.71	87,064.90	5.40	-0.26	
Goodwill	96,710.27	5.25	96,710.27	6.00		
Long-term prepaid expenses	1,360.68	0.07	1,557.75	0.10	-12.65	
Deferred income tax assets	16,553.23	0.90	17,484.11	1.08	-5.32	
Other non-current assets	7,077.04	0.38	3,903.17	0.24	81.32	
Total assets	1,841,709.19	100.00	1,612,334.43	100.00	14.23	
Short-term loans	138,437.28	16.76	91,164.89	11.22	51.85	
Financial liabilities held for trading	597.74	0.07	213.94	0.03	179.39	
Notes payable	91,231.88	11.04	74,518.30	9.17	22.43	
Other payables	172,892.83	20.93	191,135.59	23.52	-9.54	

Contract liabilities	151,022.14	18.28	174,350.20	21.45	-13.38	
Payroll payable	10,122.92	1.23	18,480.67	2.27	-45.22	
Taxes payable	8,737.97	1.06	9,504.31	1.17	-8.06	
Other payables	13,240.42	1.60	13,570.72	1.67	-2.43	
Non-current liabilities due within one year	70,088.07	8.48	51,062.39	6.28	37.26	
Other current liabilities	12,312.29	1.49	14,907.96	1.83	-17.41	
Long-term loans	128,668.81	15.57	153,479.86	18.88	-16.17	
Lease liabilities	956.45	0.12	1,049.82	0.13	-8.89	
Estimated liabilities	18,833.00	2.28	9,965.25	1.23	88.99	
Deferred income	890.00	0.11	1,040.00	0.13	-14.42	
Deferred income tax liabilities	1,504.97	0.18	1,547.97	0.19	-2.78	
Other non-current liabilities	6,660.41	0.81	6,803.93	0.84	-2.11	
Total liabilities	826,197.19	100.00	812,795.82	100.00	1.65	

Other description

- ①The closing balance of financial assets held for trading for the current period decreased by 100.00% as compared to the closing balance of last year, mainly due to the redemption of wealth management products by the Company during the Period.
- ②The closing balance of receivables financing for the current period decreased by 33.46% as compared to the closing balance of last year, mainly due to the decrease in outstanding bank acceptance bills held by the Company for the Period.
- ③The closing balance of prepayments for goods for the current period increased by 39.03% as compared to the closing balance of last year, mainly due to the increase in payment for goods prepaid by the Company for the Period.
- ④The closing balance of long-term equity investments for the current period increased by 69.85% as compared to the closing balance of last year, mainly due to the investment revenue recognized for an associate Lanke Lithium Industry by the Company for the Period.
- ⑤The closing balance of other non-current assets for the current period increased by 81.32% as compared to the closing balance of last year, mainly due to the increase of equipment engineering costs prepaid by subsidiaries Anhui KEDA Lithium Equipment and HLT Technology for the Period.
- ⑥The closing balance of short-term loans for the current period increased by 51.85% as compared to the closing balance of last year, mainly due to the increase in bank loans obtained by the Company for the Period.
- ⑦The closing balance of financial liabilities held for trading for the current period increased by 179.39% as compared to the closing balance of last year, mainly due to the change in fair value of futures contracts of the Company.

⑧The closing balance of payroll payable for the current period decreased by 45.22% as compared to the closing balance of last year, mainly due to the payment of year-end bonus for the Period for which the provision was made last year by the Company.

⑨The closing balance of non-current liabilities due within one year for the current period increased by 37.26% as compared to the closing balance of last year, mainly due to the increase in long-term loans due within one year of the Company for the Period.

⑩The closing balance of estimated liabilities for the current period increased by 88.99% as compared to the closing balance of last year, mainly due to provision made by the Company for estimated liabilities arising from litigation for the Period in accordance with the Civil Judgement ((2021) Yue 06 Min Chu No. 119) issued by Foshan Intermediate People's Court of Guangdong Province.

2. Overseas assets

☐Applicable ☒Not applicable

3. Restrictions on major assets as of the end of the Reporting Period

☒Applicable ☐Not applicable

For details, please refer to "81. Assets with restricted ownership or rights of use" of Note VII.

4. Other description

☐Applicable ☒Not applicable

(4) Analysis of investments

1. General analysis of external equity investments

☒Applicable ☐Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Amount of investment during the reporting period	20,072.57
Increase or decrease change in amount of investment	-57,879.12
Amount of investment for the corresponding period last year	77,951.69
Percentage of increase or decrease in amount of investment (%)	-74.25

(1) Material equity investments

☒Applicable ☐Not applicable

From March to June 2022, the Company made a capital contribution of RMB 167.6916 million to Fujian Keda New Energy. Upon the completion of the capital contribution by all parties, the shareholding of the Company in Fujian Keda becomes 53.96%.

(2) Material non-equity investments

☒Applicable ☐Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Project name	Amount of project	Progress of project (%)	Amount invested during the period	Accumulated actual amount invested	Source of funds
Digital ceramics equipment manufacturing base	28,500.00	99.65	393.94	28,398.97	Raised funds + self financing
First phase of construction of Zambia ceramics factory	23,380.32	93.12		21,772.12	Self financing
First phase of construction of Kisumu ceramics factory	26,214.61	100.00	11,859.50	26,363.24	Self financing
Fourth phase of construction of Ghana ceramics factory	17,824.04	100.00	11,524.13	18,338.48	Self financing
Total	95,918.97		23,777.57	94,872.81	

(3) Financial assets measured at fair value

☐Applicable ☒Not applicable

(V) Disposal of major asset and equity interests

☐Applicable ☒Not applicable

(VI) Analysis of major holding companies and associates

☒Applicable ☐Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Company name	Principal business	Registered capital	Proportion of shareholding of the Company (%)	Total assets	Net assets	Net profit
Qinghai KEDA Lithium Industry Co., Ltd.	Investment platform	100,000.00	100.00	268,172.46	268,172.46	139,283.70
Qinghai Weili New Energy Material Co., Ltd.	Investment platform	8,681.76	53.62	67,877.11	67,346.53	39,721.00

(VII) Structured entities controlled by the Company

☐Applicable ☒Not applicable

V. Other disclosures**(I) Possible risks**

☒Applicable ☐Not applicable

1. Risk of overseas operations and exchange rate fluctuations

Since 2020, global pandemic has imposed certain restriction on overseas travel of staff as well as import and export of goods. With the normalization of pandemic, many countries have eased the restrictions on departure and entry as well as and import and export, but there are still uncertainties in the future. In addition, in recent years, the Company has increased its overseas market layout and set up multiple overseas sales regions and subsidiaries. Because of the differences in culture, customs, politics and laws among different countries and regions, there may be certain operational and management risks in overseas investment of the Company. In the meantime, the international trade situation becomes increasingly severe and the exchange rate of RMB fluctuates, therefore, the overseas subsidiaries of the Company may experience risks of profits or losses fluctuation and capital return caused by changes in exchange rate and other factors.

The Company will continue to pay attention to the development of the pandemic and import and export restrictions in various countries, adjust production plans in a timely manner in accordance with the construction progress of customers as well as strengthen the meticulous management of overseas companies and projects to reduce its operational risks in overseas business; at the same time, adopt compliant financial means, such as foreign exchange hedging, to mitigate or avoid the adverse impact from exchange rate fluctuations.

2. Management and control risks associated with scale growth

The traditional business of the Company is building materials machinery business. Since 2007, the Company has successively entered the business fields such as lithium battery materials, aluminum extrusion press, and lithium battery materials equipment, and has transformed from the traditional building materials machinery equipment supplier to services provider. With the continuous expansion of the Company's business scale and business areas, the headquarters of the Company is facing certain challenges in the business integration and management and control of all acquired subsidiaries. Limited by the geographical distance among companies, large internal organizational structure, lack of cross-industry knowledge and experience and other factors, the Company may have certain management and control risks.

3. Risk of goodwill impairment

In recent years, the Company has successively acquired a number of companies through asset restructuring, capital increase and equity transfer in accordance with the needs of business development. Under the overall macro-economic downturn, provision for goodwill impairment should be made due to the lower expectation of the development of acquired companies. If the performance of the acquired subsidiaries declines significantly in the future, the Company will still have the risk to make provisions for goodwill impairment.

4. Operational risks of large litigation

The Company, its subsidiary, Jiangsu Kehang and other related parties lost the lawsuit (Case (2019) Su 01 Min Chu No. 2893) in the first instance between them and Jiangsu New Century Jiangnan Environmental Protection Co., Ltd. (hereinafter referred to as "Jiangnan Environmental Protection"). Currently, the Company is appealing to the Supreme People's Court and the case has been accepted; the

plaintiff, Jiangnan Environmental Protection, filed four lawsuits on matters of the same nature with different projects, involving an aggregate amount of RMB 295 million. If the plaintiff, Jiangnan Environmental Protection, continues to file lawsuits on the grounds of different projects, the Company may continue to receive large lawsuits in the future. In addition, the Company and its subsidiary Qinghai Keda Lithium Industry were involved in a litigation of RMB 91 million in relation to the joint venture operation contract signed by the parties to the joint venture when Qinghai Keda Lithium was established. The Company lost in the first trial, and the case is currently under appeal and the judgment has not yet come into effect, and there is uncertainty over the final of the litigation.

The Board of the Company will closely monitor and attach great importance to related litigation matters, and has engaged professional legal advisors to implement effective measures legally with a view to safeguarding the interests of the Company and investors.

(II) Other disclosures

☐ Applicable ☒ Not applicable

Section IV Corporate Governance

I. Brief introduction of general meetings

Session of the meeting	Date	Inquiry index at designated website for which the resolutions were published	Disclosure date of the resolutions published	Meeting resolution
2022 First Extraordinary General Meeting	5 January 2022	The website of the Shanghai Stock Exchange www.sse.com.cn	6 January 2022	The Proposal on Changes to the Provision of Guarantees for Related Parties, the Proposal on Providing Guarantees for Subsidiaries' Bank Financing and the Proposal on Providing Guarantee for Subsidiaries were reviewed and approved
2021 Annual General Meeting	20 April 2022	The website of the Shanghai Stock Exchange (www.sse.com.cn)	21 April 2022	24 proposals including the Working Report of the Board of Directors for 2021, the Working Report of Board of Supervisors for 2021 and the Working Report of Independent Directors for 2021 were reviewed and approved

Shareholders of preference shares with restored voting rights request convening extraordinary general meetings

☐ Applicable ☒ Not applicable

Explanation on the General Meetings

☐ Applicable ☒ Not applicable

II. Changes in directors, supervisors and senior management of the Company

☐ Applicable ☒ Not applicable

Explanation on the Changes in the Company's Directors, Supervisors and Senior Management

☐ Applicable ☒ Not applicable

III. Proposal for profit distribution or conversion of capital reserve

Proposal for profit distribution and conversion of capital reserve into share capital were proposed for the interim period

Whether making profit distribution or converting capital reserve into share capital	No
---	----

IV. Information about the Company's share incentive plan, employee stock ownership plan or other employee incentive measures and their impacts

(I) Relevant incentive events disclosed in the preliminary announcements and with no progress or change in subsequent implementation

☐ Applicable ☒ Not applicable

(II) Events not disclosed in preliminary announcements or with progress in subsequent implementation

Information on Equity Incentives

☐ Applicable ☒ Not applicable

Other explanations

☐ Applicable ☒ Not applicable

Information on Employee Stock Ownership Plan

☒ Applicable ☐ Not applicable

On 13 November 2020 and 30 November 2020, the Company held the 32nd Meeting of the 7th Board of Directors and the 3rd Extraordinary Shareholders' Meeting in 2020 respectively, and reviewed and approved the 2020 Employee Stock Ownership Plan. According to the results of share subscription, the actual establishment scale of the Employee Stock Ownership Plan in this period was RMB86,226,880. 43,113,440 shares of the Company held by the Company's special securities account for repurchase were already transferred to the Company's special securities account for the 2020 Employee Stock Ownership Plan through non-trading transfer on 9 February 2021. The duration of the current Employee Stock Ownership Plan is 36 months, and it will be released in two phases after 12 months from 11 February 2021. The interval of each phase is 12 months, and the proportion of unlocking is 50% and 50%. For details, please refer to the Announcement on Completing the Non-trading Title Transfer of Shares under the 2020 Employee Stock Ownership Plan disclosed by the Company on 11 February 2021.

Pursuant to the 2020 Employee Stock Ownership Plan, the Proposal on the First Phase Performance Assessment and Vesting Rights was reviewed and approved at the 6th Meeting of the Management Committee. The first phase of share subscription for all share-holding employees is unlocked in a normal manner after comprehensively considering the performance assessment of each office and individual,

operation and force majeure factors. Participants of the Employee Stock Ownership Plan are entitled to 50% of the gain from their corresponding subject shares under the first vesting arrangement of the plan, representing a total of 21,556,720 shares.

Other incentive measures

√ **Applicable** ☐ **Not applicable**

Please refer to “(II) Related transactions arising from acquisition of assets or acquisition and disposal of equity” under “Major related transactions” in Section VI.

Section V Environmental and Social Responsibilities

I. Environmental information

(I) Information on environmental protection of the companies and their main subsidiaries that were listed as key pollutant discharging units by the Environmental Protection Department

√ **Applicable** ☐ **Not applicable**

1. Information on pollutant discharging

√ **Applicable** ☐ **Not applicable**

According to the Article 6 of the Provisions on the Management of List of Key Pollutant Discharging Units issued by Office of the Environment Protection Ministry, "enterprises and institutions that meet any of the following conditions shall be included in the List of Key Units under Supervision for Atmospheric Environment Pollution... (III) units with pollutant discharging licenses that discharge exhaust pollutants under the priority management of pollutant discharging permission". According to the Classification and Management Catalogue for Discharging Licenses of Fixed Pollution Sources (2019 Version), the manufacturing of graphite and carbon products is under the priority management. The main business scope of Fujian Keda New Energy, a subsidiary of the Company, includes the manufacturing of graphite and carbon products. Therefore, Fujian Keda New Energy was listed as a key pollutant discharging unit in 2022.

During the reporting period, the pollutant discharging information of Fujian Keda New Energy was as follows:

- 1) Main pollutants: waste gases and solid wastes
- 2) Names of specific pollutants: particulate matter, SO₂, NO_x, etc.
- 3) Information on key pollutants discharging during the reporting period:
 - ① Waste gases:

Distribution position of pollutant discharging outlets	Number of outlets	Items	Discharging method	Emission concentration mg/m ³	Standard limit mg/m ³	Total emission in the first half of 2022 t	Total allowable emission t/a	Executive standard	Excess emission
Calciner waste gas vent	2	Particulate matter	Organized emission	23	30	1.076	8.23	(GB25465-2010)	n/a
		SO ₂		20	400	5.518	12.35		n/a

		NOx		42	240	4.977	10.45	(GB16297-1996)	n/a
Crusher and screener waste gas vent		Particulate matter	Organized emission	24.0	50	0.442	/	(GB25465-2010)	n/a

In 2022, Fujian Keda New Energy engaged a CMA-qualified third-party testing unit to conduct manual monitoring of waste gas, noise and other sources of pollution at each of the Company's plants, and the emission of the above pollutants were in compliance with the limits of the national pollutant discharging licenses with no excessive emission. The waste gas will be discharged through 50 meters and 20 meters high exhaust funnel respectively after being treated by the environmental protection facilities passed the environmental protection acceptance.

②The general solid waste generated in the production process is gypsum, which will be dewatered by the belt dehydrator and stored in the Company's specially built gypsum yard, collected and sold to cement companies as raw materials. At the same time, the waste water in the dewatering process will be pumped back into the desulfurization tower and recycled.

2. Building and operation of pollution prevention and control facilities

√ Applicable □ Not applicable

Fujian Keda New Energy has established calciner waste gas treatment facilities and facilities for crushing and screening waste gas treatment to ensure the discharge of waste gas in accordance with the relevant standards. At the same time, Fujian Keda New Energy has entered into an entrusted testing contract with qualified third-party testing institute for regularly testing the waste gas discharged after treatment, so as to test and monitor the pollutant treatment. During the reporting period, the discharge of the above pollutants has been tested by professional institutes, and the discharge has been in line with relevant environmental protection standards.

3. Environmental impact assessment of construction projects and other administrative approvals on environmental protection

√ Applicable □ Not applicable

Fujian Keda New Energy has strictly complied with the environmental protection laws and regulations and conducted the environmental impact and other compliance assessment on its projects. On 10 January 2019, its lithium battery anode material production project obtained an Approval of Environmental Impact Report of Kehua Graphite Lithium Battery Anode Material Production Project of Fujian Kehua Graphite Technology Co., Ltd. issued by the former Environment Protection Bureau of Datian County and a pollutant discharging license on 3 December 2020. After the project was approved, Fujian Keda New Energy started constructing the production line of calcined petroleum coke while installing environmental protection facilities and equipment. Upon completion, Fujian Keda New Energy engaged Fujian Sanming Zemin Environmental Protection Technology Consulting Co., Ltd. to carry out the environmental protection inspection and acceptance on 17 April 2022. Meanwhile, it engaged three experts to provide consultation and guidance on environmental protection inspection and

acceptance. After such inspection and acceptance, it concluded that Fujian Keda New Energy has implemented various environmental protection measures proposed in the environmental impact assessment report and the approval as well as the environmental-friendly system of “Three-Simultaneity”. The acceptance and monitoring results of various pollutants meet applicable standards and the control indicators for total volume satisfy the requirements of the limits in the national pollutant discharging license.

4. Contingency plans for environmental emergencies

☒ Applicable ☐ Not applicable

Fujian Keda New Energy has established a sound contingency mechanism for environmental emergencies and fully evaluated and investigated the environmental risks and resources for environmental emergencies. In addition, the Company has also prepared the Contingency Plans for Environmental Emergencies and filed it with Datian Ecological Environment Bureau of Sanming City.

5. Environment self-monitoring scheme

☒ Applicable ☐ Not applicable

During the reporting period, Fujian Keda New Energy deployed environmental protection personnel to follow up the pollutant discharging and testing matters, and entered into the Testing Technical Service Contract with professional testing institutes. For waste gases and factory noises, the testing institutes will set up sampling points at each waste gas emission outlets and noise monitoring points at plants to monitor the changes in the sources of waste gas and noise pollution and their compliance with standards.

6. Administrative penalties for environmental issues during the reporting period

☐ Applicable ☒ Not applicable

7. Other environmental information should be disclosed

☐ Applicable ☒ Not applicable

(II) Statements on environmental protection of the Company as non-key pollutant discharging units

☒ Applicable ☐ Not applicable

1. Administrative penalties for environmental issues

☒ Applicable ☐ Not applicable

On 20 December 2021, Shunde Branch of Foshan Ecological and Environment Bureau issued an administrative penalty of “Yue fo shun lun huan xing fa fa zi [2021] No. 13” against KEDA Foshan Machinery, a subsidiary of the Company, for exceeding the emission standard for air pollutants. In February 2022, KEDA Foshan Machinery filed an administrative reconsideration with the People's Government of Shunde District, Foshan City, requesting the revocation of the above-mentioned administrative penalty, details of which are set out in the Company's 2021 Annual Report published on the website of the Shanghai Stock Exchange (www.sse.com.cn) on 31 March 2022. On 24 April 2022, KEDA Foshan Machinery received an Administrative Reconsideration Decision (Shunfu Xingfu [2022] No. 66) served by the People's Government of Shunde District, Foshan City, which made a decision to revoke the administrative penalty of “Yue fo shun lun huan xing fa fa zi [2021] No. 13”, namely the

Decision of Administrative Punishment of Lunjiao Street Office, Shunde District, Foshan. Apart from the issue as mentioned above, there are no administrative penalties imposed on the Company and its any other subsidiaries for environmental issues.

2. Refer to other environmental information disclosed by key pollutant discharging units

☒Applicable ☐Not applicable

As of the end of the reporting period, none of the Company and its any other subsidiaries (except Fujian Keda New Energy) have been included in the list of key pollutant discharging units issued by the national environmental protection authorities. The Company and its subsidiaries have consistently and strictly observed and complied with the national laws and regulations on environmental protection, and have formulated strict environment-friendly operation standards for its operation involving the discharge of major pollutants such as waste water, waste gases, industrial solid wastes and noises.

The Company has established spray paint waste gas treatment facilities and sewage treatment facilities to ensure the discharge of waste gas and waste water in accordance with relevant standards. At the same time, the Company has entered into an entrusted testing contract with a qualified third-party testing institute for regular testing of waste water and waste gas discharged after treatment so as to conduct the testing and monitoring of the Company's pollutant treatment. For hazardous wastes, the Company transfers them to qualified units for treatment and has established a monitoring system and maintains relevant management forms and ledgers so as to keep a close monitoring on relevant situation. The Company's Anhui base is equipped with efficient and clean production machinery to reduce pollutant emissions at source; it is also equipped with high-performance three-waste treatment facilities to control pollutant emissions throughout the process so as to achieve clean production. At the same time, Anhui Base, in accordance with the established environmental protection management system, conducts regular inspections on environment and sanitation conditions, and has entered into an environmental accountability agreement with its employees at the beginning of a year to set forth annual environmental protection targets for that year, which helped ensure that production is carried out in accordance with the goals throughout the year. In addition, as the Company's subsidiaries engaged in trading and electricity sales are service-oriented enterprises, they do not involve manufacturing and discharge less or no industrial pollutants. All companies in the group strictly follow the national environmental protection requirements in minimizing the impact on the environment, and no major environmental incidents and pollution accidents occurred during the reporting period.

Greening of industry has become the mainstream direction for the development of the international community. It is also the only way to build an ecological civilization in China and an inherent prerequisite for building a strong manufacturing country. The Company and its subsidiaries will carry out the environmental management philosophy of "reasonable energy use and green manufacturing", develop cleaner and more efficient technologies through technological innovation, accelerate the construction of a green manufacturing system, enhance new competitive advantages in the international arena, and achieve efficient, low-carbon and sustainable development of the manufacturing industry so as to contribute to the nation's ecological civilization construction.

3. Reasons for non-disclosure of other environmental information

☐Applicable ☒Not applicable

(III) Description of subsequent progress or changes in the content of environmental information disclosed during the reporting period

☐Applicable ☒Not applicable

(IV) Relevant information conducive to ecological protection, pollution prevention and control, and fulfillment of environmental responsibilities

☒Applicable ☐Not applicable

The Company consistently regards environmental protection and energy conservation as important elements of its high-quality sustainable development. In order to ensure the Company's low-carbon circular and sustainable development, the Company implements a number of measures such as source reduction, process emission reduction, end-of-pipe control, energy saving and consumption reduction. The Company continued to carry on a number of its ongoing construction projects during the first half of 2022. Before the commencement of the construction of the projects, the Company had engaged a professional environmental assessment company to carry out environmental assessment and detailed analysis on the impact of those projects on the environment, and has implemented the environmental pollution prevention and control measures recommended in the environmental assessment report. The Company also implements the system of "three stipulations implemented in the meantime" and adopts a closed-loop clean production process as practicable as possible to reduce the emission and discharge of the "three wastes" (waste gas, waste water and waste residues). The implementation of the project guarantees the investment in environmental protection and ensures that emission of pollutants meet the discharge standards. The Company will consider the comprehensive effect of energy saving when selecting process technology and machineries, and will also compare their efficiencies in energy consumption and their technical performance at the same time so as to reduce the overall energy consumption of production, and thus improve the economic and social benefits of the Company.

In terms of pollution prevention and control, the Company has upgraded its environmental protection facilities in order to improve the efficiency of waste gas collection and treatment to further reduce pollutant emissions and the impact on environment. In accordance with the requirements under the comprehensive treatment plan of volatile organic compound (VOC), the Company will continue to promote the use of raw materials and auxiliary materials with water-based paints of low (no) VOCs content, and advanced production processes and equipment. It also actively promotes the use of low VOCs content paints, curing agents or water-based paints instead of using oil-based paints. The Company has newly built a 5,000t/year hazardous waste incineration disposal station, which will be put into operation in the second half of 2022. All indicators of the exhaust gases after combustion meet the applicable standards before the discharge. The disposal station, equipped with the online flue gas analysis system, will upload all data to the environmental protection authorities in real time, not only satisfies the Company's hazardous waste disposal, but also relieves the hazardous waste disposal pressure of waste-producing entities in

surrounding areas, and avoids the environmental risks brought by the long-distance transportation of hazardous wastes.

The Company entrusted Guangdong Shunde Institute of Environmental Sciences Co., Ltd to complete the post-permitting management of national pollution discharge permit for the first half year of 2022, including providing guidance to the Company in building a daily environmental protection management system, inspecting the implementation of the Company's ledger and operation records system and the quarterly and semi-annually environmental manual monitoring work in all factory areas; directing the form filling and uploading on the national discharge permit management information platform; and urging the Company to timely publish environmental information on the official website.

In addition, the Company is active in advocating green and environment-friendly offices, and has established a complete set of paperless office system through the application of BPM business process management system, SAP-ERP resource management system, PDM product data management system, MES manufacturing execution system, SCM information system and other software. The printing of paper documents has been greatly reduced by adopting the electronic workflow. Moreover, the Company advocates the reuse of one-side used paper and encourages employees to save water and electricity to reduce office costs. In addition, the Company has also established corresponding rules for setting the default temperature of air conditioners and minimizing repeated switching on and off of computers and copiers so as to avoid the waste of resources caused by the wear and tear of machinery and equipment.

(V) Measures taken during the Reporting Period to reduce its carbon emissions and the corresponding effect

√Applicable □Not applicable

The Company has established the Guangdong Provincial Key Laboratory of Ceramic Machinery Energy Saving and Environmental Protection Technology Enterprises with the support of technology department of Foshan. In response to the development trend of the industry and for the significant needs in the development of ceramic machinery, the Company leads the development of ceramic machinery toward energy saving, environmental protection and high-end intelligence. The Company has undertaken or participated in a series of major projects, such as the construction of green design platform for complete set of machinery for large-scale ceramic production, collaborative deep emission reduction technology and project demonstration for multi pollutants of cement kiln flue gas, key technology and application of industrialization of heavy-duty electronically controlled axial piston pump for large-scale pressure forming machinery and universal 3D CAD system software products.

In the context of the call for promotion of carbon neutrality during the 14th Five-Year Plan period, the Company has been actively advocating low-carbon work and living style since 2020, and by use of its subsidiary's new energy vehicle rental business, it provides green travel services for employees' daily business. The Company's Foshan plant is equipped with photovoltaic power generation equipment over the time. The total photovoltaic power generation for the first half of 2022 was 2MW. A total of 915.4 tons of carbon dioxide emissions, 2.18 tons of sulfur dioxide emissions and 2.08 tons of nitrogen carbides

were reduced. In addition, the Company also replaced the ordinary lighting with LED lighting in the passages, fences, parking lots and other areas in some factories. The energy consumption of upgraded LED is 30% lower than that of the original lighting. The Company has been consistently promoting energy saving and emission reduction, and advocating green and low carbon by actively participating in environmental protection public welfare activities, with an aim of striving to be a “resource-saving and environment-friendly” enterprise, and using its endeavors in protection of the “blue sky, clear water and clean land” and making due contributions to building an environment-friendly and resource-saving society.

II. Poverty alleviation and rural revitalization efforts

√Applicable □Not applicable

The Company adheres to the corporate mission of “Green Solution, Greener Life”. In recent years, it has actively made contribution to poverty alleviation and rural revitalization. With its enthusiasm in participation in public welfare activities and earnest fulfilment of its social responsibilities, the Company has further upgraded its corporate image. In the first half of 2022, the Company and its domestic subsidiaries have funded a total of more than RMB 400 thousand in support of poverty alleviation and rural revitalization efforts, including donation of RMB 165 thousand to the Anhui Red Cross Foundation, and donation of anti-pandemic materials and festival lucky money for Children’s Day to relevant organizations and government departments, which is the embodiment of the Company’s commitment to its social responsibilities and care for the underprivileged. Overseas subsidiaries actively carry out charity projects to provide local education scholarship fund to support the development of local education, such as making donation to build schools and set up scholarships for underprivileged students in Africa. In the first half of 2022, they donated a total of more than RMB 290 thousand, including Keda Kenya donated a scholarship of approximately RMB 40 thousand; and Keda Ghana and Keda Senegal donated money to support the development of government activities, demonstrating the commitment to its social responsibilities of a Chinese-funded enterprise, and greatly enhancing the Company’s brand influence locally.

Section VI Important Issues

I. Performance of undertakings

(I) Undertakings by relevant parties such as actual controllers, shareholders, related parties, acquirers and the Company occurred in or subsisting during the reporting period

√Applicable □ Not applicable

Background of undertaking	Type of undertaking	Parties of undertaking	Content of undertaking	Date and duration of undertaking	Any period for performance	Whether timely and strictly performed	Specific reason(s) for the failure to perform timely	Forthcoming plans in view of non-timely performance
Undertakings relating to refinancing	Restrictions on disposal of shares	Parties to which shares were issued	Shares privately issued to Liang Tongcan, Foshan Newpearl Group Co., Ltd., and Xie Yuezeng shall not be transferred within 36 months from the closing date of issuance.	Date of undertaking: 10 April 2019, 25 February 2020; duration of undertaking: from 4 June 2020 to 5 June 2023.	Yes	Yes		

II. Fund appropriated by controlling shareholders and other related parties for non-operational purposes during the reporting period

□Applicable √Not applicable

III. Guarantees in violation of provisions

□Applicable √Not applicable

IV. Audit of interim report

☐ Applicable ☒ Not applicable

V. Changes and handling of matters involved in non-standard audit opinions in the annual report of the previous year

☐ Applicable ☒ Not applicable

VI. Matters relating to bankruptcy and restructuring

☐ Applicable ☒ Not applicable

VII. Material litigation and arbitration

☒ The Company had material litigation and arbitration during the reporting period

☐ The Company did not have material litigation and arbitration during the reporting period

(I) Litigation and arbitration that are disclosed in temporary announcements and with no subsequent progress

☐ Applicable ☒ Not applicable

(II) Litigation and arbitration that are not disclosed in temporary announcements or with subsequent progress

☒ Applicable ☐ Not applicable

Unit: Ten Thousand Yuan Currency: RMB

During the reporting period:									
Prosecuting (applying) party	Responding (defending) party	Party jointly and severally liable	Type of litigation and arbitration	Basic information on litigation (arbitration)	Amount involved in litigation (arbitration)	Whether the litigation (arbitration) forms the estimated liabilities and the amount	Progress of litigation (arbitration)	Result and influence of litigation (arbitration)	Litigation (arbitration) judgment execution
Jiangsu New Century Jiangnan Environmental Protection Co., Ltd.	Jiangsu Kehang, Keda Group, KEDA (Anhui) Clean Energy, Liu Huaiping	same as the responding party	Disputes over infringement of technical secrets	On 18 October 2019, Jiangsu Kehang, a controlling subsidiary of the Company, received legal documents including the Subpoena from the Nanjing Intermediate People's Court of Jiangsu Province in relation to a lawsuit filed by Jiangsu New Century Jiangnan Environmental Protection Co., Ltd. (hereinafter referred to as "Jiangnan Environmental Protection") with the Nanjing Intermediate People's Court of Jiangsu Province for the infringement of technical secrets by the Company, its subsidiary	9,652.18	Yes	On 22 December 2020, the Company received the Civil Judgment, which ruled against the Company, the subsidiaries and related parties, and agreed to all the plaintiff's claims. On 4 January 2021, the Company appealed to the Supreme People's Court. On 21 June, the Company received a notice of case acceptance from the Supreme People's Court. Currently, the judgement of second instance has not yet been given.	In 2020, the Company made a provision for estimated liability of RMB96,521.8 thousand, which affected the Company's net profit in 2020. However, as the judgment of second instance is still pending, if the judgment is not consistent with that of first instance, the Company will make adjustment to estimated liability accordingly based on the subsequent final	

				Jiangsu Kehang and the related parties.				judgment and accounting policies.	
Jiangsu New Century Jiangnan Environmental Protection Co., Ltd.	Jiangsu Kehang, KEDA (Anhui) Clean Energy, Keda Group, Liu Huaiping	same as the responding party	Disputes over infringement of technical secrets	Between 25 March and 26 March 2021, the Company and its holding subsidiary received 4 legal documents, including the Notice of Response, from the Nanjing Intermediate People's Court of Jiangsu Province in relation to 4 lawsuits filed by Jiangnan Environmental Protection with the court for the infringement of technical secrets by its subsidiary Jiangsu Kehang, the Company and the related subsidiaries.	29,529.39	No	In 2021, the Company and its subsidiaries raised objections to the jurisdiction over 4 cases. From January to February 2022, the Court of Final Appeal made rulings on 4 cases successively, rejecting the appeals of the Company and its subsidiaries' jurisdiction objections; it is not clear when the case will be heard.	As the case has not yet been heard, the impact of the matter cannot be judged for the time being.	
Shenyang Gas Co., Ltd.	Shenyang KEDA Clean Energy Gas Co., Ltd.	/	Dispute over revocation of company resolution	On 29 July 2021, Shenyang KEDA Clean Energy, a holding subsidiary of the Company, received the legal documents including the Subpoena from the Faku County People's Court in relation to a lawsuit filed by Shenyang Gas Co., Ltd. (hereinafter referred to as the "Gas Company") with the court for the dispute about the resolution of the shareholders meeting of Shenyang KEDA Clean Energy, requesting the revocation of the resolution of the shareholders meeting by Shenyang KEDA Clean Energy on 12 May 2021.	/	No	On 14 January 2022, Shenyang KEDA Clean Energy received the Paper of Civil Judgment, in which the first-instance judgment was overruling the claim from the gas company. The Gas Company filed an appeal with the Shenyang Intermediate People's Court of Liaoning Province. On 23 May 2022, Shenyang KEDA Clean Energy received the Paper of Civil Judgment from the Shenyang Intermediate People's Court of Liaoning Province, in which the Court overruled the Gas Company's appeal and upheld the original judgment. This judgment is final.	The outcome of this litigation will have no impact on the Company's profit for the period and post-period profit and will not result in a change in the scope of the Company's consolidated statements.	
Feng Jun	Qinghai KEDA Lithium Industry, Keda Group	Keda Group	Dispute over joint venture contract	On 29 June 2021, the Company received the Notice of Response and other legal documents from the Foshan Intermediate People's Court of Guangdong Province (the "Foshan Intermediate Court") in relation to a lawsuit filed by Feng Jun for Qinghai KEDA Lithium Industry's non-performance of the patent technology consultancy fee as agreed in the joint venture contract entered into by the relevant parties when Qinghai KEDA Lithium Industry was established.	9,107.06	Yes	On 12 April 2022, RMB85,962.5 thousand in the Company's bank account was frozen as a result of Feng Jun's application to the Foshan Intermediate Court for property preservation. On 27 June 2022, the Company received the Paper of Civil Judgment from the Foshan Intermediate Court, in which the Court made its first instance judgment that granted part of the plaintiff's claim. On 11 July 2022, Qinghai KEDA Lithium Industry and the Company filed an appeal with the Higher People's Court of Guangdong Province and the case has not yet been heard in court.	The Company has made a provision for estimated liability of RMB 91,070.6 thousand during the year, which affected the Company's net profit for the period. However, the judgment of first instance has not yet come into effect and the second instance has not yet been heard. If the result of the appeal is not consistent with that of first instance, the Company will make adjustment to the estimated liability accordingly based on the subsequent final judgment and accounting policies.	

(III) Other description

□Applicable √Not applicable

VIII. Alleged non-compliance of and punishment on the listed company, its directors, supervisors, senior management, controlling shareholders and actual controllers and the rectification thereof

☐Applicable ☒Not applicable

IX. Explanation on the integrity of the Company, its controlling shareholders and actual controllers during the reporting period

☐Applicable ☒Not applicable

X. Major related transactions

(I) Related transactions connected with the daily operation

1. Events that are disclosed in temporary announcements and with no progress or change in subsequent implementation

☐Applicable ☒Not applicable

2. Events that are disclosed in temporary announcement and with progress or change in subsequent implementation

☒Applicable ☐Not applicable

(1) The Company considered and adopted the Proposal on the Provision of Guarantees for Related Parties at the 27th Meeting of the 6th Board of Directors held on 25 October 2017 and the 3rd Extraordinary Shareholders' Meeting in 2017 held on 10 November 2017. Lanke Lithium Industry intended to apply to the bank for a loan of RMB 300 million and applied to all shareholders for a guarantee based on their proportion of shareholding. The Company agreed to provide a guarantee of no more than RMB 145.74 million based on its proportion of shareholding for its related party Lanke Lithium Industry to apply to the bank for a loan.

As of the end of June 2022, the relevant amount of Lanke Lithium Industry has been settled and the Company did not have any guaranteed balance.

(2) The Company considered and adopted the Proposal on the Provision of Guarantees for Related Parties at the 35th Meeting of the 7th Board of Directors held on 10 March 2021 and the annual general meeting in 2020 held on 20 May 2021. Lanke Lithium Industry intended to apply for a syndicated loan of RMB 1 billion led by Industrial and Commercial Bank of China Limited, Golmud Branch, secured by the land and construction in progress of the project. Lanke Lithium Industry also applied to its subsidiary Qinghai Salt Lake Lithium Industry Co., Ltd. and Keda Group for a guarantee based on their proportion of shareholding. The Company agreed to provide a guarantee of no more than RMB 485.80 million based on the proportion of 48.58% for its related party Lanke Lithium Industry to apply to the bank for a loan.

Thereafter, the Company considered and adopted the Proposal on the change of the Provision of Guarantees for Related Parties at the 2nd Meeting for the 8th Board of Directors held on 27 September 2021 and the extraordinary Shareholders' Meeting in 2022 held on 5 January 2022. As a result of change of the lead bank and the amount of facility, Lanke Lithium Industry has adjusted the financing scheme of the project, re-affirming that the syndicated loan will be led by China Development Bank, Qinghai Branch,

and syndicated by Industrial and Commercial Bank of China Limited, Qinghai Branch, Agricultural Bank of China Limited, Qinghai Branch, Bank of China Limited, Qinghai Branch, and China Minsheng Bank Corp., Ltd., Xining Branch, which will establish a syndicate and collectively provide a project loan of no more than RMB800 million for Lanke Lithium Industry with a term of 7 years. The Company agreed to provide a guarantee of no more than RMB 388.64 million based on the proportion of 48.58% for its related party Lanke Lithium Industry to apply to the bank for a loan.

In light of the actual operation of Lanke Lithium Industry, after the above matters were considered and adopted, no syndicated loan and related guarantee provided. There is no such need at the moment.

(3) The Company held the 7th Meeting of the 8th Session of the Board of Directors and the 2021 Annual Shareholders' Meeting on 30 March 2022 and 20 April 2022 respectively, and reviewed and approved the "Proposal on the Daily Connected Transactions of the Company and its Subsidiaries", agreeing that the Company and its subsidiaries have related transactions with Guangzhou Sunda, Sunda Group and its subsidiaries, and the Company is expected to purchase raw materials and commodities of RMB 517.8687 million, sell ceramics and raw materials of RMB 325.815 million and receive labor services of RMB 163.3759 million from the related parties in 2022; agreeing that the subsidiary of the Company would purchase lithium carbonate of RMB 500 million from the joint-stock company Lanke Lithium Industry, sell graphite raw materials of RMB 30 million to the joint-stock company Zhangzhou Juming, and entrust Zhangzhou Juming with graphitization processing of RMB 30 million, and provide Zhangzhou Juming with graphitization processing of RMB 15 million; agreeing that the Company and its subsidiaries would sell building ceramics machinery products of RMB 78 million to the subsidiaries of Hongyu Group.

As of the end of the reporting period, the Company and its subsidiaries, Guangzhou Sunda, Sunda Group and its subsidiaries had purchased raw materials and commodities of RMB 384.6882 million, sold ceramics and raw materials of RMB 203.895 million, and received labor services of RMB 97.2598 million from the related parties; the subsidiaries had purchased lithium carbonate of RMB 335.5754 million from Lanke Lithium Industry, sales of graphitization raw materials of RMB 18.4183 million from Zhangzhou Juming; accepted graphitization processing of RMB 4,273.4 thousand from Zhangzhou Juming; rendered service of RMB 2,492.9 thousand to Zhangzhou Juming; the Company and its subsidiaries had sold building ceramics machinery products of RMB 118.8752 million to the subsidiaries of Hongyu Group.

3. Events that are not disclosed in temporary announcements

☐ Applicable ☒ Not applicable

(II) Related transactions arising from acquisition of assets or acquisition and disposal of equity

1. Matters that have been disclosed in temporary announcements and have no progress or changes in subsequent implementation

☐ Applicable ☒ Not applicable

2. Matters that have been disclosed in temporary announcements but have progress or changes in subsequent implementation

√Applicable □Not applicable

(1) The Company held the 6th Meeting of the 8th Session of the Board of Directors on 19 January 2022, and reviewed and approved the “Proposal on Capital and Share Increase and Related Transaction of the Holding Subsidiary”. In order to optimize the equity structure of lithium battery materials segment, and promote the common growth and development of employees and the enterprises, it is agreed that 142 employees, including key management personnel and key employees of the Company and its subsidiaries, would increase the capital by RMB 41.4093 million to Fujian Keda New Energy at the price of RMB1.0648 per registered capital through four employee shareholding platforms jointly invested and established by them. Gongqingcheng Kexin Investment Partnership (Limited Partnership), one of the employee shareholding platforms established, is a related party of the Company, with some directors, supervisors and key management personnel of the Company as its limited partners. The capital increase constitutes a related party transaction. For details, please refer to the “Announcement on Capital and Share Increase and Related Transaction of the Holding Subsidiary” disclosed by the Company on 20 January 2022.

During the reporting period, four employee shareholding platforms actually increased the capital of Fujian Keda New Energy by RMB 41.4093 million at the price of RMB1.0648/registered capital. The actual number of participants in the four employee shareholding platforms was 142. One of the employee shareholding platforms, Gongqingcheng Kexin Investment Partnership (Limited Partnership) consists of some directors, senior management (directors Yang Xuexian and Zhang Zhonghua, senior management Zeng Fei, Zhou Peng and Li Yuejin) and supervisor (Peng Hengxiang) of the Company as limited partners, and the above-mentioned 6 persons contributed a total of RMB9,246 thousand.

(2) The Company held the 9th Meeting of the 8th Session of the Board of Directors on 29 April 2022, and reviewed and approved the “Proposal on Equity Transfer of the Subsidiary and the Related Transaction”. In order to further improve the long-term incentive mechanism and benefit sharing mechanism of the Company and promote the common growth and development of the management and the enterprise, it was agreed that the Company would transfer 2.85% equity interests in Fujian Keda New Energy to the employee shareholding platform, Gongqingcheng Kexin Investment Partnership (Limited Partnership), at a consideration of RMB9,740.5 thousand. Meanwhile, Yang Xuexian and Zhang Zhonghua, the directors of the Company, and Li Yuejin (the senior management), will increase the capital of Gongqingcheng Kexin Investment Partnership (Limited Partnership) to pay for the equity transfer of Fujian Keda New Energy. The consideration for the equity transfer was derived from the capital increase of Gongqingcheng Kexin Investment Partnership (Limited Partnership) by the associated natural persons (Yang Xuexian and Zhang Zhonghua (the directors) and Li Yuejin (the senior management)) of the Company and the equity transfer constitutes a related transaction. For details, please refer to the

"Announcement on Equity Transfer of the Subsidiary and the Related Transaction" disclosed by the Company on 30 April 2022.

During the reporting period, Yang Xuexian and Zhang Zhonghua, the directors of the Company, and Li Yuejin (the senior management) have increased the capital of Gongqingcheng Kexin Investment Partnership (Limited Partnership) for the purpose of paying the consideration of the equity transfer of Fujian Keda New Energy. Gongqingcheng Kexin Investment Partnership (Limited Partnership) has paid the sum of RMB 9,740.5 thousand for the equity transfer to the Company.

3. Matters not disclosed in preliminary announcements

☐ Applicable ☒ Not applicable

4. Results which are relating to result agreements and shall be disclosed for the reporting period

☐ Applicable ☒ Not applicable

(III) Major related transactions of joint external investments

1. Matters that have been disclosed in preliminary announcements and have no progress or changes in subsequent implementation

☐ Applicable ☒ Not applicable

2. Matters that have been disclosed in preliminary announcements but have progress or changes in subsequent implementation

☐ Applicable ☒ Not applicable

3. Matters not disclosed in preliminary announcements

☐ Applicable ☒ Not applicable

(IV) Amounts due to or from related parties

1. Matters that have been disclosed in preliminary announcements and have no progress or changes in subsequent implementation

☐ Applicable ☒ Not applicable

2. Matters that have been disclosed in preliminary announcements but have progress or changes in subsequent implementation

☐ Applicable ☒ Not applicable

3. Matters not disclosed in preliminary announcements

☐ Applicable ☒ Not applicable

(V) The financial businesses between the Company and the related financial company, the Company's holding financial company and the related party

☐ Applicable ☒ Not applicable

(VI) Other major related transactions

☐ Applicable ☒ Not applicable

(VII) Others

☐ Applicable ☒ Not applicable

XI. Material contracts and their performance

1 Trust, Contracting and Lease

☐Applicable ☒Not applicable

2 Significant guarantees performed and outstanding during the reporting period

√Applicable □Not applicable

Unit: Ten Thousand Yuan Currency: RMB

External guarantee provided by the Company (excluding guarantee for its subsidiaries)															
Guarantor	Relationship between the guarantor and the listed company	Guaranteed party	Amount of guarantee	Date of guarantee (date of executing the agreement)	Commencement date of guarantee	Expiry date of guarantee	Type of Guarantee	Status of principal debt	Collateral (if any)	Whether the performance of guarantee has been completed	Whether the guarantee is overdue	Amount of guarantee overdue	Counter guarantee	Whether it is a related-party guarantee	Relationship
N/A															
Total guarantee incurred during the reporting period (excluding guarantee for its subsidiaries)															
Total balance of guarantee as at the end of the reporting period (A) (excluding guarantee for its subsidiaries)															
Guarantee for subsidiaries granted by the Company															
Total guarantee for the subsidiaries incurred during the reporting period							62,074.42								
Total balance of guarantee for the subsidiaries as at the end of the reporting period (B)							152,313.41								
Total amount of the Company’s guarantee (including guarantee for its subsidiaries)															
Total guarantee amount (A + B)							152,313.41								
Proportion of total guarantee amount to the net assets of the Company (%)							17.70								
Including:															
Guarantee amount provided for shareholders, de facto controllers and their related parties (C)															
Amount of guarantees on debts directly or indirectly provided for guaranteed parties with gearing ratio over 70% (D)							5,624.22								
Portion of the total amount of guarantees in excess of 50% of net assets (E)															
Total guarantee amount of the three items mentioned-above (C+D+E)							5,624.22								
Description of possible several and joint liability for undue guarantee															
Description of the guarantees															

3 Other material contracts

☐Applicable ☒Not applicable

XII. Explanation of other significant matters

☐Applicable ☒Not applicable

Section VII Change in Shares and Details of Shareholders**I. Change in share capital****(I) Table of changes in shares****1. Table of changes in shares**

During the reporting period, there was no change either in the total number of shares or the share capital structure of the Company.

2. Description of change in shares

☐ Applicable ☒ Not applicable

3. Effect of the change in shares on financial indicators such as earnings per share or net assets per share occurred subsequent to the reporting period and up to the date of the interim report (if any)

☒ Applicable ☐ Not applicable

The Company's financial indicator earnings per share was diluted upon its issuance and listing of depository receipts on the SIX Swiss Exchange on 28 July 2022. Based on the total share capital of 1,888,419,929 shares before the change, earnings per share for the interim period of 2022 were RMB1.123, if based on the diluted total share capital of 1,948,419,929 shares after the change, earnings per share for the interim period of 2022 is RMB1.088.

4. Other information deemed necessary by the Company or required to be disclosed by the securities regulatory authorities

☒ Applicable ☐ Not applicable

In June 2022, the Company received the Approval for the Initial Public Offering and Listing of Global Depositary Receipts on SIX Swiss Exchange by Keda Industrial Group Co., Ltd. (Zheng Jian Xu Ke [2022] No. 1279) issued by China Securities Regulatory Commission. For details, please refer to the Announcement Regarding to the Obtaining of Approval from the CSRC for Issuing GDRs and Listing on SIX Swiss Exchange published by the Company on 24 June 2022. On 20 July 2022, the Company obtained a conditional approval from SIX Swiss Exchange Regulatory Authority, which consented the listing of the Company's GDRs on SIX Swiss Exchange subject to the satisfaction of conventional conditions and relevant rules becoming effective. On 22 July 2022, it obtained the approval for the Prospectus for this Offering from the Prospectus Office of SIX Swiss Exchange Regulatory Authority. For details, please refer to the Announcement Regarding to the Conditional Approval by SIX Swiss Exchange Regulatory Authority for the Issuance of GDRs and Listing on SIX Swiss Exchange and the Announcement Regarding

to the Approval by the Prospectus Office of SIX Swiss Exchange Regulatory Authority for the Prospectus for the Issuance of GDRs and Listing on SIX Swiss Exchange as published by the Company on 21 July 2022 and 23 July 2022 respectively.

The GDRs issued by the Company officially commenced to be listed on SIX Swiss Exchange on 28 July 2022 (Swiss time). The number of GDRs issued was 12,000,000, of which each GDR represents 5 A shares of the Company, and the corresponding number of new underlying A shares was 60,000,000 shares. Upon the listing of those new underlying A shares represented by the GDRs in this issuance, the total share capital of the Company changed to 1,948,419,929 shares. For details, please refer to the Announcement Regarding to the Issuance of GDRs and Listing and Trading on SIX Swiss Exchange published by the Company on 29 July 2022.

The GDRs issued by the Company in this offering shall not be converted into A shares within 120 days commencing from 28 July 2022. After 24 November 2022, qualified investors can make cross-border conversion between the GDRs and A shares through a cross-border conversion agent. Cross-border conversion means cancellation of GDRs and sale of underlying A shares and purchase of A shares and the issuance of new GDRs by the qualified investors through the cross-border conversion mechanism. The maximum number of underlying A shares will be adjusted accordingly upon the increase or decrease in the number of GDRs as a result of share awards, share split or consolidation and change of conversion ratio by the Company.

(II) Change in restricted shares

☐ Applicable ☒ Not applicable

II. Shareholders

(I) Total number of shareholders:

Total number of ordinary shareholders as of the end of the reporting period (household)	58,813
Total number of preferred shareholders with voting rights restored as of the end of the	0

(II) Table for shareholding of top ten shareholders and circulating shareholders (or shareholders with unrestrictive sales conditions) as of the end of the reporting period

Unit: share

Top ten shareholders' shareholdings							
Name of shareholder (full name)	Increase/decrease in the reporting period	Shareholding at the end of the period	Proportion (%)	Number of shares held with restrictive sales conditions	Pledged, marked or frozen		Nature of shareholders
					Status of shares	Number	
Liang Tongcan	0	357,142,779	18.91	215,824,827	Pledged	156,600,000	Domestic natural person
Lu Qin	0	125,983,334	6.67	0	N/A	0	Domestic natural person

Macrolink Holding Co., Ltd.	-18,800,000	124,919,652	6.62	0	Frozen	124,919,652	Domestic non-state owned legal person
Bian Cheng	0	98,699,598	5.23	0	N/A	0	Domestic natural person
Shi Tingbo	202,000	57,071,000	3.02	0	N/A	0	Domestic natural person
Foshan Newpearl Group Co., Ltd.	0	52,994,111	2.81	52,994,111	N/A	0	Domestic non-state owned legal person
Keda Industrial Group Co., Ltd. - 2020 Employee Stock Ownership Plan	0	43,113,440	2.28	0	N/A	0	Others
Xie Yuezeng	0	42,395,289	2.25	42,395,289	N/A	0	Domestic natural person
Hong Kong Securities Clearing Company Limited	26,750,928	39,071,162	2.07	0	N/A	0	Overseas legal person
Shi Liyun	-2,453,100	38,107,000	2.02	0	N/A	0	Domestic natural person
Shareholding of top ten shareholders with unrestrictive sales conditions							
Shareholder's name	Number of circulating shares held with unrestrictive sales conditions	Type and number of shares					
		Type	Number				
Liang Tongcan	141,317,952	A share	141,317,952				
Lu Qin	125,983,334	A share	125,983,334				
Macrolink Holding Co., Ltd.	124,919,652	A share	124,919,652				
Bian Cheng	98,699,598	A share	98,699,598				
Shi Tingbo	57,071,000	A share	57,071,000				
Keda Industrial Group Co., Ltd. - 2020 Employee Stock Ownership Plan	43,113,440	A share	43,113,440				
Hong Kong Securities Clearing Company Limited	39,071,162	A share	39,071,162				
Shi Liyun	38,107,000	A share	38,107,000				
Bank of China Limited - UBS SDIC New Energy Hybrid Securities Investment Fund	35,372,241	A share	35,372,241				
Bank of China Limited - UBS SDIC Industrial Trend Hybrid Securities Investment Fund	21,724,212	A share	21,724,212				
Description of the special account for the repurchase of top ten shareholders	N/A						

Description of the above shareholders' entrusting voting rights, entrusted voting rights and waiver of voting rights	N/A
Description of associated relationship or concerted action of shareholders mentioned above	Among the shareholders mentioned above, Liang Tongcan, Lu Qin, Macrolink Holding Co., Ltd., Bian Cheng, Foshan Newpearl Group Co., Ltd. and Xie Yuezeng have no associated relationship nor are they persons acting in concert. Keda Industrial Group Co., Ltd. - 2020 Employee Stock Ownership Plan is a special securities account for the Company's employee stock ownership plan. It is unknown whether other shareholders have associated relationship or are persons acting in concert.
Description of preferred shareholders with restored voting rights and the number of shares held	N/A

Number of shares held by top ten shareholders with restrictive sales conditions and the restrictions for sale

☒ Applicable ☐ Not applicable

Unit: share

No.	Name of shareholder with restrictive sales conditions	Number of shares held with restrictive sales conditions	Trading of shares with restrictive sales conditions on the market		Restriction
			Tradable time	Number of new shares available for trading	
1	Liang Tongcan	215,824,827	2023-06-05	215,824,827	The shares shall not be transferred within 36 months from the closing date of issuance
2	Foshan Newpearl Group Co., Ltd.	52,994,111	2023-06-05	52,994,111	The shares shall not be transferred within 36 months from the closing date of issuance
3	Xie Yuezeng	42,395,289	2023-06-05	42,395,289	The shares shall not be transferred within 36 months from the closing date of issuance
Description of associated relationships or concerted action of shareholders mentioned above		There is no associated relationship among the aforementioned shareholders, nor are they persons acting in concert as defined in the Regulations on the Takeover of Listed Companies.			

(III) Strategic investors or general legal persons become top ten shareholders as a result of placing of new shares

☐ Applicable ☒ Not applicable

III. Directors, supervisors and senior management

(I) Changes in shareholding of the current and retired directors, supervisors and senior management during the reporting period

☐ Applicable ☒ Not applicable

Description of other cases

☐ Applicable ☒ Not applicable

(II) Share incentives granted to directors, supervisors and senior management during the reporting period

☐ Applicable ☒ Not applicable

(III) Other description

☐ Applicable ☒ Not applicable

IV. Change of controlling shareholders or de facto controller

☐ Applicable ☒ Not applicable

Section VIII Preferred Shares

☐ Applicable ☒ Not applicable

Section IX Bonds

I. Enterprise Bonds, corporate bonds and debt financing instruments issued by non-financial enterprises

☐ Applicable ☒ Not applicable

II. Convertible corporate bonds

☐ Applicable ☒ Not applicable

Section X Financial Report

I. Auditor's Report

☐Applicable ☒Not applicable

II. Financial Statements

Consolidated Balance Sheet

30 June 2022

Prepared by: Keda Industrial Group Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	Closing balance	Opening balance
Current assets:			
Monetary funds	VII. 1	2,403,934,861.90	1,960,658,820.77
Settlement funds			
Lending funds			
Financial assets held for trading	VII. 2		58,233,994.24
Derivative financial assets			
Notes receivable	VII. 4	18,434,004.14	17,980,730.39
Accounts receivable	VII. 5	1,628,899,383.27	1,441,531,780.34
Receivables financing	VII. 6	153,286,962.59	230,376,142.57
Prepayments	VII. 7	362,825,166.84	260,960,709.95
Premium receivable			
Reinsurance accounts receivable			
Provision for reinsurance contract receivable			
Other receivables	VII. 8	140,208,923.08	107,980,971.15
Including: Interest receivable			
Dividends receivable			
Purchases of resold financial assets			
Inventories	VII. 9	3,259,174,630.84	3,262,445,445.43
Contract assets	VII. 10	394,956,748.15	354,999,939.65
Assets held for sale			
Non-current assets due within one year	VII. 12	585,147,039.11	641,167,056.20
Other current assets	VII. 13	165,380,192.48	172,148,929.40
Total current assets		9,112,247,912.40	8,508,484,520.09
Non-current assets:			
Loans and advances granted			
Debt investments			

Other debt investments			
Long-term receivables	VII. 16	178,710,211.46	192,964,094.63
Long-term equity investments	VII. 17	3,553,600,195.83	2,092,198,825.87
Other equity instrument investments	VII. 18	8,584,562.02	8,584,562.02
Other non-current financial assets	VII. 19	5,000,000.00	5,000,000.00
Investment properties			
Fixed assets	VII. 21	3,251,571,033.90	2,936,739,595.20
Construction in progress	VII. 22	212,777,972.23	301,903,481.46
Productive biological assets			
Oil and gas assets			
Right-of-use assets	VII. 25	9,240,562.91	10,267,292.15
Intangible assets	VII. 26	868,347,278.32	870,648,992.56
Development expenses			
Goodwill	VII. 28	967,102,690.09	967,102,690.09
Long-term prepaid expenses	VII. 29	13,606,780.69	15,577,527.71
Deferred income tax assets	VII. 30	165,532,280.16	174,841,055.68
Other non-current assets	VII. 31	70,770,414.64	39,031,712.39
Total non-current assets		9,304,843,982.25	7,614,859,829.76
Total assets		18,417,091,894.65	16,123,344,349.85
Current liabilities:			
Short-term loans	VII. 32	1,384,372,786.88	911,648,918.00
Borrowings from the Central Bank			
Borrowing funds			
Financial liabilities held for trading	VII. 33	5,977,359.97	2,139,425.27
Derivative financial liabilities			
Notes payable	VII. 35	912,318,825.99	745,183,013.84
Accounts payable	VII. 36	1,728,928,294.55	1,911,355,898.11
Receipts in advance			
Contract liabilities	VII. 38	1,510,221,358.83	1,743,501,996.08
Funds from disposal of repurchased financial assets			
Deposit-taking and inter-bank deposits			
Payments received for securities brokerage			
Payments received for securities underwriting			
Payroll payable	VII. 39	101,229,243.62	184,806,674.29
Taxes payable	VII. 40	87,379,733.53	95,043,143.23
Other payables	VII. 41	132,404,187.66	135,707,186.60
Including: Interest payable			

Dividends payable			
Handling charges and commission			
Reinsurance accounts payable			
Liabilities held for sale			
Non-current liabilities due within one year	VII. 43	700,880,721.62	510,623,921.75
Other current liabilities	VII. 44	123,122,925.23	149,079,628.35
Total current liabilities		6,686,835,437.88	6,389,089,805.52
Non-current liabilities:			
Insurance contracts provision			
Long-term loans	VII. 45	1,286,688,066.34	1,534,798,634.42
Bonds payable			
Including: Preferred stock			
Perpetual bonds			
Lease liabilities	VII. 47	9,564,454.78	10,498,160.65
Long-term payables			
Long-term payroll payables			
Estimated liabilities	VII. 50	188,330,043.07	99,652,527.18
Deferred income	VII. 51	8,900,000.00	10,400,000.00
Deferred income tax liabilities	VII. 30	15,049,717.17	15,479,734.29
Other non-current liabilities	VII. 52	66,604,141.93	68,039,290.60
Total non-current liabilities		1,575,136,423.29	1,738,868,347.14
Total liabilities		8,261,971,861.17	8,127,958,152.66
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	VII. 53	1,888,419,929.00	1,888,419,929.00
Other equity instruments			
Including: Preferred stock			
Perpetual bonds			
Capital reserves	VII. 55	1,906,999,668.12	1,904,261,260.40
Less: Treasury stock			
Other comprehensive income	VII. 57	-139,460,336.46	-110,427,080.90
Special reserves			
Surplus reserves	VII. 59	355,350,662.45	355,350,662.45
General risk provision			
Undistributed profits	VII. 60	4,594,923,670.89	2,814,114,079.93
Total owners' equity (or shareholders' equity) attributable to parent company		8,606,233,594.00	6,851,718,850.88
Non-controlling interests		1,548,886,439.48	1,143,667,346.31
Total owners' equity (or shareholders' equity)		10,155,120,033.48	7,995,386,197.19

Total liabilities and owners' equity (or shareholders' equity)		18,417,091,894.65	16,123,344,349.85
--	--	-------------------	-------------------

Person in charge of the Company: Bian Cheng Accounting Director: Zeng Fei Person in charge of accounting department: Zeng Fei

Balance Sheet of Parent Company

30 June 2022

Prepared by: Keda Industrial Group Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	Closing balance	Opening balance
Current assets:			
Monetary funds		848,785,198.68	655,431,681.62
Financial assets held for trading			58,233,994.24
Derivative financial assets			
Notes receivable		6,485,787.75	1,619,975.76
Accounts receivable	XVII. 1	570,148,412.10	532,635,494.34
Receivables financing		31,750,619.53	58,406,767.28
Prepayments		20,512,413.93	19,106,487.50
Other receivables	XVII. 2	853,803,845.15	929,586,253.03
Including: Interest receivable			
Dividends receivable			
Inventories		500,013,840.30	520,304,228.66
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets		2,810,793.99	3,441,574.20
Total current assets		2,834,310,911.43	2,778,766,456.63
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	XVII.3	6,134,697,023.72	6,076,060,794.36
Other equity instrument investments		1,764,000.00	1,764,000.00
Other non-current financial assets		5,000,000.00	5,000,000.00
Investment properties			
Fixed assets		256,256,910.97	278,711,466.21
Construction in progress		28,884,799.79	11,819,448.10
Productive biological assets			
Oil and gas assets			

Right-of-use assets			
Intangible assets		35,801,161.57	28,146,634.36
Development expenses			
Goodwill			
Long-term prepaid expenses			
Deferred income tax assets		127,550,116.28	127,304,079.08
Other non-current assets			
Total non-current assets		6,589,954,012.33	6,528,806,422.11
Total assets		9,424,264,923.76	9,307,572,878.74
Current liabilities:			
Short-term loans		701,945,200.00	371,249,804.44
Financial liabilities held for trading		2,312,559.97	
Derivative financial liabilities			
Notes payable		419,941,132.51	516,950,626.57
Accounts payable		537,999,226.88	546,757,982.25
Receipts in advance			
Contract liabilities		237,023,252.96	300,963,245.32
Payroll payable		42,542,720.80	74,890,541.07
Taxes payable		1,778,106.73	13,515,378.63
Other payables		889,228,612.83	762,460,404.20
Including: Interest payable			
Dividends payable			
Liabilities held for sale			
Non-current liabilities due within one year		75,198,330.56	38,230,000.00
Other current liabilities		27,050,512.70	35,288,114.76
Total current liabilities		2,935,019,655.94	2,660,306,097.24
Non-current liabilities:			
Long-term loans		479,517,189.08	543,500,032.82
Bonds payable			
Including: Preferred stock			
Perpetual bonds			
Lease liabilities			
Long-term payables			
Long-term payroll payables			
Estimated liabilities		187,592,351.57	96,521,800.00
Deferred income			
Deferred income tax liabilities			
Other non-current liabilities		29,930,000.00	29,710,000.00

Total non-current liabilities		697,039,540.65	669,731,832.82
Total liabilities		3,632,059,196.59	3,330,037,930.06
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)		1,888,419,929.00	1,888,419,929.00
Other equity instruments			
Including: Preferred stock			
Perpetual bonds			
Capital reserves		2,434,843,082.67	2,418,337,921.57
Less: Treasury stock			
Other comprehensive income			
Special reserves			
Surplus reserves		348,343,619.42	348,343,619.42
Undistributed profits		1,120,599,096.08	1,322,433,478.69
Total owners' equity (or shareholders' equity)		5,792,205,727.17	5,977,534,948.68
Total liabilities and owners' equity (or shareholders' equity)		9,424,264,923.76	9,307,572,878.74

Person in charge of the Company: Bian Cheng Accounting Director: Zeng Fei Person in charge of accounting department: Zeng Fei

Consolidated Income Statement

January-June 2022

Unit: Yuan Currency: RMB

Item	Note	Interim period of 2022	Interim period of 2021
I. Total operating revenue		5,651,132,409.07	4,557,931,331.27
Including: Operating revenue	VII. 61	5,651,132,409.07	4,557,931,331.27
Interest income			
Premium earned			
Handling charges and commission income			
II. Total operating expenses		4,859,650,833.71	4,111,351,707.26
Including: Operating expenses	VII. 61	4,034,984,209.01	3,441,556,320.26
Interest expenses			
Handling charges and commission payment			
Surrender value			
Net compensation expenses			
Net provision for insurance contract reserves			
Policy dividend expense			
Reinsurance cost			
Taxes and surcharges	VII. 62	26,721,754.65	21,369,792.62

Selling expenses	VII. 63	264,560,716.21	229,227,268.65
Management expenses	VII. 64	335,813,649.90	226,847,337.91
R&D expenses	VII. 65	156,437,290.18	123,713,237.21
Financial expenses	VII. 66	41,133,213.76	68,637,750.61
Including: Interest expenses		51,391,933.92	44,924,857.48
Interest income		10,109,419.56	6,927,257.82
Add: Other income	VII. 67	48,333,234.43	51,382,293.31
Investment income (losses marked with “-”)	VII. 68	1,797,629,653.68	123,636,308.11
Including: Investment income in associates and joint ventures		1,798,760,189.11	109,771,405.40
Derecognition of income from financial assets measured at amortized cost (losses marked with “-”)			
Exchange gains (losses marked with “-”)			
Net exposure hedging income (losses marked with “-”)			
Income from changes in fair value (losses marked with “-”)	VII. 70	15,450,885.07	2,006,789.32
Credit impairment loss (losses marked with “-”)	VII. 71	-13,007,467.16	-10,543,739.15
Impairment losses on assets (losses marked with “-”)	VII. 72	88,312,182.94	1,142,579.42
Income from disposal of assets (losses marked with “-”)	VII. 73	-571,585.65	-1,157,692.66
III. Operating profits (losses marked with “-”)		2,727,628,478.67	613,046,162.36
Add: Non-operating revenue	VII. 74	13,233,470.01	14,250,300.74
Less: Non-operating expenses	VII. 75	103,010,387.37	6,773,335.25
IV. Total profit (total losses marked with “-”)		2,637,851,561.31	620,523,127.85
Less: Income tax expenses	VII. 76	70,227,937.31	25,113,280.86
V. Net profit (net losses marked with “-”)		2,567,623,624.00	595,409,846.99
(I) Classified by business continuity			
1. Net profit from continuing operations (net losses marked with “-”)		2,481,298,070.08	598,686,000.64
2. Net profit from discontinued operations (net losses marked with “-”)		86,325,553.92	-3,276,153.65
(II) Classified by ownership			
1. Net profit attributable to shareholders of parent company (net losses marked with “-”)		2,120,725,178.18	409,432,571.96
2. Profit or loss attributable to minority interests (net losses marked with “-”)		446,898,445.82	185,977,275.03
VI. Other comprehensive income, net of tax		-70,131,637.34	-33,949,833.99

(I) Other comprehensive income attributable to owners of parent company, net of tax		-29,033,255.56	-20,635,395.78
1. Other comprehensive income that may not be reclassified to profit or loss			
(1) Change in re-measurement of defined benefit plan			
(2) Other comprehensive income that may not be transferred to profit or loss under equity method			
(3) Changes in fair value of other equity instrument investments			
(4) Changes in fair value of enterprise's own credit risk			
2. Other comprehensive income that will be reclassified to profit or loss		-29,033,255.56	-20,635,395.78
(1) Other comprehensive income that may be transferred to profit or loss under equity method			
(2) Changes in fair value of other debt investments			
(3) Amount of financial assets reclassified to other comprehensive income			
(4) Credit impairment provision of other debt investments			
(5) Cash flow hedging reserve			-1,372,500.00
(6) Exchange difference on translation of financial statements in foreign currency		-29,033,255.56	-19,262,895.78
(7) Others			
(II) Other comprehensive income attributable to minority interests, net of tax		-41,098,381.78	-13,314,438.21
VII. Total comprehensive income		2,497,491,986.66	561,460,013.00
(I) Total comprehensive income attributable to owners of parent company		2,091,691,922.62	388,797,176.18
(II) Total comprehensive income attributable to minority interests		405,800,064.04	172,662,836.82
VIII. Earnings per share:			
(I) Basic earnings per share (RMB per share)		1.123	0.218
(II) Diluted earnings per share (RMB per share)		1.123	0.218

Person in charge of the Company: Bian Cheng Accounting Director: Zeng Fei Person in charge of accounting department: Zeng Fei

Income Statement of Parent Company

January-June 2022

Unit: Yuan Currency: RMB

Item	Note	Interim period of 2022	Interim period of 2021
I. Operating revenue	XVII. 4	1,213,683,667.70	1,478,588,799.82
Less: Operating expenses	XVII. 4	969,352,823.86	1,257,244,330.36

Taxes and surcharges		9,926,028.32	6,639,215.28
Selling expenses		67,047,542.40	72,973,331.22
Management expenses		94,559,229.15	69,380,445.51
R&D expenses		50,366,872.89	41,078,925.98
Financial expenses		29,638,373.12	16,142,115.45
Including: Interest expenses		26,185,613.73	18,557,428.69
Interest income		4,431,284.24	4,096,424.86
Add: Other income		15,798,029.77	9,447,458.69
Investment income (losses marked with “-”)	XVII. 5	207,423,101.43	125,669,092.82
Including: Investment income in associates and joint ventures		4,145,952.03	-3,310,507.18
Derecognition of income from financial assets measured at amortized cost (losses marked with “-”)			
Net exposure hedging income (losses marked with “-”)			
Income from changes in fair value (losses marked with “-”)		13,325,806.71	1,452,845.99
Credit impairment loss (losses marked with “-”)		-1,656,636.28	598,034,558.01
Impairment losses on assets (losses marked with “-”)			-600,000,000.00
Income from disposal of assets (losses marked with “-”)		-1,619,141.19	-515,831.01
II. Operating profits (losses marked with “-”)		226,063,958.40	149,218,560.52
Add: Non-operating revenue		278,102.97	124,434.53
Less: Non-operating expenses		91,434,081.64	3,900,010.81
III. Total profit (total losses marked with “-”)		134,907,979.73	145,442,984.24
Less: Income tax expenses		-3,173,224.88	43,781.01
IV. Net profit (net losses marked with “-”)		138,081,204.61	145,399,203.23
(I) Net profit from continuing operations (net losses marked with “-”)		138,081,204.61	145,399,203.23
(II) Net profit from discontinued operations (net losses marked with “-”)			
V. Other comprehensive income, net of tax			
(I) Other comprehensive income that may not be reclassified to profit or loss			
1. Change in re-measurement of defined benefit plan			
2. Other comprehensive income that may not be transferred to profit or loss under equity method			

3. Changes in fair value of other equity instrument investments			
4. Changes in fair value of enterprise's own credit risk			
(II) Other comprehensive income that will be reclassified to profit or loss			
1. Other comprehensive income that may be transferred to profit or loss under equity method			
2. Changes in fair value of other debt investments			
3. Amount of financial assets reclassified to other comprehensive income			
4. Credit impairment provision of other debt investments			
5. Cash flow hedging reserve			
6. Exchange difference on translation of financial statements in foreign currency			
7. Others			
VI. Total comprehensive income			
VII. Earnings per share:			
(I) Basic earnings per share (RMB per share)			
(II) Diluted earnings per share (RMB per share)			

Person in charge of the Company: Bian Cheng Accounting Director: Zeng Fei Person in charge of accounting department: Zeng Fei

Consolidated Cash Flow Statement

January-June 2022

Unit: Yuan Currency: RMB

Item	Note	Interim period of 2022	Interim period of 2021
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		4,970,738,128.46	4,419,432,173.64
Net increase in customer deposit and interbank deposit			
Net increase in borrowings from the Central Bank			
Net increase in borrowing funds from other financial institutions			
Cash received from premium of original insurance contracts			
Net cash received from reinsurance business			

Net increase in the insured's deposit and investment			
Cash received from interest, handling charges and commission			
Net increase in borrowing funds			
Net increase in buyback business			
Net cash received for securities brokerage			
Tax refunds received		272,759,720.74	128,932,090.96
Other cash received relating to operating activities	VII. 78	70,498,320.71	66,667,620.51
Subtotal of cash inflow from operating activities		5,313,996,169.91	4,615,031,885.11
Cash paid for purchase of goods and receipt of services		3,758,442,001.53	3,235,639,089.12
Net increase in loans and advances from customers			
Net increase in deposits in the Central Bank and interbank			
Cash payments of claims for original insurance contracts			
Net increase in lending funds			
Cash paid for interest, handling charges and commission			
Cash paid for policy dividend			
Cash paid to and for staff		580,268,724.19	488,176,899.19
Various types of taxes paid		209,358,097.71	143,927,772.27
Other cash paid relating to operating activities	VII. 78	414,058,935.52	309,195,685.47
Subtotal of cash outflow from operating activities		4,962,127,758.95	4,176,939,446.05
Net cash flows from operating activities		351,868,410.96	438,092,439.06
II. Cash flows from investment activities:			
Cash received from disposal of investments			6,326,765.01
Cash received from investment income		341,516,312.69	325,172.08
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		3,691,152.24	566,770.43
Net cash received from disposal of subsidiaries and other business units		1,870,431.33	20,000,231.93
Other cash received relating to investment activities	VII. 78	282,756,060.84	601,561,171.09
Subtotal of cash inflow from investing activities		629,833,957.10	628,780,110.54
Cash paid for purchase and construction of fixed assets, intangible assets and other long-		387,526,011.17	204,832,222.91

term assets			
Cash paid for investment			301,165,630.95
Net increase in pledged loans			
Net cash paid for the acquisition of subsidiaries and other business units			375,000,000.00
Other cash paid relating to investment activities	VII. 78	206,185,387.14	780,114,404.80
Subtotal of cash outflow from investing activities		593,711,398.31	1,661,112,258.66
Net cash flows from investing activities		36,122,558.79	-1,032,332,148.12
III. Cash flows from financing activities:			
Cash received from capital contributions		67,809,300.00	49,295,007.56
Including: Cash received from minority shareholders investment by subsidiaries		67,809,300.00	49,295,007.56
Cash received from borrowings		1,371,923,413.33	1,743,585,411.09
Other cash received relating to financing activities	VII.78	243,178,073.20	272,363,222.03
Subtotal of cash inflow from financing activities		1,682,910,786.53	2,065,243,640.68
Cash paid for debt repayment		966,987,354.54	872,949,418.44
Cash paid for distributing dividend, profit or repaying interest		495,150,378.27	331,299,045.11
Including: Dividend and profit paid to minority shareholders by subsidiaries		100,248,610.00	93,740,841.60
Other cash paid relating to financing activities	VII. 78	487,956,786.90	355,261,728.09
Subtotal of cash outflow from financing activities		1,950,094,519.71	1,559,510,191.64
Net cash flows from financing activities		-267,183,733.18	505,733,449.04
IV. Effect of foreign exchange rate changes on cash and cash equivalents		10,411,508.43	-10,573,869.62
V. Net increase in cash and cash equivalents		131,218,745.00	-99,080,129.64
Add: Opening balance of cash and cash equivalents		1,687,793,105.33	1,231,793,607.85
VI. Closing balance of cash and cash equivalents		1,819,011,850.33	1,132,713,478.21

Person in charge of the Company: Bian Cheng Accounting Director: Zeng Fei Person in charge of accounting department: Zeng Fei

Cash Flow Statement of Parent Company

January-June 2022

Unit: Yuan Currency: RMB

Item	Note	Interim period of 2022	Interim period of 2021
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		1,096,677,293.51	1,354,865,321.39
Tax refunds received		72,987,386.53	32,892,763.93
Other cash received relating to operating activities		550,051,288.07	465,651,155.60
Subtotal of cash inflow from operating activities		1,719,715,968.11	1,853,409,240.92
Cash paid for purchase of goods and receipt of services		1,169,793,664.80	893,984,800.70
Cash paid to and for staff		209,212,339.03	157,138,426.97
Various types of taxes paid		29,325,472.20	23,999,570.03
Other cash paid relating to operating activities		320,282,371.69	779,234,780.03
Subtotal of cash outflow from operating activities		1,728,613,847.72	1,854,357,577.73
Net cash flows from operating activities		-8,897,879.61	-948,336.81
II. Cash flows from investment activities:			
Cash received from disposal of investments		168,759,020.00	650,000,000.00
Cash received from investment income		249,508,697.99	128,979,550.81
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		203,000.00	7,223.06
Net cash received from disposal of subsidiaries and other business units			
Other cash received relating to investment activities		225,000,000.00	579,824,856.64
Subtotal of cash inflow from investing activities		643,470,717.99	1,358,811,630.51
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		27,163,563.37	22,686,699.06
Cash paid for investment		268,691,600.00	940,664,924.22
Net cash paid for the acquisition of subsidiaries and other business units			
Other cash paid relating to investment activities		170,749,488.89	759,900,000.00
Subtotal of cash outflow from investing activities		466,604,652.26	1,723,251,623.28
Net cash flows from investing activities		176,866,065.73	-364,439,992.77
III. Cash flows from financing activities:			
Cash received from capital contributions			

Cash received from borrowings		635,965,486.82	903,699,553.17
Other cash received relating to financing activities		48,641,656.79	68,933,659.65
Subtotal of cash inflow from financing activities		684,607,143.61	972,633,212.82
Cash paid for debt repayment		333,892,241.94	412,396,267.97
Cash paid for distributing dividend, profit or repaying interest		365,810,052.33	205,825,581.10
Other cash paid relating to financing activities		43,202,691.10	24,001,654.71
Subtotal of cash outflow from financing activities		742,904,985.37	642,223,503.78
Net cash flows from financing activities		-58,297,841.76	330,409,709.04
IV. Effect of foreign exchange rate changes on cash and cash equivalents		1,311,367.39	-1,484,364.00
V. Net increase in cash and cash equivalents		110,981,711.75	-36,462,984.54
Add: Opening balance of cash and cash equivalents		584,126,143.03	344,097,454.36
VI. Closing balance of cash and cash equivalents		695,107,854.78	307,634,469.82

Person in charge of the Company: Bian Cheng Accounting Director: Zeng Fei Person in charge of accounting department: Zeng Fei

Consolidated Statement of Changes in Owners' Equity
January-June 2022

Unit: Yuan Currency: RMB

Item	Interim period of 2022														
	Owners' equity attributable to parent company													Minority interests	Total owners' equity
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	General risk provision	Undistributed profit	Others	Subtotal		
Preferred stock	Perpetual bonds	Others													
I. Balance at the end of last year	1,888,419,929.00				1,904,261,260.40		-110,427,080.90		355,350,662.45		2,814,114,079.93		6,851,718,850.88	1,143,667,346.31	7,995,386,197.19
Add: Change in accounting policy															
Correction of accounting errors in prior periods															
Business combinations under common control															
Others															
II. Balance at the beginning of the year	1,888,419,929.00				1,904,261,260.40		-110,427,080.90		355,350,662.45		2,814,114,079.93		6,851,718,850.88	1,143,667,346.31	7,995,386,197.19
III. Increase or decrease in amount for current period (decrease marked with “-”)					2,738,407.72		-29,033,255.56				1,780,809,590.96		1,754,514,743.12	405,219,093.17	2,159,733,836.29
(I) Total comprehensive income							-29,033,255.56				2,120,725,178.18		2,091,691,922.62	405,800,064.04	2,497,491,986.66
(II) Capital contribution or reduction by owners					611,119.04								611,119.04	99,667,639.13	100,278,758.17
1. Ordinary shares contributed by owners														51,809,300.00	51,809,300.00
2. Capital contribution by other equity instrument holders															
3. Share-based payments recognized in owners' equity					33,717,039.59								33,717,039.59	14,531,374.89	48,248,414.48
4. Others					-33,105,920.55								-33,105,920.55	33,326,964.24	221,043.69
(III) Profit distribution											-339,915,587.22		-339,915,587.22	-100,248,610.00	-440,164,197.22
1. Withdrawal of surplus reserves															
2. Withdrawal of general risk provision															

3. Distribution to owners (or shareholders)											-339,915,587.22		-339,915,587.22	-100,248,610.00	-440,164,197.22
4. Others															
(IV) Internal transfer of owners' equity															
1. Transfer of capital reserves to capital (or share capital)															
2. Transfer of surplus reserves to capital (or share capital)															
3. Surplus reserves to cover losses															
4. Carry-forward of changes in the defined benefit plan for retained profit															
5. Carry-forward of other comprehensive income for retained profit															
6. Others															
(V) Special reserves															
1. Amount withdrawn during current period															
2. Amount utilized during current period															
(VI) Others					2,127,288.68								2,127,288.68		2,127,288.68
IV. Balance at the end of current period	1,888,419,929.00				1,906,999,668.12		-139,460,336.46		355,350,662.45		4,594,923,670.89		8,606,233,594.00	1,548,886,439.48	10,155,120,033.48

Item	Interim period of 2021														
	Owners' equity attributable to parent company													Minority interests	Total owners' equity
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	General risk provision	Undistributed profit	Others	Subtotal		
		Preferred stock	Perpetual bonds	Others											
I. Balance at the end of last year	1,888,419,929.00				1,895,343,277.29	200,003,570.71	-55,480,457.31		340,251,016.75		2,068,506,953.16		5,937,037,148.18	829,987,759.67	6,767,024,907.85
Add: Change in accounting policy											-56,208,525.30		-56,208,525.30		-56,208,525.30
Correction of accounting errors in prior periods															

Business combinations under common control															
Others															
II. Balance at the beginning of the year	1,888,419,929.00				1,895,343,277.29	200,003,570.71	-55,480,457.31		340,251,016.75		2, 012,298,427.86		5, 880,828,622.88	829,987,759.67	6, 710,816,382.55
III. Increase or decrease in amount for current period (decrease marked with “-”)					-139,531,560.06	-200,003,570.71	-20,635,395.78				220,590,579.06		260,427,193.93	51,663,298.45	312,090,492.38
(I) Total comprehensive income							-20,635,395.78				409,432,571.96		388,797,176.18	172,662,836.82	561,460,013.00
(II) Capital contribution or reduction by owners					-140,716,384.38	-200,003,570.71							59,287,186.33	-27,258,696.77	32,028,489.56
1. Ordinary shares contributed by owners														49,295,007.56	49,295,007.56
2. Capital contribution by other equity instrument holders															
3. Share-based payments recognized in owners’ equity					-113,776,690.71	-200,003,570.71							86,226,880.00		86,226,880.00
4. Others					-26,939,693.67								-26,939,693.67	-76,553,704.33	-103,493,398.00
(III) Profit distribution											-188,841,992.90		-188,841,992.90	-93,740,841.60	-282,582,834.50
1. Withdrawal of surplus reserves															
2. Withdrawal of general risk provision															
3. Distribution to owners (or shareholders)											-188,841,992.90		-188,841,992.90	-93,740,841.60	-282,582,834.50
4. Others															
(IV) Internal transfer of owners’ equity															
1. Transfer of capital reserves to capital (or share capital)															
2. Transfer of surplus reserves to capital (or share capital)															
3. Surplus reserves to cover losses															

4. Carry-forward of changes in the defined benefit plan for retains profit															
5. Carry-forward of other comprehensive income for retained profit															
6. Others															
(V) Special reserves															
1. Amount withdrawn during current period															
2. Amount utilized during current period															
(VI) Others					1,184,824.32								1,184,824.32		1,184,824.32
IV. Balance at the end of current period	1,888,419,929.00				1,755,811,717.23		-76,115,853.09		340,251,016.75		2, 232,889,006.92		6, 141,255,816.81	881,651,058.12	7, 022,906,874.93

Person in charge of the Company: Bian Cheng

Accounting Director: Zeng Fei

Person in charge of accounting department: Zeng Fei

Statement of Changes in Owners’ Equity for Parent Company
January-June 2022

Unit: Yuan Currency: RMB

Item	Interim period of 2022										
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Total owners’ equity
		Preferred stock	Perpetual bonds	Others							
I. Balance at the end of last year	1,888,419,929.00				2,418,337,921.57				348,343,619.42	1,322,433,478.69	5,977,534,948.68
Add: Change in accounting policy											
Correction of accounting errors in prior periods											
Others											
II. Balance at the beginning of the year	1,888,419,929.00				2,418,337,921.57				348,343,619.42	1,322,433,478.69	5,977,534,948.68
III. Increase or decrease in amount for current period (decrease marked with “-”)					16,505,161.10					-201,834,382.61	-185,329,221.51
(I) Total comprehensive income										138,081,204.61	138,081,204.61
(II) Capital contribution or reduction by owners					15,949,161.10						15,949,161.10
1. Ordinary shares contributed by the owners											
2. Capital contribution by other equity instrument holders											
3. Share-based payment recognized in owners’ equity					15,949,161.10						15,949,161.10
4. Others											

(III) Profit distribution										-339,915,587.22	-339,915,587.22
1. Withdrawal of surplus reserves											
2. Distributions to owners (shareholders)										-339,915,587.22	-339,915,587.22
3. Others											
(IV) Internal transfer of owners' equity											
1. Transfer of capital reserves to capital (or share capital)											
2. Transfer of surplus reserves to capital (or share capital)											
3. Surplus reserves to cover losses											
4. Carry-forward of changes in the defined benefit plan for retained profit											
5. Carry-forward of other comprehensive income for retained profit											
6. Others											
(V) Special reserves											
1. Amount withdrawn during current period											
2. Amount utilized during current period											
(VI) Others					556,000.00						556,000.00
IV. Balance at the end of current period	1,888,419,929.00				2,434,843,082.67				348,343,619.42	1,120,599,096.08	5,792,205,727.17

Item	Interim period of 2021										
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Total owners' equity
		Preferred stock	Perpetual bonds	Others							
I. Balance at the end of last year	1,888,419,929.00				2,416,425,904.52	200,003,570.71			333,243,973.72	1,375,378,660.30	5,813,464,896.83
Add: Change in accounting policy											
Correction of accounting errors in prior periods											
Others											
II. Balance at the beginning of the year	1,888,419,929.00				2,416,425,904.52	200,003,570.71			333,243,973.72	1,375,378,660.30	5,813,464,896.83
III. Increase or decrease in amount for current period (decrease marked with “-”)					-113,776,690.71	-200,003,570.71				-43,442,789.67	42,784,090.33
(I) Total comprehensive income										145,399,203.23	145,399,203.23
(II) Capital contribution or reduction by owners					-113,776,690.71	-200,003,570.71					86,226,880.00
1. Ordinary shares contributed by the owners											

2. Capital contribution by other equity instrument holders											
3. Share-based payment recognized in owners' equity					-113,776,690.71	-200,003,570.71					86,226,880.00
4. Others											
(III) Profit distribution										-188,841,992.90	-188,841,992.90
1. Withdraw surplus reserves											
2. Distributions to owners (shareholders)										-188,841,992.90	-188,841,992.90
3. Others											
(IV) Internal transfer of owners' equity											
1. Transfer of capital reserves to capital (or share capital)											
2. Transfer of surplus reserves to capital (or share capital)											
3. Surplus reserves to cover losses											
4. Carry-forward of changes in the defined benefit plan for retained profit											
5. Carry-forward of other comprehensive income for retained profit											
6. Others											
(V) Special reserves											
1. Amount withdrawn during current period											
2. Amount utilized during current period											
(VI) Others											
IV. Balance at the end of current period	1,888,419,929.00				2,302,649,213.81				333,243,973.72	1,331,935,870.63	5,856,248,987.16

Person in charge of the Company: Bian Cheng

Accounting Director: Zeng Fei

Person in charge of accounting department: Zeng Fei

III. General information of the Company

1. Company profile

☒Applicable ☐Not applicable

The Company was founded on 11 December 1996 with its registered address and headquarters both at No. 1, Huanzhen Road West, Guanglong Industrial Park, Chencun Town, Shunde District, Foshan City, Guangdong Province and its legal representative is Bian Cheng. The Company initially issued 20,000 thousand A Shares to the public upon the approval of the CSRC on 18 September 2002 and was listed on the Shanghai Stock Exchange on 10 October 2002. Currently, the Company's registered capital is RMB1,888,419,929.00.

The main businesses of the Company include: the manufacturing of ceramics, stone, wall materials and other energy saving and eco-friendly building materials machinery and equipment; the research, development and manufacturing of automation technologies and equipment; the sales of mechanical and electrical spare parts, sand wheel grinding tools and materials, ceramic products; the research, development, manufacturing and sales of clean energy related mechanical equipment and related automation technologies and equipment; the manufacturing and sales of clean gas, vapor and steam; information technology services, software development and sales, system integration, hardware equipment leasing and sales, and network technology consulting services; the disposal of waste water, solid wastes and hazardous wastes as well as the production and sales of the derivative products thereof; the export of self-produced products and related technologies of the Company and its subsidiaries, and the import of raw and auxiliary materials, machinery and equipment, instruments and meters, spare parts and related technologies necessary for production and research (excluding the goods which China restricted the Company to operate, import or export); and the processing of the Company's imported materials and "Three Import and Compensation" Trade (subject to [2000] Wai Jing Mao Fa Zhan Shen Han Zi No. 3250).

Industry in which the Company operates: manufacturing of special equipment

The Company's main products: building materials machinery, clean coal gasification equipment, final-stage flue gas treatment equipment, high-end components and other equipment, building ceramics and lithium battery materials.

2. Scope of consolidated financial statements

√Applicable ☐Not applicable

The scope of consolidation of the Company's consolidated financial statements is determined on the basis of control. All controlled subsidiaries are included into the scope of consolidation of the consolidated financial statements. The newly-included consolidated subsidiaries, structured entities and business entities which control has been otherwise obtained for current period are as follows:

Name	Acquisition method
Shaoguan Keda Machinery Manufacturing Co., Ltd.	Newly founded
Kami Materials Co., Ltd.	Newly founded
Kunshan Boyue New Energy Technology Co., Ltd.	Newly founded
Taixin New Energy Technology Co., Ltd., Zhengpugang New District, Ma'anshan	Newly founded
Dangtu Keda New Energy Technology Co., Ltd.	Newly founded
Anhui Keda Lithium Battery Equipment Co., Ltd.	Newly founded

For details of the subsidiaries included into the scope of consolidated financial statements, please refer to the section headed "Interest in subsidiaries" in this note. For details of changes in the scope of consolidation, please refer to the section headed "Changes in the scope of consolidation".

IV. Basis of preparation of financial statements

1. Basis of preparation

The financial statements of the Company are prepared on a going concern basis. Based on actual transactions and events, the preparation was made in accordance with the Accounting Standards for Business Enterprises — Basic Standards and each specific accounting standard, guidance for the application of the Accounting Standards for Business Enterprises, interpretations of the Accounting Standards for Business Enterprises and other relevant provisions (hereinafter referred to as the “Accounting Standards for Business Enterprises”) issued by the Ministry of Finance, as well as the disclosure provisions of the Preparation Rules for Information Disclosure by Companies Offering Securities to the Public No. 15 — General Provisions on Financial Reports” (2014 Revision) issued by China Securities Regulatory Commission.

2. Going concern

☒Applicable ☐Not applicable

The Company has the ability to continue as a going concern for at least the next 12 months from the end of the reporting period and was not aware of any material event that may cast doubt on its ability to continue as a going concern.

V. Significant accounting policies and accounting estimates

Reminders for specific accounting policies and accounting estimates:

☐Applicable ☒Not applicable

1. Statement on compliance with the Accounting Standards for Business Enterprises

The financial statements prepared by the Company meet the requirements of the Accounting Standards for Business Enterprises, and provide a true and complete picture of the financial positions, operating results, changes in shareholder's equity, cash flows and other related information.

2. Accounting period

The accounting year of the Company starts on 1 January and ends on 31 December.

3. Operating cycle

☒Applicable ☐Not applicable

The Company's operating cycle is 12 months.

4. Reporting currency

The reporting currency of the Company is RMB. The financial statements prepared by the Company are denominated in RMB.

5. Accounting treatment for business combinations under and not under common control

☒Applicable ☐Not applicable

(1) Business combinations under common control

A business combination under common control refers to a business combination in which all the combining enterprises are ultimately controlled by the same party or the same parties both before and after the business combination, and on which the control is not temporary. The combination date refers to the date on which the combining party obtains control over the combined party.

The assets and liabilities obtained in a business combination shall be measured based on the book value of the combined party in the consolidated financial statements of the ultimate controlling party as at the combination date. Should the accounting policies adopted by the combined party be different from that adopted by the Company, the combining party shall make adjustment according to the accounting policies of the Company on the combination date, and shall make corresponding recognition based on the book value after such adjustment.

For the difference between the book value of the net assets obtained in the combination and the book value of the combined consideration paid (or the total par value of the shares issued), the share premium in capital reserve shall be adjusted. If the share premium in capital reserve is not sufficient to be written off, the retained earnings shall be adjusted.

The costs directly attributable to the business combinations, including audit fees, appraisal fees, and legal fees paid for the combination, shall be recorded in current profit or loss when incur.

(2) Business combinations not under common control

A business combination not under common control refers to a business combination in which the respective combining enterprises are not ultimately controlled by the same party or the same parties both before and after the combinations.

The acquirer shall, on the acquisition date, measure the assets transferred and liabilities incurred or assumed for a business combination at fair value. The difference between the fair value and its book value shall be recorded in current profit or loss. The acquirer shall allocate the combination costs on the acquisition date and recognize the fair value of all identifiable assets, liabilities and contingent liabilities obtained from the acquiree. The acquirer shall recognize the excess of the combination costs over the fair value of the identifiable net assets of the acquiree obtained in the combination as goodwill. If, after the re-examination, the combination costs are less than the difference of the fair value of the identifiable net assets of the acquiree obtained in the combination, such combination costs shall be recorded in current profit or loss.

The deductible temporary difference of the acquiree obtained by the acquirer in the business combinations shall not be recognized if it does not meet the conditions for the recognition of deferred tax assets on the acquisition date. Within 12 months after the acquisition date, if new or further information obtained indicates that the relevant circumstances on the acquisition date exist, and it is expected that the economic benefits

brought by the deductible temporary difference of the acquiree can be realized on the acquisition date, the relevant deferred tax assets shall be recognized while the goodwill shall be reduced. If the goodwill is insufficient to be written off, the difference shall be recognized in current profit or loss. In addition to the above circumstances, the deferred tax assets related to business combinations shall be recognized and recorded in current profit or loss.

In a business combination not under common control, the brokerage fees and other related administrative fees for audit, legal services and appraisal and consultation, and other related management expenses incurred by the acquirer, shall be recorded in the current profit or loss when incur; the transaction costs for the equity securities or debt securities issued by the acquirer as the consideration for the combination shall be included in the initial recognition amount of the equity securities or debt securities.

In a business combination not under common control that is realized by the acquirer through several transactions, if it belongs to a “package deal”, the Company shall take each transaction as a transaction to obtain control for the purpose of accounting treatment. If it does not belong to a “package deal”, in the separate financial statements, the sum of the book value of the equity investments of the acquiree held before the acquisition date and the new investment cost on the acquisition date shall be taken as the initial investment cost calculated using the cost method instead. Other comprehensive income recognized for the equity investments of the acquiree held before the acquisition date due to the adoption of the equity method shall be accounted for on the same basis as the direct disposal of relevant assets or liabilities by the investee at the time of disposal of such investment. The owners’ equity recognized due to changes in the other owners’ equity of the investee, other than net profit or loss, other comprehensive income and profit distribution, shall be transferred to current profit or loss during which the investment is disposed. In particular, if the remaining equity after disposal is accounted for using the cost method or equity method according to the long-term equity investment standards, other comprehensive income and other owners’ equity shall be carried forward in proportion; if the remaining equity after disposal is subject to accounting treatment according to the recognition and measurement standards of financial instruments, all other comprehensive income and other owners’ equity shall be carried forward.

If the equity investments held before the acquisition date are subject to accounting treatment using the recognition and measurement standards of financial instruments, the sum of the fair value of the equity investments and the new investment cost shall be taken as the

initial investment cost calculated using the cost method instead. For the original financial assets that are converted into investments in subsidiaries accounted for using the cost method, if the relevant financial assets are classified as financial assets at fair value through profit or loss, they shall be recognized as long-term equity investments based on their fair values at the time of conversion. If the non-trading equity instrument investments are classified as financial assets at fair value through other comprehensive income, they shall be recognized as long-term equity investments based on the fair value at the time of conversion. The cumulated change in fair value originally recognized and recorded in other comprehensive income shall be carried forward and included in the retained earnings, but shall not be recorded in current profit or loss.

6. Preparation method of consolidated financial statements

☒ Applicable ☐ Not applicable

(1) Principles for determining the scope of consolidated financial statements

The scope of consolidation of the consolidated financial statements is determined on the basis of control. Control represents that the Company has power over the investee, enjoys variable returns by participating in the relevant activities of the investee, and has the ability to affect the amount of returns through its power over the investee. The scope of consolidation covers the Company and all its subsidiaries. Subsidiaries are entities controlled by the Company.

Once changes in relevant facts and circumstances lead to changes in the relevant elements involved in the above definition of control, the Company will conduct reassessment.

(2) Preparation method of consolidated financial statements

Based on its own financial statements and those of its subsidiaries, the Company treats the entire company group as a single accounting entity based on other relevant information, and has reflected the financial position, results of operation and cash flows of the company group as a whole in accordance with consistent accounting policies and accounting periods pursuant to the recognition, measurement and presentation requirements of relevant ASBEs. The consolidation procedure specifically includes: consolidating the assets, liabilities, owners' equity, income, expenses and cash flows of the parent company and the subsidiaries; offsetting the parent company's long-term equity investments in the subsidiaries and the parent company's share of the owners' equity of the subsidiaries; and offsetting the impact of internal transactions between the parent company and its subsidiaries, and between subsidiaries. If the internal transactions indicate that the relevant assets are impaired, the

impairment losses will be recognized in full. Special transactions are adjusted from the perspective of the company group.

The share of owners' equity of the subsidiaries not attributable to the parent company is presented as "non-controlling interests" under the owners' equity item in the consolidated balance sheet.

The share of the subsidiaries' current net profit or loss attributable to non-controlling interests is presented as "non-controlling shareholders' profit or loss" under the net profit item in the consolidated income statement. The share of the subsidiaries' comprehensive income for the period attributable to non-controlling interests is represented as "total comprehensive income attributable to non-controlling shareholders" under the item of total comprehensive income in the consolidated income statement. If the loss shared by the non-controlling shareholders of a subsidiary for the period exceeds the share of the owners' equity attributable to the non-controlling shareholders of the subsidiary at the beginning of the period, the balance is still offset against the non-controlling interests.

The unrealized gains and losses of internal transactions arising from the disposal of assets to subsidiaries are fully offset against the "net profit attributable to parent company's owners". The unrealized gains and losses of internal transactions arising from the sale of assets by subsidiaries to the parent company shall be allocated and offset between "net profit attributable to parent company's owners" and "non-controlling shareholders' profit or loss" according to the distribution ratio of the parent company for such subsidiaries. The unrealized gains and losses of internal transactions arising from the sale of assets between subsidiaries shall be allocated and offset between "net profit attributable to parent company's owners" and "non-controlling shareholders' profit or loss" according to the distribution ratio of the parent company for the selling subsidiary.

During the reporting period, if new subsidiaries and business are added due to business combinations under common control, the Company will adjust the opening balance of the consolidated balance sheet when preparing the consolidated statements. The income, expenses and profits of the subsidiaries or business combinations from the beginning of current period to the end of the reporting period shall be included in the consolidated income statements. The cash flows shall be included in the consolidated cash flow statement. Meanwhile, the relevant items in the comparative statements shall be adjusted, and the reporting entity after combination shall be deemed to be always in existence from the point of time when the ultimate controlling party begins to exercise control.

During the reporting period, if new subsidiaries and business are added due to business combinations not under common control or otherwise, the Company will not adjust the opening balance when preparing the consolidated balance sheet. The income, expenses, profits and cash flow of the subsidiaries and the business from the date of acquisition to the end of the reporting period are included in the consolidated income statement and the consolidated cash flow statement.

During the reporting period, if subsidiaries and business are disposed of, the Company will not adjust the opening balance when preparing the consolidated balance sheet. The income, expenses and profits of the subsidiaries and business from the beginning of the period to the disposal date are included in the consolidated income statement. Cash flows are included in the consolidated cash flow statement.

When the parent company purchases the equity of a subsidiary owned by the non-controlling shareholders of the subsidiary, in the consolidated financial statements, the capital reserve (capital premium or share premium) shall be adjusted due to the difference between the long-term equity investments arising from the purchase of non-controlling interests and the share of net assets of the subsidiary calculated on a continuing basis from the acquisition date or combination date based on the proportion of newly added shareholding. If the capital reserve is insufficient for the purpose of offsetting, the retained earnings shall be adjusted.

For a business combination under common control realized step by step through multiple transactions not constituting “package deal”, the long-term equity investments held by the combining party before the combination on the date of acquisition of control rights, relevant profit or loss, other comprehensive income and other changes in owners’ equity that have been recognized between earlier dates of the acquisition date and the date when the combining party and the combined party are under the ultimate control by one party and the combination date offset the retained earnings at the beginning of the period or profit or loss during the comparative statement period respectively.

For a business combination not under common control realized step by step through multiple transactions not constituting “package deal”, in the consolidated financial statements, the equity of the acquiree held before the acquisition date is remeasured at the fair value of the equity on the acquisition date, and the difference between the fair value and its book value is included in the investment income for the period; if the equity of the acquiree held before the acquisition date involves other comprehensive income calculated under the

equity method, other comprehensive income related thereto shall be transferred to income for the period in which the acquisition occurs, except for other comprehensive income arising from changes in net liabilities or assets of the defined-benefit plan remeasured by the investee.

Should the parent company dispose its long-term equity investments in a subsidiary without losing the controlling interest, in the consolidated financial statements, the capital reserve (capital premium or equity premium) shall be adjusted based on the difference between the disposal value and the share of subsidiary's net asset entitled that is continuously calculated since the acquisition date or combination date, and if the capital reserve is insufficient for the write-down, the retained earnings shall be adjusted.

If control over the investee is lost due to the disposal of part of the equity investments or other reasons, when preparing the consolidated financial statements, the remaining equity shall be remeasured according to its fair value on the date of loss of control. The difference between the sum of the consideration received for the disposal of the equity interest and the fair value of the remaining equity interest and the share of the net assets of the original subsidiary calculated on a continuing basis from the acquisition date or combination date in proportion to the original shareholding is included in investment income in the period in which control is lost, and goodwill is offset. Other comprehensive income related to equity investments in the original subsidiary shall be transferred to investment income when the control is lost.

For the disposal of equity investments in subsidiaries realized step by step through multiple transactions until loss of control, if the transactions relating to disposal of equity investments in subsidiaries until losing control over subsidiaries constitute "package deal", these transactions shall be treated as a transaction for disposing the subsidiaries and losing control; however, the difference between the proceeds of every disposal and the share of net assets held in the subsidiary corresponding to the investment disposed of before losing control shall be recognized as other comprehensive income in the consolidated financial statements, which shall be transferred to profit or loss at the time of losing control.

7. Classification of joint arrangements and accounting treatment of joint operation

☒ Applicable ☐ Not applicable

A joint arrangement refers to an arrangement under joint control by two or more parties. According to the rights and obligations it enjoys and assumes under joint arrangements, the Company classifies joint arrangements into joint operation and joint venture. A joint operation is a joint arrangement in which the Company is entitled to the relevant assets of

the arrangement and assumes the relevant liabilities. A joint venture refers to a joint arrangement in which the Company has rights only to the net assets of the arrangement.

The Company's investments in joint ventures are accounted for using the equity method according to Note V.21.

The Company recognizes the following items related to the share of interests in the joint operation, which are accounted for in accordance with the relevant provisions of the ASBEs:

- (1) the assets held individually by the Company, and the assets held jointly based on its share;
- (2) the liabilities assumed individually by the Company, and liabilities jointly assumed based on its share;
- (3) the income from disposal of the share of the output of the joint operation;
- (4) the income from disposal of output of the joint operation based on its share;
- (5) the expenses incurred by the Company alone and the expenses incurred under the joint operation based on its share.

8. Standards for determining cash and cash equivalents

Cash equivalents are short-term (generally mature within three months from the date of purchase) highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

9. Foreign currency transactions and translation of foreign currency statements

☒ Applicable ☐ Not applicable

(1) The translation of foreign currency transactions

For a foreign currency transaction, the spot exchange rate on the transaction date is used as the conversion exchange rate to convert the foreign currency amount into RMB for bookkeeping.

The monetary items denominated in foreign currencies are translated at the spot exchange rate prevailing on the balance sheet date, and the exchange differences generated thereby are included in profit or loss except that the exchange differences generated from special loans in foreign currencies for the purpose of acquiring and constructing assets meeting the capitalization conditions is dealt with according to the capitalization principles for borrowings. The non-monetary items denominated in foreign currency measured at historical cost shall still be converted at the spot exchange rate on the transaction date, and the amount of functional currency shall not be changed. For the non-monetary items denominated in foreign currency measured at fair value, the spot exchange rate on the date

of fair value determination is used for translation, and the resulting exchange difference is included in profit or loss or other comprehensive income.

(2) The translation of foreign currency statements

The amounts of assets and liabilities as stated in the balance sheet are converted at the spot exchange rate prevailing on the balance sheet date. Except for the “undistributed profit”, other items under the owners’ equity are converted at the spot exchange rate prevailing at the time of incurrence. The income and expense items in the income statement are converted as per the spot exchange rate on the date when the transaction occurs. Based on the translation differences in foreign currency statements generated by the above conversion, the item “translation difference of foreign currency statement” is separately listed under other comprehensive income item.

For the disposal of an overseas operation, the translation difference of foreign currency statements relating to the overseas operation presented under other comprehensive income in the balance sheet shall be transferred from other comprehensive income to current profit or loss of disposal; for the partial disposal of an overseas operation, the translation difference of foreign currency statements of the part of operation disposed of calculated according to the proportion of disposal shall transferred to current profit or loss of disposal.

10. Financial instruments

√ Applicable □ Not applicable

(1) Classification, recognition and measurement of financial assets

According to the business model for the management of financial assets and the contract cash flow characteristics of financial assets, the Company divides financial assets into: financial assets measured at amortized cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss.

① Financial assets measured at amortized cost

The Company’s business model for managing the financial assets measured at amortized cost is to collect contract cash flows, and the characteristics of the contract cash flow of such financial assets are consistent with the basic lending arrangements, that is, the cash flow generated on a particular date is only for the payment of the principal and interest based on the outstanding principal amount. The Company subsequently measured such financial assets using the effective interest method. Gains or losses arising from amortisation or impairment are recognised in the current profit or loss.

② Financial assets at fair value through other comprehensive income

The Company's business model for managing such financial assets is aimed at both collecting contract cash flow and selling the financial asset, and the contract cash flow characteristics of such financial assets are consistent with the basic lending arrangements. Such financial assets are measured at fair value through other comprehensive income, but impairment losses or gains, exchange gains and losses, and interest income calculated by effective interest method are recognised in the current profit or loss.

In addition, the Company may designate part of the non-trading equity instruments as financial assets at fair value through other comprehensive income. The Company may include relevant dividend income of such financial assets in current profit or loss, and include changes in fair value in other comprehensive income. Upon the derecognition of such financial assets, the accumulated gains or losses previously included in other comprehensive income will be carried forward to retained earnings rather than included in current profit or loss.

③ Financial assets at fair value through profit or loss

Except for the above financial assets measured at amortized cost and those at fair value through other comprehensive income, the Company classifies all remaining financial assets as financial assets at fair value through profit or loss. Besides, upon initial recognition, in order to eliminate or significantly reduce accounting mismatches, the Company designates some financial assets as financial assets measured at fair value through profit or loss. The Company subsequently measured such financial assets at fair value through profit or loss.

(2) Classification, recognition and measurement of financial liabilities

The financial liabilities are classified at the initial recognition as follows: financial liabilities at fair value through profit or loss and other financial liabilities. For financial liabilities at fair value through profit or loss, the relevant transaction costs are directly included in current profit or loss. For other financial liabilities, the related transaction costs are included in the amount of initial recognition.

① Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading(including derivative instruments that are classified as financial liabilities) and financial liabilities designated at fair value through profit or loss upon initial recognition.

The financial liabilities held-for-trading (including derivative instruments that are classified as financial liabilities) are subsequently measured at fair value. Except for hedge accounting, changes in fair value are included in current profit or loss. For financial liabilities

designated at fair value through profit or loss, the change in fair value of the liability due to changes in the Company's own credit risk is included in other comprehensive income, and when the liability is derecognized, the accumulated change in fair value caused by the change of its own credit risk through other comprehensive income is transferred to retained earnings. The remaining changes in fair value are included in current profit or loss. If dealing with the impact of changes in the credit risk of these financial liabilities in the above way will cause or expand the accounting mismatch in the current profit or loss, the Company will include all the gains or losses of the financial liabilities (including the amount affected by the changes in the credit risk of the enterprise) in the current profit or loss.

② Other financial liabilities

Other financial liabilities other than financial liabilities and financial guarantee contracts formed by the transfer of financial assets that do not meet the conditions for derecognition or continue to be involved in the transferred financial assets are classified as financial liabilities measured at amortized cost, which are subsequently measured at amortized cost, with the gains or losses arising from derecognition or amortization being included in the current profit or loss.

(3) Recognition basis and measurement method for transfer of financial assets

The financial assets that meet any of the following conditions shall be derecognized:

① where the contract right to receive the cash flow of the financial assets is terminated; ② where the financial assets have been transferred, and almost all the risks and rewards in the ownership of the financial assets have been transferred to the transferee; ③ where the financial assets have been transferred, and although the enterprise has neither transferred nor retained substantially all the risks and rewards in the ownership of the financial asset, it has abandoned its control over the financial assets.

If the enterprise has neither transferred nor retained almost all the risks and rewards in the ownership of the financial asset, but it does not waive the control over the financial asset, the relevant financial assets shall be recognized in accordance with the extent of continuous involvement in the transferred financial assets, and relevant liabilities shall be recognized accordingly. The extent of continuous involvement in the transferred financial assets is the risk level at which enterprise is exposed to changes in the value of such financial assets.

Where the overall transfer of a financial asset meets the conditions for derecognition, the balance of sum of the amount corresponding to the derecognition part between the book value of the transferred financial assets and the amount of the consideration received as a

result of the transfer and the cumulative change in the fair value originally included in the other comprehensive income shall be included in current profit or loss.

If the transfer of partial financial assets meets the conditions of derecognition, the book value of the transferred financial assets shall, between the derecognized portion and the portion of which recognition has not been terminated, be apportioned according to their respective relative fair values, and the difference between the consideration received in the transfer and the accumulative amount of the changes in the fair value originally through other comprehensive income and apportioned to the portion of which the recognition has been terminated and the book value before apportioning is included in current profit or loss.

The Company needs to determine whether almost all the risks and rewards of ownership of the financial assets have been transferred when it sells financial assets with the right of recourse or endorses and transfers the financial assets it holds. If almost all the risks and rewards of ownership of the financial assets have been transferred to the transferee, the financial assets shall be derecognized; if almost all the risks and rewards of the ownership of financial assets are retained, the financial assets shall not be derecognized; and if it neither transfers nor retains almost all the risks and rewards of ownership of the financial asset, continues to judge whether the enterprise retains control of the asset, and conducts accounting treatment according to the principles described in the preceding paragraphs.

(4) Derecognition of financial liabilities

Where the current obligation of a financial liability (or part thereof) has been discharged, the financial liability (or that part of financial liability) shall be derecognized by the Company. When the Company (the borrower) and the lender sign an agreement to substitute the original financial liabilities by bearing new financial liabilities, and the contract terms and conditions of the new financial liabilities and those of the original financial liabilities are different in essence, the original financial liabilities shall be derecognized and a new financial liability shall be recognized at the same time. If the Company substantially modifies the contract terms of the original financial liabilities (or part thereof), the original financial liabilities shall be derecognized, and at the same time, a new financial liability shall be recognized in accordance with the modified terms.

If the financial liabilities (or part thereof) are derecognized, the Company shall include the difference between the book value and the consideration paid (including non-cash assets transferred out or liabilities assumed) into current profit or loss.

(5) Offsetting of financial assets and financial liabilities

When the Company has a legal right to offset the recognized financial assets and financial liabilities, and such legal right is currently enforceable, and at the same time, the Company intends either to settle on a net basis, or to realize such financial assets and pay off such financial liabilities, the net balance after the offsetting of financial assets and the financial liabilities shall be presented in the balance sheet. Otherwise, the financial assets and the financial liabilities shall be presented separately in the balance sheet without mutual offset.

(6) Determination of the fair value of financial assets and financial liabilities

Fair value refers to the price at which the market participant sells an asset or transfers a liability in the orderly transaction on the date of measurement. If there is an active market for financial instruments, the Company uses the quotation in the active market to determine its fair value. Quoted prices in an active market refer to prices that are easily obtained from exchanges, brokers, industry associations, and pricing service agencies on a regular basis, and represent the prices of market transactions that actually occur in an arm's length transaction. If there is no active market for financial instruments, the Company uses valuation techniques to determine its fair value. The valuation techniques include referring to prices used in recent market transactions by parties familiar with the situation and willing to trade, current fair value of other financial instruments that are essentially the same, discounted cash flow method and option pricing model. In the valuation, the Company adopts the valuation techniques that are applicable under the current circumstances and are supported by sufficient available data and other information, so as to select the input values that are consistent with the characteristics of assets or liabilities considered by market participants in the transactions of related assets or liabilities, and give priority to the use of relevant observable input values as much as possible. Values not input are used in cases where the relevant observable input values cannot be obtained or are not practical to obtain.

(7) Impairment of financial assets

The Company, taking into account all reasonable and reliable information (including forward-looking information), estimates the expected credit loss of financial assets measured at amortized cost and financial assets at fair value through other comprehensive income, either individually or in combination. The measurement of expected credit loss depends on whether the financial assets have experienced a significant increase in credit risk since initial recognition. If the credit risk of the financial instrument has not increased significantly since the initial recognition, the Company shall measure its loss provision according to the amount

equivalent to the expected credit loss of the financial instrument in the next twelve months; if the credit risk of the financial instrument has increased significantly since the initial recognition, the Company shall measure its loss provision according to the amount equivalent to the expected credit loss of the financial instrument in the whole lifetime; if the credit risk of the financial instrument has been credit-impaired upon initial recognition, the Company shall measure its loss provision according to the amount equivalent to the expected credit loss in the whole lifetime of the financial instrument. The increased or reversed amount of the loss provisions arising therefrom shall be included in current profit or loss as impairment losses or gains.

(8) Equity instruments

Equity instruments refer to the contracts proving possession of remaining equity in the assets of the Company after deduction of all liabilities. The Company's issuance (including refinancing), repurchase, sale or cancellation of equity instruments are treated as changes in equity, and transaction costs related to equity transactions are deducted from equity. The Company does not recognize the changes in the fair value of equity instruments. The Company's distribution of dividends (including "interest" generated by the instruments classified as equity instruments) on equity instruments during the lifetime shall be treated as profit distribution.

11. Notes receivable

Determination of expected credit loss and accounting treatment of notes receivable

☒Applicable ☐Not applicable

For notes receivable, the Company, taking into account all reasonable and evidence-based information, including forward-looking information, estimates the expected credit loss of notes receivable, either individually or in combination, and adopts a simplified model of expected credit loss to measure loss provisions based on the expected credit loss in the whole lifetime. The provision method is as follows:

(a) At the end of the period, the Company conducts an individual impairment test on the notes receivable with objective evidence that it has been impaired, and recognizes the impairment losses and makes the bad debt provision according to the difference between the present value of its expected future cash flow and its book value.

(b) When the information of expected credit loss cannot be assessed at a reasonable cost for an individual financial asset, the Company classifies the receivables portfolio according to the credit risk characteristics and calculates the expected credit loss based on the portfolio.

For notes receivable with bad debt provision made based on the combination of credit risk characteristics, the Company refers to the historical experience of credit loss, in combination with current conditions and forecasts of future economic conditions, and calculates expected credit loss using the impairment provision model.

The Company includes loss provision or reversal of loss provision into the current profit or loss.

12. Accounts receivable

Determination of expected credit loss and accounting treatment of accounts receivable

☒Applicable ☐Not applicable

For accounts receivable, the Company, taking into account all reasonable and evidence-based information, including forward-looking information, estimates the expected credit loss of the receivables, either individually or in combination, and uses a simplified model of expected credit loss to measure the loss provisions in accordance with the expected credit loss during the whole lifetime. The provision method is as follows:

(a) At the end of the period, the Company conducts an individual impairment test on the receivables with objective evidence indicating that they have been impaired, and recognizes the impairment losses and makes bad debt provision according to the difference between the present value of the expected future cash flow and its book value.

(b) When the information of expected credit loss cannot be assessed at a reasonable cost for an individual financial asset, the Company classifies the receivables portfolio according to their credit risk characteristics and calculates the expected credit loss based on the portfolio.

For receivables with bad debt provision made according to the combination of credit risk characteristics, the Company refers to the historical experience of credit loss, in combination with current conditions and forecasts of future economic conditions, and calculates expected credit loss using the model of impairment provision.

The Company includes the loss provision or reversal of loss provision into the current profit or loss.

13. Receivables financing

☒Applicable ☐Not applicable

Financial assets that meet all of the following conditions are classified as financial assets at fair value through other comprehensive income: the business model for managing the financial assets by the Company is to collect contract cash flows and to sell financial assets; the contract terms of the financial assets stipulate that the cash flow generated on a

specific date is only the payment of the principal and the interest based on the outstanding principal amount.

If the Company transfers the receivables held by it in the form of discount or endorsement, which is frequent and involves a large amount, and its business model for management is substantially to collect contract cash flows and to sell, it is classified into financial assets at fair value through other comprehensive income in accordance with the accounting standards of financial instruments.

14. Other receivables

Determination of expected credit loss and accounting treatment of other receivables

☒Applicable ☐Not applicable

For the measurement of impairment losses of other receivables, it shall be treated in accordance with the aforementioned measurement method of impairment losses of accounts receivable.

15. Inventories

☒Applicable ☐Not applicable

(1) Classification of inventories

Inventories are classified into six categories: raw materials, low-value consumables, packaging materials, goods in process, finished goods and goods in transit.

(2) Valuation method of inventories

The obtainment of inventories is measured initially by the cost, including purchase cost, processing cost and other costs. The perpetual inventory system is applied for inventories, and the weighted average method is adopted for the calculation of raw material receipt and inventory delivery;

Inventories are priced by the weighted average method when they are delivered.

(3) Determination basis of net realizable value of the inventories and calculation method for inventory impairment provision

At the end of the period, inventories are fully counted and impairment provision for inventories is made or adjusted at the lower of cost or net realizable value.

The net realizable value of inventories of finished goods, goods in stock and materials for sale, which are directly for sale, is determined in the usual and ordinary course of production and operation as the estimated selling price of such inventories, less estimated selling expenses and related taxes. The net realizable value of inventories of materials subject to processing is determined in the usual and ordinary course of production and

operation as the estimated selling price of the finished goods produced, less the estimated costs to completion, estimated selling expenses and related taxes. The net realizable value of inventories held for the purpose of performing sales contracts or service contracts is calculated based on the contract price, and if the quantity of inventories held exceeds the quantity ordered under the sales contract, the net realizable value of the excess inventories is calculated based on the normal selling price.

At the end of the period, the inventory impairment provision shall be made according to an individual inventory item; however, provision for inventories of large quantities and lower unit prices is made by category; and provision is made on a combined basis for inventories that are related to a product line manufactured and sold in the same region with the same or similar end use or purpose and are difficult to measure separately from other items.

(4) Inventory system

Perpetual inventory system is adopted.

(5) Amortization method of low-value consumables and packaging materials

① Low-value consumables are amortized using the one-off write-off method.

② Packaging materials are amortized using the one-off write-off method.

16. Contract assets

(1). Recognition method and standard of contract assets

☒Applicable ☐Not applicable

A contract asset is the right to receive consideration for a good or service that has been transferred to a customer, and that right depends on factors other than the passage of time.

(2). Determination and accounting treatment of expected credit loss on contract assets

☒Applicable ☐Not applicable

The Company's determination and accounting treatment of expected credit loss on the contract assets are in accordance with those of accounts receivable.

17. Assets held for sale

☒Applicable ☐Not applicable

A component (or non-current assets, the same below) of an enterprise that meets all of the following conditions is recognized as held for sale: the component must be available for immediate sale in its current condition only in accordance with customary terms for the sale of such components; the Company has made a resolution on the disposal of the component,

and if an approval of the shareholders is required, the approval of the shareholders' meeting or the corresponding authority has been obtained; the Company has signed an irrevocable transfer agreement with the transferee; the transfer will be completed within one year.

18. Debt investments

Determination and accounting treatment of expected credit loss on debt investments

☐Applicable ☒Not applicable

19. Other debt investments

Determination and accounting treatment of expected credit loss on other debt investments

☐Applicable ☒Not applicable

20. Long-term receivables

Determination and accounting treatment of expected credit loss on long-term receivables

☒Applicable ☐Not applicable

The long-term receivables arising from the sale of goods with a financing nature use the discounted value of the contract or agreement price receivable (the contract or agreement price receivable minus the unrealized financing income) as the initial amount accounted for. At the end of the year, the Company shall carry out an impairment test on long-term receivables, determine the credit impairment loss based on the difference between the present value of its future cash flow and its book value, and make provision for bad debts. The Company, taking into account all reasonable and evidence-based information, including forward-looking information, estimates credit loss on overdue long-term receivables individually or in combination, and measures loss provisions by using a simplified model of expected credit loss.

(1) At the end of the period, the impairment test shall be conducted individually on the long-term receivables with objective evidence indicating that they have been subject to impairment, and the impairment losses shall be recognized and provisions for bad debts shall be made according to the difference between the present value of the expected future cash flows and its book value.

(2) For the receivables classified as risk characteristic portfolio, the Company makes provision for bad debts according to the credit risk characteristic portfolio. The Company

shall, with reference to the historical credit loss experience, in combination with current conditions and forecasts of future economic conditions, calculate the credit loss.

21. Long-term equity investments

√ Applicable ☐ Not applicable

The long-term equity investments herein refer to the long-term equity investment in which the Company has control over, joint control over or significant influence on the investee.

Joint control refers to the common control over an arrangement by the Company in accordance with relevant agreements, and the activities related to the arrangement must be agreed upon by the parties holding control right before the decision can be made. The significant influence means that the Company has the right to participate in making decisions on the financial and operating policies of the investee, but cannot control the preparation of the policies alone or jointly with other parties.

(1) Determination of the initial cost of long-term equity investments

① Long-term equity investments formed by business combinations

Business combinations under common control: if the Company pays cash, transfers non-cash assets or assumes liabilities, and issues equity securities as the consideration for the combination; on the combination date, the share of the book value of the owners' equity of the combined party in the consolidated financial statements of the final controlling party shall be taken as the initial investment cost of the long-term equity investments. For the difference between the initial investment cost of long-term equity investments and the consideration paid for combination, the capital reserve (capital premium or share premium) shall be adjusted; if the capital reserve (capital premium or share premium) is insufficient to write down, the retained earnings shall be adjusted. If the combining party uses the issuance of equity securities as the consideration for the combination, the total par value of the issued shares shall be used as the share capital, and the capital reserve (capital premium or share premium) shall be adjusted based on the difference between the initial investment cost of the long-term equity investments and the total book value of the issued shares; if the capital reserve (capital premium or share premium) is insufficient to write down, the retained earnings shall be adjusted.

Business combinations not under common control: the Company's combination cost determined on the acquisition date is regarded as the initial investment cost of the long-term equity investments. The combination cost is the fair value of assets paid, liabilities incurred

or assumed and equity securities issued by the acquirer to obtain the control over the acquiree on the acquisition date. The transaction costs of the equity securities or debt securities issued by the acquirer as a consideration for the combination shall be included in the initial recognition amount of the equity securities or debt securities. The business combinations not under common control that is realized step by step through multiple transactions shall be accounted for by reference to Note V. 5.

The intermediary expenses such as auditing, legal services, evaluation and consultation and other related management expenses incurred by the combining party or the acquirer for the business combinations shall be included in current profit or loss when they are incurred.

② Long-term equity investments obtained by other means

For the long-term equity investments obtained in the form of payment in cash, the actual acquisition price paid is regarded as the initial investment cost. The initial investment cost consists of the expenses directly relevant to the obtaining of long-term equity investments, taxes and other necessary expenses.

For the long-term equity investments obtained by issuing equity securities, the fair value of the issued equity securities shall be used as the initial investment cost.

Provided that the non-monetary assets swap is commercial in nature and the fair value of the swap-in assets or the swap-out assets can be measured reliably, the initial investment cost of the swap-in long-term equity investments of the non-monetary assets is determined based on the fair value of the swap-out assets, unless there is evidence that the fair value of the swap-in assets is more reliable. For the non-monetary assets swap that does not meet the above-mentioned conditions, the book value of the swap-out assets and the relevant taxes payable are regarded as the initial investment cost of the swap-in long-term equity investments.

For the long-term equity investments in an associate or a joint venture obtained through debt restructuring, the initial investment cost is determined based on the fair value of the abandoned debt and other costs such as taxes that can be directly attributable to the asset.

(2) Subsequent measurement of long-term equity investments and recognition method of profit and loss

The long-term equity investments that the Company can control over the investee are accounted for using the cost method.

Long-term equity investments accounted for using the cost method are priced at the initial investment cost. For additional or recovered investments, the cost of long-term equity

investments shall be adjusted. The cash dividends or profits declared and distributed by the investee shall be recognized as the investment income of the current period.

Long-term equity investments in joint ventures and associates shall be accounted for using the equity method. If the initial investment cost of the long-term equity investment is higher than the share of the fair value of the investee's identifiable net assets at the time of investment, the initial investment cost of the long-term equity investments shall not be adjusted; if the initial investment cost is less than the share of the fair values of the investee's identifiable net assets at the time of investment, the difference shall be included in the current profit or loss, and the cost of the long-term equity investments shall be adjusted accordingly.

After the Company obtains a long-term equity investment, it shall, in accordance with the attributable share of the net profit and loss and other comprehensive income of the investee, respectively recognize investment income and other comprehensive income and adjust the book value of the long-term equity investments. The Company shall, in the light of the profits or cash dividends declared and distributed by the investee, calculate the proportion it shall obtain, and shall reduce the book value of the long-term equity investments correspondingly. Where any change is made to the owners' equity other than the net profit and loss, other comprehensive income and profit distribution of the investee, the book value of the long-term equity investments shall be adjusted and be included in the owners' equity.

The net profit of the investee shall be adjusted based on the fair value of the identifiable net assets of the investee when the investment is obtained in the determination of the Company's share of the net profit and loss of the investee.

If the accounting policy and accounting period adopted by the investee are inconsistent with those of the Company, the financial statements of the investee shall be adjusted in accordance with the Company's accounting policy and accounting period, and investment income and other comprehensive income shall be recognized accordingly.

The Company recognizes the net loss incurred by the investee to the extent that the book value of the long-term equity investments and other long-term equity substantially constituting the net investment in the investee are written down to zero, unless the Company is liable for extra losses.

If the investee realizes net profit in the future, the Company will resume the recognition of the profit-sharing amount after its profit-sharing amount makes up for the unrecognized loss-sharing amount.

When the Company calculates and recognizes the net profit and loss of the investee that it shall enjoy or share, the unrealized internal trading gains or losses between associates and joint ventures attributable to the Company shall be calculated in the proportion it is entitled to and be offset, after which the investment income can be recognized.

If the unrealized internal transaction losses between the Company and the investee are impairment losses on assets in accordance with relevant provisions of “Accounting Standards for Business Enterprises No. 8 – Asset Impairment”, etc., the transaction losses shall be recognized in full.

If the Company can exert significant influence or implement joint control without constituting control over the investee due to additional investment and other reasons, sum of the fair value of originally held equity determined according to “Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments” and new investment costs, shall be taken as the initial investment costs accounted for using the equity method. If the original investment is classified as a non-trading equity instrument investment measured at fair value through other comprehensive income, the cumulative fair value changes related to it and included in the other comprehensive income shall be transferred into the retained earnings for the current period accounted for using the equity method, and shall not be included in current profit or loss.

When the Company loses joint control over or significant influence on the investee due to disposal of partial equity investment and other reasons, the remaining equity after disposal is accounted for in accordance with the “Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments”. The difference between its fair value and book value at the date of losing joint control or significant influence is included in current profit or loss. Other comprehensive income recognized as a result of accounting for the original equity investment under equity method shall be accounted for using the same basis as the direct disposal of related assets or liabilities by the investee shall be adopted upon it easing to be accounted for under equity method.

If the Company loses its control over the investee due to the disposal of partial equity investments, when preparing the individual financial statements, if the remaining equity after the disposal can implement joint control over or significant influence on the investee, it shall be accounted for using equity method instead and be adjusted as if the remaining equity has been accounted for using equity method upon acquisition; if the remaining equity after the disposal cannot implement joint control over or significant influence on the investee, it is

changed to be subject to accounting treatment in accordance with the relevant provisions of “Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments”.

When disposing of a long-term equity investment, the difference between its book value and the actual purchase price shall be included in current profit or loss. In disposals of long-term equity investments accounted for using equity method, the same basis as the direct disposal of related assets or liabilities by the investee shall be adopted to carry out accounting treatment on the part originally through other comprehensive income according to the corresponding proportion.

22. Investment properties

Not applicable

23. Fixed assets

(1). Conditions for recognition

☒ Applicable ☐ Not applicable

Fixed assets refer to those tangible assets held for producing commodities, rendering labor service, renting or business management, and whose useful life is in excess of one accounting year. Fixed assets are classified as: land (overseas), houses and buildings, machinery and equipment, electronic equipment, transportation equipment and other equipment. Fixed assets are recognized when they meet the following conditions: ① the economic benefits related to the fixed assets are likely to flow into the Company; ② the cost of the fixed assets can be measured reliably.

(2). Depreciation method

☒ Applicable ☐ Not applicable

Category	Depreciation method	Depreciation period (year)	Residual value rate	Annual rate of depreciation
Land (overseas)	Not applicable	Not applicable	Not applicable	Not applicable
Houses and buildings	Straight-line-method	20-40	5.00%	2.40%-4.80%
Machinery and equipment	Straight-line-method	8-20	5.00%	4.75%-11.88%
Electronic equipment	Straight-line-method	5	5.00%	19.00%
Transportation equipment	Straight-line-method	3-8	5.00%	11.87%-31.7%
Other equipment	Straight-line-method	2	Not calculated	50.00%

No depreciation shall be provided for the ownership of land operated overseas, and the photovoltaic power generation equipment newly added by the Company for the electricity sales industry shall be classified as machinery and equipment. The depreciation of fixed assets other than the land is provided by using the straight-line method, and the depreciation rate is determined according to the category of fixed assets, expected useful life and expected net residual value rate. If each component of fixed assets has different useful life or provides economic benefits to the Company in different ways, different depreciation rates or depreciation methods shall be selected for the provision of depreciation respectively.

(3). Basis for recognition, valuation and depreciation method of fixed assets under finance lease

√Applicable ☐ Not applicable

If one of the following conditions is stipulated in the terms of the lease agreement signed by the Company and the lessor, the asset is recognized as an asset under the finance lease:

- ① After the lease term expires, the ownership of the leased assets belongs to the Company;
- ② The Company has the option to purchase the asset, and the purchase price is much lower than the fair value of the asset when the option is exercised;
- ③ The lease term accounts for most of the useful life of the leased asset;
- ④ The present value of the minimum lease payment on the lease commencement date is not significantly different from the fair value of the asset.

On the commencement date of the lease, the Company uses the lower amount of the fair value of the leased asset and the present value of the minimum lease payment as the entry value of the leased asset, the minimum lease payment as the entry value of the long-term payables, and the difference as unrecognized financial charges.

Depreciation of the fixed assets under finance lease shall be provided over the remaining useful life of the leased assets if the ownership of the leased assets can be reasonably determined to be acquired at the expiry of the lease term; if the ownership of the leased assets cannot be reasonably determined to be acquired at the expiry of the lease term, depreciation shall be provided over the shorter of the lease term and the remaining useful life of the leased assets.

24. Construction in progress

√Applicable ☐ Not applicable

Construction in progress is accounted for by project classification.

The cost of construction in progress shall be determined according to the actual construction expenditure, including various construction expenditures during the construction period, capitalized borrowing costs before the construction reaches the intended usable state, and other related expenses. The construction in progress shall be carried forward to fixed assets after reaching the intended usable state.

See Note V. 30 “Impairment of long-term assets” for details of the methods for impairment test and provision of impairment reserve applicable to construction in progress.

25. Borrowing costs

☒Applicable ☐Not applicable

(1) Recognition principle for capitalization of borrowing costs

Borrowing costs, including loan interest, amortization of discounts or premiums, auxiliary costs, and exchange differences arising from foreign currency borrowings.

Once the Company’s borrowing costs incurred can be directly categorized to the acquisition, construction or production of assets that meet capitalization conditions, they shall be capitalized and accounted for relevant asset costs; other borrowing costs shall be recognized as expense upon occurrence according to the sum and accounted for current profit or loss.

Assets eligible for capitalization refer to such fixed assets, investment properties, inventories and others which may achieve its intended usable or saleable state, after going through a long period of acquisition, construction or production activities.

The borrowing costs that meet the following conditions simultaneously begin to be capitalized:

- ① The asset expenditure has been incurred, including the expenditure in the form of cash payment, non-monetary assets transfer or payment of the debts with interest for acquisition, construction or production of assets that meet the capitalization conditions;
- ② The borrowing costs have been incurred;
- ③ The acquisition, construction or production activities necessary for making the assets achieve its intended usable or saleable state have been commenced.

(2) The capitalization period of borrowing costs

Capitalization period refers to the period from the point of time when capitalization of borrowing costs commences to the point of time when capitalization ceases, excluding the period of suspension of capitalization of borrowing costs.

When the assets acquired, constructed or produced that meet the capitalization conditions achieve its intended usable or saleable state, the borrowing costs cease to be capitalized.

When the acquisition, construction, or production of some of assets that meet the capitalization conditions are completed respectively, and each part is available for use or external sales while the other parts continue to be constructed, and the acquisition, construction, or production activities of the assets necessary for making the part of the assets achieve its intended usable or saleable state have been substantially completed, the borrowing costs for such part of the assets cease to be capitalized.

Even though each part of the acquired, constructed or produced assets is completed respectively, it only can be put into operation or sold after the whole asset is completed, the borrowing costs cease to be capitalized when the whole asset is completed.

(3) The period of suspension of capitalization of borrowing costs

If the abnormal interruption occurs in the process of acquisition and construction or production of assets that meet the capitalization conditions, and the interruption period lasts for more than 3 consecutive months, the capitalization of borrowing costs shall be suspended; if the interruption is a necessary procedure for the acquisition, construction or production of assets eligible for capitalization to achieve its intended usable or saleable state, the borrowing costs continue to be capitalized. Borrowing costs incurred during the suspension period shall be recognized as current profit or loss, and continue to be capitalized until the resumption of the acquisition, construction or production of assets.

(4) Calculation method of the capitalized amount of borrowing costs

For special borrowings borrowed for the acquisition, construction or production of assets eligible for capitalization, the capitalized amount of borrowing costs shall be determined based on the actual borrowing costs and auxiliary fees incurred in the current period of the special borrowings, minus the interest income obtained from the unused borrowing funds deposited in the bank or the investment income obtained from temporary investments.

For the general borrowings obtained for the acquisition, construction or production of assets that meet the capitalization conditions, the interest amount of the general borrowings that shall be capitalized is calculated and determined according to the weighted average of the accumulated asset expenditure in excess of special borrowings and multiplied by the

capitalization rate accounting for the general borrowings. The capitalization rate is calculated and determined by the weighted average interest rate of general borrowings.

Where there is any discount or premium, the amount of discount or premium to be amortized in each accounting period shall be determined in accordance with the effective interest method to adjust the interest amount for each period.

26. Biological assets

☐Applicable ☒Not applicable

27. Oil and gas assets

☐Applicable ☒Not applicable

28. Right-of-use assets

☒Applicable ☐Not applicable

Right-of-use assets mainly include houses and buildings, machinery and equipment, land use rights and electronic equipment. On the beginning date of the lease term, the Company and its subsidiaries recognize the right to use the leased asset within the lease term as the right-of-use assets, including the initial measurement amount of the lease liability; the lease payment paid on or before the beginning date of the lease term, if there is lease incentive, the relevant amount of lease incentive enjoyed shall be deducted; initial direct expenses incurred by the lessee; and the estimated cost to be incurred by the lessee in dismantling and removing the leased asset, restoring the site where the leased asset is located or restoring the leased asset to the agreed state in the lease terms. The Company subsequently makes provision for the depreciation of the right-of-use assets using the straight-line method. If it is reasonable certain that the lessee will obtain ownership of the leased assets upon the expiry of the lease term, the Company shall make depreciation of leased assets over their remaining useful life. If it is not reasonable certain that the lessee will obtain ownership of the leased assets upon the expiry of the lease term, the leased assets shall be depreciated over the lease term or the remaining useful life, whichever is the shorter, by the Company.

29. Intangible assets

(1). Valuation method, useful life and impairment test

☒Applicable ☐Not applicable

① Initial measurement at cost when intangible assets are obtained

The cost of outsourcing intangible assets shall include the purchase price, relevant taxes and other necessary expenditures directly attributable to intangible assets for the intended purpose. If there is deferred payment of the purchase price of the intangible assets beyond

normal credit conditions which is substantially of a financing nature, the cost of the intangible assets is determined based on the present value of the purchase price.

By debt restructuring, the Company obtains the intangible assets used by the debtor to offset the debt, and determines its entry value based on the fair value of the waived claims and the taxes and other costs that can be directly attributable to bringing the asset to its intended use, and includes the difference between the fair value and the book value of the waived claims in current profit or loss;

If the exchange of non-monetary asset is commercial in nature and the fair values of both the assets received and surrendered can be reliably measured, the entry value of intangible assets received in the exchange of non-monetary assets is determined based on the fair value of the assets surrendered, unless there is any concrete evidence indicating that the fair value of the assets received is more reliable; where an exchange of non-monetary asset cannot satisfy the above-mentioned conditions, the cost of the intangible assets received shall be the book value of the assets surrendered and relevant taxes payable, and no profit and loss shall be recognized for the assets surrendered.

For the intangible assets obtained by business combination under common control, their entry values shall be determined in accordance with the book value of the combined party; for the intangible assets obtained by business combination not under common control, their entry values shall be determined in accordance with the fair value.

For the internally self-developed intangible assets, the cost includes the materials consumed to develop such intangible assets, the labor cost, the registration fee, amortization of other patent rights and franchise used in the development course and interest expenses to meet the capitalization conditions, and other direct expenses incurred to achieve the intended purpose of such intangible assets.

② Subsequent measurement

When acquiring intangible assets, analyze and judge their useful life.

Intangible assets with finite useful life are amortized on a straight-line basis over the period that brings economic benefits to the Company; if the period in which the intangible assets will bring economic benefits to the Company cannot be foreseen, they shall be regarded as intangible assets with an indefinite useful life and shall not be amortized.

(2) Useful life estimation of intangible assets with finite useful life

Category	Amortization period (year)
Land use right	50

Trademark right	10
Patent right	10
Non-patented technology	5
Application software	5

At the end of each period, the useful life and amortization method of intangible assets with finite useful life are reviewed.

(3) Specific standards to divide the research stage and the development stage for internal R&D projects

Expenditures for internal R&D projects are divided into expenditures at research stage and expenditures at development stage.

Research stage: a stage to carry out the original planned investigation and research activities in order to gain and understand the new scientific or technological knowledge.

Development stage: a stage to apply the research findings or other knowledge to certain plan or design to manufacture new or substantially-improved materials, devices or products before commercial production or application.

(4) Specific standards of expenditure at development stage qualified for capitalization

The expenditures for internal R&D projects at the development stage are recognized as intangible assets when the following conditions are satisfied :

① It is technically feasible to complete the intangible asset so that it will be available for use or sale;

② The Company has the intention to complete the intangible asset and use or sell it;

③ How the intangible asset will generate economic benefits, including the ability to demonstrate the existence of a market for the products produced using the intangible asset or the existence of a market for the intangible asset itself or, if the intangible asset is used internally, the usefulness of the intangible asset;

④ The availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset ;

⑤ The expenditure attributable to the intangible asset during its development stage can be reliably measured.

Expenditures at development stage, if fails to meet the above conditions, shall be included in current profit or loss when occurring. Expenditures at research stage shall be included in current profit or loss when occurring.

(5) For details of the methods for impairment test and impairment provision applicable to intangible assets, see Note V. 30 “Impairment of long-term assets”.

(2). Accounting policies for in-house research and development expenditures

☐ Applicable ☒ Not applicable

30. Impairment of long-term assets

☒ Applicable ☐ Not applicable

On each balance sheet date, the Company shall determine whether there is an indication of impairment for long-term equity investments, investment properties measured by the cost model, fixed assets, construction in progress, biological assets measured by the cost model, oil and gas assets and intangible assets with finite useful life. If there is an indication of impairment, the recoverable amount shall be estimated. If the recoverable amount is less than its book value, the book value of the asset shall be written down to the recoverable amount, and the written-down amount will be recognized as corresponding impairment losses and included in current profit or loss. The corresponding impairment provision shall be made at the same time.

The estimate of the recoverable amount for the assets shall be determined based on its fair value less disposal costs, net and the present value of its expected future cash flow, whichever is higher. The Company estimates its recoverable amount based on an individual asset. When it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit shall be determined based on the cash-generating unit to which the asset belongs.

After the impairment losses on assets are recognized, the depreciation or amortization expenses of the impaired assets shall be adjusted accordingly in the future, so that the adjusted book value of the assets can be systematically apportioned within the remaining useful life.

For intangible assets with indefinite useful life, intangible assets that have not yet ready for use and goodwill arising from the combination, impairment test shall be conducted at the end of each year.

For the impairment test of goodwill, the book value of the goodwill arising from business combinations shall be apportioned to the relevant cash-generating unit on a reasonable basis from the date of purchase; if it is difficult to apportion it to the relevant cash-generating unit, it shall be apportioned to the relevant group of cash-generating units. When apportioning the book value of goodwill to the relevant cash-generating unit or group of cash-

generating units, it shall be apportioned in accordance with the proportion of the fair value of each cash-generating unit or group of cash-generating units to the total fair value of the relevant cash-generating unit or group of cash-generating units. If the fair value cannot be measured reliably, the apportionment is based on the proportion of the book value of each cash-generating unit or group of cash-generating units to the total book value of the relevant cash-generating unit or group of cash-generating units.

For the impairment test on a cash-generating unit or group of cash-generating units containing goodwill, if there is an indication that the cash-generating unit or group of cash-generating units to which the goodwill related may be impaired, the cash-generating unit or group of cash-generating units shall be tested for impairment first to calculate the recoverable amount and recognize corresponding impairment losses by comparing the recoverable amount with the relevant book value. Then, the cash-generating unit or group of cash-generating units containing goodwill shall be tested for impairment, and by comparing the book value of such cash-generating unit or group of cash-generating units, including the part of the book value of the apportioned goodwill, with the recoverable amount, if the recoverable amount of such cash-generating unit or group of cash-generating units is less than the book value, impairment losses shall be recognized for the goodwill.

Once recognized, the above impairment losses on assets of which the value has been recovered shall not be reversed in the subsequent periods.

31. Long-term prepaid expenses

☒ Applicable ☐ Not applicable

For the expenses with an amortization period of more than 1 year that have been incurred but shall be borne in the current and subsequent periods, including the improvement expenses of fixed assets under operating leases, they are amortized as long-term prepaid expenses by installments over the expected beneficial years. In case the future accounting period cannot be benefited from long-term prepaid expenses, all unamortized value of the item shall be transferred into current profit or loss.

32. Contract liabilities

Recognition method of contract liabilities

☒ Applicable ☐ Not applicable

Contract liabilities refer to the obligations of the Company to transfer commodities or provide services to customers for consideration received or receivable from customers, such as amounts that a business has received before transferring the promised goods or services.

33. Employee remunerations

(1). Accounting treatment of short-term remuneration

√ Applicable ☐ Not applicable

During the accounting period in which employees render services to the Company, the actual short-term remuneration shall be recognized as liabilities and included in profit or loss or costs of related assets during the period.

(2). Accounting treatment of post-employment benefit

√ Applicable ☐ Not applicable

The post-employment benefit plans are classified into the defined contribution plan and the defined benefit plan.

During the accounting period in which the employees render services to the Company, the payable amounts calculated based on the defined contribution plan are recognized as liabilities and included in current profit or loss or costs of related assets. If the full amount of contribution payables under the defined contribution plan is not expected to be paid within twelve months after the end of the annual reporting period in which the employees render related services, the full amount of contributions payable shall be measured as employee compensation payables at a discounted amount based on the market yields of treasury bonds or high-quality corporate bonds in active markets that match the maturity and currency of the obligations under the defined benefit plan as at the balance sheet date.

The Company discounts all defined benefit plan obligations at the market yield of treasury bonds or high-quality corporate bonds in active markets that match the maturity and currency of the obligations under the defined benefit plan as at the balance sheet date, including the expected obligations of payment within twelve months after the end of the annual reporting period in which the employees provide services.

If there are assets under the defined benefit plan, the deficit or surplus after the present value of defined benefit plan obligations less the fair value of defined benefit plan assets is recognized as net liabilities or net assets of a defined benefit plan. If a defined benefit plan has a surplus, the Company measures the net assets of defined benefit plan based on the lower of the surplus or asset limit of the defined benefit plan, in which, the asset limit is the present value of the economic benefits that the Company can obtain from refunds of, or reductions future contributions to, the defined benefit plan.

At the end of the reporting period, the service cost of employee compensation costs arising from the defined benefit plans and the net interest of the net liabilities or net assets of

the defined benefit plans shall be included in current profit or loss or cost of assets; the changes arising from the net liabilities or net assets of the defined benefit plans are remeasured. If the net interest in question is included in other comprehensive income and not allowed to be reversed to profit or loss in subsequent accounting periods, it can be transferred within equity.

Under a defined benefit plan, the historical service cost is recognized as a current expense on the earlier date of modification of the defined benefit plan and recognition of related restructuring expense or termination benefits.

An enterprise recognizes gains or losses on settlement when the defined benefit plan is settled. The gain or loss is the difference between the present value of the obligations under the defined benefit plan determined on the settlement date and the settlement price.

(3). Accounting treatment of termination benefits

☒ Applicable ☐ Not applicable

The employee remuneration liabilities arising from termination benefits are recognized on the earlier of the following two dates and included in current profit or loss:

When the enterprise cannot unilaterally withdraw the termination benefits provided for the labor relationship termination plan or the layoff proposal;

When an enterprise recognizes costs or expenses associated with a restructuring involving the payment of termination benefits.

If the termination benefits are expected to be fully paid within twelve months after the end of the annual reporting period in which they are recognized, the relevant provisions for short-term remuneration shall apply; if the termination benefits are not expected to be fully paid within twelve months after the end of the annual reporting period, the relevant provisions for other long-term employee benefits shall apply.

(4). Accounting treatment of other long-term employee benefits

☒ Applicable ☐ Not applicable

Other long-term employee benefits that qualify as defined contribution plans are treated in accordance with (2) above. If the conditions of a defined contribution plan are not met, the relevant provisions for defined benefit plans are applied to recognize and measure the net liabilities or net assets of other long-term employee benefits. At the end of the reporting period, the total net amount of service cost, net interest on net liabilities or net assets, and changes resulting from the remeasurement of net liabilities or net assets for other long-term employee benefits are recognized in current profit or loss or cost of related assets.

34. Lease liabilities√ Applicable ☐ Not applicable

On the beginning date of the lease term, the Company recognizes the present value of the outstanding lease payments as lease liabilities (except for short-term leases and leases of low-value assets). When calculating the present value of lease payments, the Company adopts the interest rate implicit in the lease as the discount rate; if the interest rate implicit in the lease cannot be determined, the lessee's incremental borrowing interest rate shall be used as the discount rate. The Company calculates the interest expense of the lease liability in each period of the lease term in accordance with the fixed periodic interest rate and includes it in current profit or loss, unless it is otherwise specified that it shall be included in the cost of related assets. The amount of variable lease payments not included in the measurement of lease liabilities shall be included in current profit or loss when actually incurred, unless it is otherwise specified that they shall be included in the cost of related assets. After the beginning date of the lease term, when the substantial fixed payment changes, the expected amount payable for the guaranteed residual value changes, the index or ratio used to determine the lease payment changes, or the evaluation result or actual exercise of the purchase option, renewal option or termination option changes, the Company shall remeasure the lease liabilities according to the present value of the changed lease payments.

35. Estimated liabilities√ Applicable ☐ Not applicable

When the obligations arising from providing external guarantee, litigation matters, product quality guarantee, onerous contract and other contingent matters become the realistic obligations of the Company, and the performance of the obligation is likely to lead to the outflow of economic benefits from the Company, and the amount of the obligation can be measured reliably, the Company shall recognize the obligation as an estimated liability. The Company initially measures the estimated liability based on the best estimate of the expenditure required to settle the related realistic obligation and reviews the book value of the estimated liabilities on the balance sheet date.

36. Share-based payments√ Applicable ☐ Not applicable**(1) Types and accounting treatment of share-based payments**

A share-based payment refers to the transaction of granting equity instruments or undertaking liabilities by the Company determined based on equity instruments to obtain

services provided by employees. Share-based payments can be divided into equity-settled share-based payments and cash-settled share-based payments.

① Equity-settled share-based payments

An equity-settled share-based payment in exchange for services provided by employees shall be measured at the fair value of the equity instruments granted to employees on the grant date. It can only be exercised after the service during vesting period is completed or the specified performance conditions are fulfilled, the service obtained during the current period will be included in relevant costs or expenses, based on the best estimate of the number of exercisable equity instruments within the vesting period, as per the fair value of equity instruments on the grant date, and the capital reserve shall be increased accordingly.

For equity-settled share-based payments in exchange for other party's services, if the fair value of other party's services can be reliably measured, it shall be measured based on the fair value of other party's services on the acquisition date and included in the relevant costs or expenses, and the shareholder's equity shall be increased accordingly; in case the fair value of other party's services cannot be reliably measured, but the fair value of equity instruments can be reliably measured, it shall be measured based on the fair value of equity instruments on the acquisition date and included in relevant costs or expenses, and the shareholders' equity shall be increased accordingly.

② Cash-settled share-based payments

A cash-settled share-based payments shall be measured in accordance with the fair value of liability recognized based on the number of shares of the Company or other equity instruments undertaken by the Company. The cash-settled share-based payments shall be exercised only after the service during the vesting period is completed or the specified performance conditions are fulfilled, and the service obtained during the current period will be included in relevant costs or expenses on each balance sheet date within the vesting period, based on the best estimate of the exercisable equity instruments, according to the amount of fair value of liabilities undertaken by the Company, and the liabilities shall be accordingly increased. On each balance sheet date and settlement date before the settlement of relevant liabilities, fair value of the liabilities shall be remeasured, and their changes shall be included in current profit or loss.

(2) Determination of the fair value of equity instruments

① In case of active market, it shall be determined according to the quoted price in the active market.

② In case of no active market, it shall be determined by adopting valuation techniques, including referring to prices used in recent market transactions by parties familiar with the situation and willing to trade, current fair value of other financial instruments that are essentially the same, discounted cash flow method and option pricing model.

(3) Basis for determining the best estimate of exercisable equity instruments

On each balance sheet date in the vesting period, the Company makes the best estimate according to the latest changes in the number of exercisable employees and other subsequent information, and modifies the number of equity instruments which are expected to be exercised.

(4) Treatment of modifying and terminating share-based payments plans

If an amendment to a share-based payments plan increases the fair value of the equity instruments granted, an increase in the services acquired shall be recognized accordingly based on the increase in the fair value of the equity instruments.

If an amendment to a share-based payments plan increases the number of equity instruments granted, the fair value of the increased equity instruments shall be recognized accordingly as an increase in the acquisition of services.

If the vesting conditions are modified in a way that is beneficial to the employees, such as reducing the vesting period, changing or canceling the performance conditions (rather than the market conditions), the Company will consider the modified vesting conditions when dealing with the vesting conditions.

If the terms and conditions are modified in a manner that reduces the total fair value of the share-based payments or otherwise adversely affects the employees, the acquired services shall continue to be accounted for as if the change had never occurred, unless some or all of the equity instruments granted are cancelled.

If equity instruments granted are cancelled in the vesting period, the Company will treat the cancellation of equity instruments granted as accelerated vesting, include the amount recognized in the remaining vesting period in current profit or loss and recognize the capital reserve simultaneously. For employees or other parties who are able to but do not meet the non-vesting conditions during the vesting period, the Company will treat it as the cancellation of equity instruments granted.

37. Preferred stocks, perpetual bonds and other financial instruments

☐ Applicable ☒ Not applicable

38. Revenue

(1). Accounting policies adopted for revenue recognition and measurement

√ Applicable ☐ Not applicable

(1) Revenue recognition

The Company's revenue mainly consists of sales of commodities, construction projects and provision of labor services. The Company recognizes revenue when the performance obligation in the contract is fulfilled, that is, when the customer obtains the control right of relevant commodities. Obtaining the control right of relevant commodities means to be able to dominate the use of the commodities and obtain almost all economic benefits arising therefrom, and it also includes the ability to prevent other parties from dominating the use of the commodities and obtaining economic benefits therefrom.

The Company shall judge the nature of relevant performance obligations as "performance obligations fulfilled within a certain period of time" or "performance obligations fulfilled at a certain point of time" based on relevant provisions of revenue standards, and shall recognize revenue according to the following principles, respectively.

1) In case the Company meets one of the following conditions, it shall fulfill the performance obligations within a certain period of time:

① Customers obtain and consume economic benefits arising from performance of the Company at the same time as the Company fulfills the contract.

② Customers can control the assets under construction during the Company's performance of the contract.

③ Assets produced by the Company during the performance of the contract are irreplaceable, and the Company shall be entitled to receive payment for the performance part that has been completed so far throughout the contract period.

For performance obligations fulfilled within a certain period of time, the Company shall recognize revenue according to the performance progress within that period, except that the performance progress cannot be reasonably determined. The Company shall consider the nature of commodities, and then shall determine the proper performance progress by adopting the output method or the input method.

2) For performance obligations fulfilled at a certain point of time rather than in a certain period of time, the Company shall recognize revenue at the time when customers obtain the control right of relevant commodities.

When judging whether customers have obtained the control right of relevant commodities, the Company considers the following indications:

- ① The Company is entitled to immediately receive payment for the commodities, which means that customers have the obligation to immediately pay for the commodities;
- ② The Company has transferred the legal ownership of the commodities to customers, which means that customers have obtained the legal ownership of the commodities;
- ③ The Company has transferred the commodities in kind to customers, which means that customers have physically possessed the commodities;
- ④ The Company has transferred major risks and rewards related to the ownership of the commodities to customers, which means that customers have obtained major risks and rewards related to the ownership of the commodities;
- ⑤ Customers have accepted the commodities;
- ⑥ Other indications that customers have obtained the control right of the commodities.

(2) The Company's specific policies on revenue recognition:

Based on the requirements of the above principles, the Company has selected different revenue recognition conditions for the characteristics of various sales forms:

① Sales of individual standard products, individual equipment and accessories: for domestic sales, completion of the delivery according to the contract is recognized as the transfer point at which the customer obtains the control right of the relevant commodities; for overseas sales, after the Company organizes the shipment, handles the export customs clearance procedures according to the requirements of the contract, and obtains the export customs declaration and the export shipment note, which is recognized as the point at which the Company transfers control right of the commodities to the customer, the revenue will be recognized.

② Construction projects: for clean energy environmental protection construction projects, the Company recognizes revenue according to the progress of contract performance. For complete sets of wall material production line equipment with installation and acceptance obligations, revenue is recognized upon completion of commissioning and acceptance and obtaining relevant acceptance documents. For complete sets of wall material production line equipment without installation and acceptance obligations: for domestic sales, revenue will be recognized when completion of the delivery according to the contract, which is recognized as the transfer point at which the customer obtains the control right of the relevant

commodities, and for oversea sales, after the Company completes the shipment and handles the export customs clearance procedures according to the requirements of the contract, and obtains the export customs declaration and the export shipment note, which is recognized as the point at which the Company transfers control right of the commodities to the customer, the revenue will be recognized.

(3) Revenue measurement

The Company shall measure revenue according to the transaction price allocated to each individual performance obligation. In determining the transaction price, the Company shall consider the influence of variable considerations, significant financing components in the contract, non-cash considerations, considerations payable to customers as well as other factors:

① Variable considerations

The Company shall determine the best estimate of variable considerations according to the expected value or the most likely amount, but the transaction price including the variable considerations shall not exceed the amount of accumulated recognized revenue that is unlikely to be significantly reversed when relevant uncertainty is eliminated. When evaluating whether the accumulative recognized revenue is unlikely to be significantly reversed, the Company shall further consider the possibility and proportion of revenue reversal.

② Significant financing components

In case of significant financing components in the contract, the Company shall determine the transaction price according to the amount payable in cash assuming that customers obtain the control right of commodities. Difference between the transaction price and the contract consideration shall be amortized by adopting the effective interest method during the contract period.

③ Non-cash considerations

In case customers pay for non-cash considerations, the Company shall determine the transaction price according to the fair value of the non-cash considerations. In case the fair value of non-cash considerations cannot be reasonably estimated, the Company shall indirectly determine the transaction price by reference to the separate selling price of commodities it undertakes to transfer to customers.

④ Consideration payable to customers

Considerations payable to customers shall be written down against the transaction price, and the current income shall be offset at the time when relevant income is recognized or the customer's consideration is paid (or promised to be paid, whichever is later, except that the considerations payable to customers is for the purpose of obtaining other clearly distinct commodities from customers.

In case the consideration payable by the Company to customers is for the purpose of obtaining other clearly distinct commodities from customers, the purchased commodities shall be recognized in a way consistent with other purchases of the Company. In case the consideration payable by the Company to customers exceeds the fair value of the clearly distinct commodities obtained from the customers, the excess amount shall be used to offset the transaction price. In case the fair value of clearly distinct commodities obtained from customers cannot be reasonably estimated, the Company shall offset the transaction price with the considerations payable to customers in full.

(2). Difference in accounting policies for revenue recognition due to different operating models adopted for the same type of business

☐Applicable ☒ Not applicable

39. Contract costs

☒Applicable ☐Not Applicable

Contract costs include incremental costs incurred to obtain the contract and contract performance costs.

Incremental cost incurred to obtain a contract refers to the cost that the Company will not incur without acquiring a contract (such as sales commissions). If the cost is expected to be recovered, the Company recognizes it as an asset at the cost of obtaining the contract. Other expenses incurred by the Company for obtaining the contract, except for the incremental costs expected to be recovered, are included in current profit and loss when incurred.

If the costs incurred for the performance of the contract that do not fall within the scope of other Accounting Standards for Business Enterprises such as inventory and meet the following conditions, the Company shall recognize it as an asset at contract performance cost:

① The cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing expenses (or similar expenses), clearly borne by the customer, and other costs incurred only due to the contract;

② The cost increases the resources that the Company will use to fulfill its obligations in the future;

③ The cost is expected to be recovered.

Assets recognized at cost of obtaining a contract and assets recognized at cost of contract performance are amortized on the same basis as revenue from goods or services related to the asset, and included in current profit and loss. When the book value of the assets related to the contract cost is higher than the difference between the following two items, the Company shall make impairment provision of the excess and recognize it as impairment losses on assets:

① The remaining consideration expected to be obtained by the Company for the transfer of goods or services related to the asset;

② An estimate of the cost to be incurred for the transfer of the relevant goods or services.

Contract performance costs recognized as assets are presented in “Inventory” if the amortization period at initial recognition does not exceed one year or one normal operating cycle, and in “Other non-current assets” if the amortization period at initial recognition exceeds one year or one normal operating cycle. Contract acquisition costs recognized as assets are presented in “Other current assets” if the amortization period at initial recognition does not exceed one year or one normal operating cycle, and in “Other non-current assets” if the amortization period at initial recognition exceeds one year or one normal operating cycle.

40. Government grants

☒Applicable ☐Not Applicable

Government grants are divided into asset-related government grants and revenue-related government grants.

(1) Judgment basis and accounting treatment method of asset-related government grants

The government grants obtained by the Company for the acquisition and construction or for forming long-term assets by other means belong to the asset-related government grants.

Asset-related government grants shall offset the book value of related assets or be recognized as deferred income. If the asset-related government grants are recognized as deferred income, they shall be included in profit or loss by installments according to a reasonable and systematic method within the useful life of the relevant assets. Government grants measured at nominal amount are directly included in current profit or loss.

In case relevant assets are sold, transferred, scrapped or damaged prior to the end of their service life, the balance of relevant deferred income that has not been allocated shall be transferred to current profit or loss of asset disposal.

(2) Judgment basis and accounting treatment method of revenue-related government grants

Government grants other than asset-related government grants are revenue-related government grants. Revenue-related government grants shall be dealt with in the following cases:

① Those used to compensate the Company's related costs and expenses or losses in the future period shall be recognized as deferred income, and shall be included in current profit or loss or written down against the related costs during the period when the related costs or losses are recognized;

② Those used to compensate the relevant costs and expenses or losses incurred by the Company shall be directly included in current profit or loss or written down against the related costs.

(3) The government grants related to the Company's daily activities shall be included in other incomes or written down against the related costs based on the substance of business transactions. Government grants unrelated to the Company's daily activities shall be included in non-operating revenue and expenditure.

Government grants are recognized and measured according to the actual amount received when the funds are actually received. Only when there is conclusive evidence that such grant is disbursed according to a fixed quota standard and there is conclusive evidence that it can meet the relevant conditions stipulated by the financial support policy and is expected to receive financial support funds, it can be recognized and measured according to the amount receivable.

41. Deferred income tax assets/ deferred income tax liabilities

☒Applicable ☐Not Applicable

The difference between the book value of certain assets and liabilities and their tax basis, and the temporary difference arising from the difference between the book value of the items not recognized as assets and liabilities but whose tax basis can be determined in accordance with the applicable tax laws and their tax basis, shall be recognized as deferred income tax assets and deferred income tax liabilities with the balance sheet liability method.

Generally, all temporary differences shall be recognized as the relevant deferred income taxes. However, in the case of deductible temporary differences, the Company will recognize them as the relevant deferred income tax assets to the extent the taxable income amounts likely to be obtained to offset such deductible temporary differences. In addition, the temporary differences in related to the initial recognition of the goodwill and the initial recognition of assets or liabilities arising from the transaction that neither is an enterprise combination nor does the occurrence of which not affect accounting profit and taxable income (or deductible losses) shall not be recognized as deferred income tax assets or liabilities.

For the deductible losses and tax credits that can be carried forward to the following years, the corresponding deferred income tax assets shall be recognized to the extent that it is likely to obtain the future taxable income used to offset the deductible losses and tax credits.

The deferred income tax liabilities arising from taxable temporary differences related to investments in subsidiaries, associates and joint ventures are recognized, unless the Company can control the reversal time of the temporary difference and the temporary difference is likely not to be reversed in the foreseeable future. For the deductible temporary difference related to the investment in subsidiaries, associates and joint ventures, only when the temporary difference is likely to be reversed in the foreseeable future and the taxable income used to offset the deductible temporary difference is likely to be obtained in the future, the deferred income tax assets shall be recognized. On the balance sheet date, deferred income tax assets and deferred income tax liabilities shall be measured at the applicable tax rate in the period of expected recovery of relevant assets or liquidation of related liabilities in accordance with the provisions of the tax law.

Except for the current income tax and deferred income tax related to transactions and matters directly included in other comprehensive income or shareholders' equity that are included in other comprehensive income or shareholders' equity, and the book value of goodwill adjusted by the deferred income tax arising from business combinations, the other current income tax and deferred income tax expenses or income are included in current profit or loss.

On the balance sheet date, the book value of deferred income tax assets shall be reviewed. If the taxable income in the future is not sufficient to offset the interest of the deferred income tax assets, the book value of deferred income tax assets shall be written-

down. When a sufficient amount of taxable income is likely to be obtained, the amount written-down shall be reversed.

When the Company has the legal right to settle in net amount and intends to settle in net amount or acquire assets and settle liabilities simultaneously, the current income tax assets and current income tax liabilities of the Company shall be presented in net amount after offsetting.

When the Company has the legal right to settle the current income tax assets and current income tax liabilities on a net basis, and the deferred income tax assets and deferred income tax liabilities are related to the income taxes levied by the same tax collection authority on the same taxpayer or related to different taxpayers, however, in the future period in which each of the important deferred income tax assets and liabilities is reversed, the taxpayer involved intends to settle the current income tax assets and liabilities on a net basis or obtain assets and liquidate liabilities at the same time, the Company will present the deferred income tax assets and deferred income tax liabilities in the net amount after offsetting.

42. Leasing

(1). Accounting treatment for operating leases

☐Applicable ☒Not Applicable

(2). Accounting treatment for finance leases

☐Applicable ☒Not Applicable

(3). Determination method and accounting treatment method of lease under the new lease standard

☒Applicable ☐Not Applicable

On the starting date of the contract, the Company shall assess whether the contract is a lease or contains a lease. If a party in the contract assigns the right-to-use of one or more identified assets controlled within a certain period in exchange for consideration, the contract is a lease or contains a lease. To determine whether the contract assigns the right-to-use to control the identified assets for a certain period, the Company assesses whether the customer under the contract is entitled to receive substantially all of the economic benefits arising from the use of the identified assets during the period of use and has the right to dominate the use of the identified assets during that period of use.

When several of separate leases are included in the contract at the same time, the Company will split the contract and respectively conduct the accounting treatment for each separate lease.

(1) As a lessee

On the beginning date of the lease term, the right-of-use assets and lease liabilities shall be recognized by the Company for the lease, except for short-term leases and leases of low-value assets.

The right-of-use assets are initially measured at the cost. The cost includes: ① the initial measurement amount of the lease liability; ② the lease payment paid on or before the beginning date of the lease term, if there is lease incentive, the relevant amount of lease incentive enjoyed shall be deducted; ③ initial direct expenses incurred by the lessee; ④ the estimated cost to be incurred by the lessee in dismantling and removing the leased asset, restoring the site where the leased asset is located or restoring the leased asset to the state agreed in the lease terms. Where the aforementioned costs are incurred for the production of inventories, the inventory-related guidelines apply.

According to the present value of the lease payment that has not been paid on the beginning date of the lease term, the Company shall carry on the initial measurement of the lease liability.

When calculating the present value of lease payments, the lessee adopts the interest rate implicit in the lease as the discount rate; if the interest rate implicit in the lease cannot be determined, the lessee's incremental loan interest rate shall be used as the discount rate.

Lease payments, which are payments made by the lessee to the lessor in connection with the right-to-use of the leased asset during the lease term, include:

① The fixed payment and actual fixed payment, if there is a lease incentive, the relevant amount of the lease incentive shall be deducted;

② Variable lease payments that depend on an index or rate, which are determined at the time of initial measurement based on the index or rate on the beginning date of the lease term;

③ The exercise price of the purchase option, provided that the lessee reasonably determines that it will exercise the option;

④ The amount to be paid for the exercise of the termination option, provided that the lease term reflects that the lessee will exercise the termination lease option.

After the beginning date of the lease term, the lessee shall adopt the cost model for the subsequent measurement of the right-of-use assets and depreciate the right-of-use assets with reference to the relevant depreciation provisions of the “Accounting Standards for Business Enterprises No. 4 - Fixed Assets”.

If the lessee can reasonably determine that it will obtain the ownership of the leased asset upon the expiry of the lease term, it shall make provision for the depreciation within the remaining service life of the leased asset. If it is not reasonable to be certain that the lessee will obtain the ownership of the leased assets upon the expiry of the lease term, the leased assets shall be depreciated over the shorter of the lease term or the remaining service life.

The lessee determines whether the right-of-use assets are impaired in accordance with the “Accounting Standards for Business Enterprises No. 8 - Asset Impairment”, and carries out accounting treatment for the identified impairment losses.

The lessee calculates the interest expense of the lease liability in each period of the lease term according to the fixed periodic interest rate and includes it in current profit or loss. If it shall be included in the relevant asset cost according to the “Accounting Standards for Business Enterprises No. 17 - Borrowing Costs” and other standards, the provisions thereof shall apply.

The amount of variable lease payments not included in the measurement of lease liabilities shall be included into current profit or loss when actually incurred. If it shall be included in the relevant asset cost according to the “Accounting Standards for Business Enterprises No. 1 - Inventories” and other standards, the provisions thereof shall apply.

For short-term leases and leases of low-value assets, the Company chooses not to recognize right-of-use assets and lease liabilities, and the lease payments for short-term leases and leases of low-value assets are included in the relevant asset cost or current profit or loss according to the straight-line method or other systematic and reasonable methods in each period of the lease term.

(2) As a lessor

The Company divides the lease into finance leases and operating leases on the lease commencement date. A finance lease is a lease that substantially transfers almost all the risks and rewards associated with the ownership of the leased asset. Its ownership may or may not eventually transfer. Operating leases refer to other leases other than finance leases.

Whether a lease is a finance lease or an operating lease depends on the substance of the transaction, not the form of the contract. A lessor shall classify a lease as a finance lease if it transfers substantially all the risks and rewards of ownership of the leased asset.

A lease is usually classified as a finance lease if one or more of the following conditions exist: ① When the lease term expires, the ownership of the leased asset is transferred to the lessee. ② The lessee has the option to purchase the leased assets. If the agreed purchase price is far lower than the fair value of the leased assets expected at the time exercising the option, it can be reasonably determined that the lessee will exercise such option on the lease commencement date. ③ Although the ownership of the asset is not transferred, the lease term covers the major part of the service life of the leased assets. ④ The present value of lease receipts on the lease commencement date is nearly equal to the fair value of the leased assets. ⑤ The leased assets are of special nature, and only the lessee could use such assets if no significant retrofitting is made.

① Accounting treatment for finance leases by the lessor

On the beginning date of the lease term, the lessor shall recognize the amount receivable for the finance leases and terminate the recognition of the finance lease assets.

When the lessor initially measures the finance lease receivables, the net investment in the lease shall be used as the entry value of the finance lease receivables.

The net lease investment is the sum of the unguaranteed residual value and the present value of the lease receipts that have not been received on the beginning date of the lease term discounted at the interest rate implicit in the lease.

In the case of a sublease, if the interest rate implicit in the sublease cannot be determined, the sublease lessor may use the discount rate of the original lease (adjusted for the initial direct costs associated with the sublease) to measure the net investment in the sublease.

The lessor shall calculate and recognize the interest income in each period of the lease term according to the fixed periodic interest rate. The periodic interest rate is the discount rate adopted in accordance with the provisions of Article 38 of these Standards, or the revised discount rate adopted in accordance with the provisions of Article 44 of these Standards.

The lessor shall account for the derecognition and impairment of finance lease receivables in accordance with the provisions of the “Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments” and the “Accounting Standards for Business Enterprises No. 23 - Transfer of Financial Assets”.

The amount of variable lease payments obtained by the lessor not included in the measurement of net lease investment shall be included into current profit or loss when actually incurred.

② Accounting treatment for operating leases by the lessor

The lessor shall adopt the straight-line method or other systematic and reasonable methods to recognize the lease receipts of operating leases as rental income during each period of the lease term. The initial direct expenses incurred by the lessor related to operating leases shall be capitalized, amortized on the same basis as the recognition of rental income during the lease term, and included in current profit or loss by stages.

For the fixed assets in the operating lease assets, the lessor shall adopt the depreciation policy of similar assets for depreciation; other operating lease assets shall be amortized by systematic and reasonable methods in accordance with the Accounting Standards for Business Enterprises applicable to the assets.

The lessor determines whether the operating lease assets are impaired in accordance with the “Accounting Standards for Business Enterprises No. 8 - Asset Impairment”, and carries out corresponding accounting treatment.

The amount of variable lease payments obtained by the lessor that is related to the operating leases and not included in the lease receipts shall be included in current profit or loss when actually incurred.

43. Other significant accounting policies and accounting estimates

☒Applicable ☐Not Applicable

(1) Discontinued operations

Discontinued operations are those components that have been disposed of or classified as held for sale by the Company and that can be separately distinguished in operations and in the preparation of financial statements if one of the following conditions is met: ① the component represents a separate major business or a major operating area; ② the component is part of a proposed disposal plan for a separate major business or a major operating area; ③ the component is a subsidiary acquired solely for the purpose of re-sale.

For the accounting treatment method of discontinued operations, please refer to the relevant description in Note V. 17 “Assets held for sale”.

(2) Debt restructuring

For debt restructuring in which the debt restructuring obligation is recorded as a creditor to settle the debt in cash, the difference between the carrying balance of the restructured debt

and the cash received is recognized in current profit or loss; if the debt is settled with non-cash assets, the difference between the fair value of the relinquished debt and the book value is recognized in current profit or loss. If an impairment provision has been made for restructured debt, the above difference is first written off against the impairment provision that has been made, and any shortfall is recognized in current profit or loss.

(3) Exchange of non-monetary assets

If the exchange of non-monetary assets has commercial substance and the fair value of the asset being exchanged in or out can be measured reliably, the fair value of the asset being exchanged out (unless there is conclusive evidence that the fair value of the asset being exchanged in is more reliable) and the related taxes payable are used as the cost of the asset being exchanged in, and the difference between the fair value and the book value of the asset being exchanged out is included in current profit or loss. If the exchange of non-monetary assets does not meet the above conditions, the book value of the asset being exchanged out and the relevant taxes and fees payable are regarded as the cost of the asset being exchanged in, and no profit or loss is recognized.

44. Changes in significant accounting policies and accounting estimates

(1). Changes in significant accounting policies

☐Applicable ☒Not Applicable

(2). Changes in significant accounting estimates

☐Applicable ☒Not Applicable

45. Others

☐Applicable ☒Not Applicable

VI. Taxation

1. Main types of taxes and tax rates

Main types of taxes and tax rates

☒Applicable ☐Not Applicable

Tax types	Tax basis	Tax rate
Value-added tax	Taxable income	3%, 5%, 6%, 9%, 10%, 11%, 12.5%, 13%, 16%, 17%, 18%, 21%, 22%
City maintenance and construction tax	Turnover tax payable	1%, 5%, 7%
Corporate income tax	Taxable corporate income	12.5%, 15%, 16.5%, 19.26%, 20%, 22%, 25%,

		27.90%, 30%, 33%, 35%
Education surcharges	Turnover tax payable	3%
Local education surcharges	Turnover tax payable	2%

Where there are any taxpayers with different corporate income tax rates, details should be disclosed

☒Applicable ☐Not Applicable

Name of taxpayer	Income tax rate (%)
Keda (Ghana) Ceramics Company Limited.	12.5
Keda Industrial Group Co., Ltd.	15
Anhui KEDA Industrial Co., Ltd.	15
Anhui Keda Clean Energy Co., Ltd.	15
Guangdong KEDA Hydraulic Technology Co., Ltd.	15
Foshan HLT Industry Co., Ltd.	15
Henan KDNEU International Engineering Co., Ltd.	15
Jiangsu Kehang Environmental Protection Co., Ltd.	15
Foshan DLT Technology Co., Ltd.	15
Anhui KEDA New Material Co., Ltd.	15
Anhui KEDA Platinum Platform Energy Technology Co., Ltd.	15
Tilemaster Investment Limited	15
Forwell International (HK) Co., Limited	16.5
Xincheng International (Hong Kong) Co., Ltd.	16.5
Keda International Company S.a.r.l.	19.26
Guangzhou Agate Technology Co.,LTD.	20
Henan Tailong Metallurgy Technology Co., Ltd	20
Ningxia Kehang Environmental Protection Engineering Co., Ltd.	20
Anhui KEDA Keneng Electricity Selling Co., Ltd.	20
Changzhou KEDA Electricity Selling Co., Ltd.	20
Anhui KEDA Purui Energy Technology Co., Ltd.	20
Foshan KEDA Ceramic Technology Co., Ltd.	20
Maanshan Kehan New Energy Technology Co., Ltd	20
Guangdong KEDA Smart Energy Technology Co., Ltd	20
Anhui Keqing Environmental Engineering Co., Ltd.	20
Anhui KEDA Electric Vehicle Trading Co., Ltd.	20
Anhui Keda Smart Energy Technology Co., Ltd.	20
Chuzhou KEDA Smart Energy Technology Co., Ltd.	20
Suzhou KEDA Smart Energy Technology Co., Ltd.	20

Wuhu KEDA Smart Energy Technology Co., Ltd	20
Hefei Binhu KEDA Smart Energy Co., Ltd.	20
Toyo Hydraulic Technology (Dalian) Co., Ltd.	20
Anhui Hengwang Smart Energy Technology Co., Ltd.	20
Maanshan Kean New Energy Technology Co., Ltd.	20
Wuhu Kean Energy Technology Co., Ltd.	20
Kunshan Boyue New Energy Technology Co., Ltd.	20
Maanshan Zhengpugang New District Taixin New Energy Technology Co., Ltd.	20
Dangtu Keda New Energy Technology Co., Ltd.	20
Anhui Keda Lithium Battery Equipment Co., Ltd.	20
Shaoguan City Keda Machinery Manufacturing Co., Ltd.	20
Keda Turkey Makine Ticaret Limited Sirketi	22
KEDA Industrial (Hong Kong) Limited	25
Foshan ZLT Machinery Co., Ltd.	25
Anhui KEDA Huadong Electric Vehicle Travel Service Co., Ltd.	25
Anhui Kean Electric Power Engineering Co., Ltd.	25
Sixian KEDA New Energy Technology Co., Ltd.	25
Maanshan Huadong Travel Passenger Transportation Co., Ltd.	25
Shenyang KEDA Clean Energy Gas Co., Ltd.	25
Anhui KEDA Investment Co., Ltd.	25
KEDA-SUREMAKER (Wuhu) Industrial Co., Ltd	25
Qinghai Weili New Energy Material Co., Ltd.	25
Qinghai KEDA Lithium Industry Co., Ltd.	25
Jiangsu KEDA Electric Power Co., Ltd.	25
Foshan KEDA Industrial Co., Ltd.	25
Fujian Keda New Energy Technology Co., Ltd.	25
Sichuan KEDA Clean Energy New Material Co., Ltd.	25
Guangdong Xincheng Financing Leasing Co., Ltd.	25
Anhui Xincheng Financing Leasing Co., Ltd.	25
Wibe S.L.	25
Foshan Keda Equipment Manufacturing Co., Ltd.	25
Foshan HLT Technology Co., Ltd.	25
Foshan Kean New Energy Technology Co., Ltd.	25
Dangtu Kean New Energy Technology Co., Ltd.	25
Kami Materials Co., Ltd.	25
I.C.F.&Welko S.P.A.	27.9
Keda Europe S.r.l.	27.9
Keda (Kenya) Ceramics Company Limited	30
Keda (Tanzania) Ceramics Company Limited	30

Keda (SN) Ceramics Company Limited	30
Kami Colourcera Private Limited	30
Keda Industrial (India) Limited	30
Keda Ceramics International Company Limited	30
Keda Cameroon Ceramics Limited	33
Keda Zambia Ceramics Company Limited	35

2. Tax preference

☒Applicable ☐Not Applicable

Guangdong KEDA Hydraulic Technology Co., Ltd. was certified as hi-tech enterprise of Guangdong Province for 2019 (certificate No.: GR201944005165), with corporate income tax rate of 15%.

Anhui KEDA New Materials Co., Ltd. was certified as hi-tech enterprise of Anhui Province for 2019 (certificate No.: GR201934001062), with corporate income tax rate of 15%.

Anhui Keda Clean Energy Co., Ltd. was certified as hi-tech enterprise of Anhui Province for 2019 (certificate No.: GR201934001589), with corporate income tax rate of 15%.

Keda Industrial Group Co., Ltd. was certified as hi-tech enterprise of Guangdong Province for 2020 (certificate No.: GR202044009552), with corporate income tax rate of 15%.

Foshan HLT Industry Co., Ltd. was certified as hi-tech enterprise of Guangdong Province for 2020 (certificate No.: GR202044002004), with corporate income tax of 15%.

Jiangsu Kehang Environmental Protection Co., Ltd. was certified as hi-tech enterprise of Jiangsu Province for 2020 (certificate No.: GR202032010161), with corporate income tax rate of 15%.

Anhui KEDA Platinum Platform Energy Technology Co., Ltd. was certified as hi-tech enterprise of Anhui Province for 2020 (certificate No.: GR202034002574), with corporate income tax rate of 15%.

Anhui KEDA Industrial Co., Ltd. was certified as hi-tech enterprise of Anhui Province for 2021 (certificate No.: GR202134002910), with corporate income tax rate of 15%.

Henan KDNEU International Engineering Co., Ltd. was certified as hi-tech enterprise of Henan Province for 2021 (certificate No.: GR2021141000302), with corporate income tax rate of 15%.

Foshan DLT Technology Co., Ltd. was certified as hi-tech enterprise of Guangdong Province for 2021 (certificate No.: GR202144005272), with corporate income tax rate of 15%.

3. Others

☐Applicable ☒Not Applicable

VII. Notes to Items in Consolidated Financial Statements

1. Monetary funds

☒Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Cash on hand	7,557,588.04	5,593,501.38
Bank deposits	1,811,454,262.29	1,682,199,603.95
Other monetary funds	584,923,011.57	272,865,715.44
Total	2,403,934,861.90	1,960,658,820.77
Including: total amount deposited overseas	416,695,707.97	486,953,540.01

Other description:

The closing balance other monetary fund includes the deposit of bank acceptable bill RMB439,756,157.20, deposit of letter of guarantee RMB47,871,591.17, legal freezing fund RMB90,174,706.23, other deposits RMB7,120,556.97.

2. Financial assets held for trading

☒Applicable ☐ Not applicable

Unit:Yuan Currency:RMB

Item	Closing balance	Opening balance
Financial assets at fair value through profit or loss		58,233,994.24
Including:		
Wealth management products		55,233,245.92
Hedging for forward foreign exchange settlement		3,000,748.32
Total		58,233,994.24

Other description:

√Applicable ☐ Not applicable

The closing balance of financial assets held for trading for the period decreased 100.00% compared with the closing balance of last year, which was mainly attributable to the redemption of wealth management products by the Company.

3. Derivative financial assets

☐ Applicable ☒ Not applicable

4. Notes receivable

(1) Notes receivable shown by category

√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Bank acceptance bills	400,000.00	2,030,000.00
Commercial acceptance bills	18,034,004.14	15,950,730.39
Total	18,434,004.14	17,980,730.39

(2) Notes receivable pledged by the Company at the end of the period

☐ Applicable ☒ Not applicable

(3) Notes receivable endorsed or discounted by the Company and not expired as of the balance sheet date at the end of the period

√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance bills		400,000.00
Total		400,000.00

(4) Bills transferred to accounts receivable by the Company at the end of the period due to non-performance by drawer

☐ Applicable ☒ Not applicable

(5) Disclosure by classification for methods of bad debt provision

√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Category	Closing balance			Opening balance		
	Carrying amount	Bad debt provisions	Book value	Carrying amount	Bad debt provisions	Book value

	Amount	Proportion (%)	Amount	Provision ratio (%)		Amount	Proportion (%)	Amount	Provision ratio (%)	
Bad debt provisions made on a group basis	18,602,020.48	100.00	168,016.34	0.90	18,434,004.14	18,325,572.98	100.00	344,842.59	1.88	17,980,730.39
Including:										
Commercial acceptance bills on a group basis	18,202,020.48	97.85	168,016.34	0.92	18,034,004.14	16,295,572.98	88.92	344,842.59	2.12	15,950,730.39
Bank acceptance bills on a group basis	400,000.00	2.15			400,000.00	2,030,000.00	11.08			2,030,000.00
Total	18,602,020.48	/	168,016.34	/	18,434,004.14	18,325,572.98	/	344,842.59	/	17,980,730.39

Bad debt provisions made on individual item:

☐ Applicable ☒ Not applicable

Bad debt provisions made on a group basis: Commercial acceptance bills on a group basis

☒ Applicable ☐ Not applicable

Items on which bad debts were provided: Commercial acceptance bills on a group basis

Unit: Yuan Currency: RMB

Name	Closing balance		
	Notes receivable	Bad debt provisions	Provision ratio (%)
Commercial acceptance bills on a group basis	18,202,020.48	168,016.34	0.92
Total	18,202,020.48	168,016.34	0.92

Recognition criteria and description of bad debt provisions made on a group basis

☐ Applicable ☒ Not applicable

If the provision for bad debts is based on the general model of expected credit losses, please refer to the disclosure for other receivables as follows:

☐ Applicable ☒ Not applicable

(6) Bad debt provisions

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Amount changed during the period				Closing balance
		Provided	Recovered or reversed	Written-off or cancelled after verification	Other changes	
Bad debt provisions	344,842.59	-128,659.12			-48,167.13	168,016.34
Total	344,842.59	-128,659.12			-48,167.13	168,016.34

Of which the amount of bad debt provisions recovered or reversed during the period was significant:

☐Applicable ☒Not applicable

(7) Notes receivable actually written off during the period

☐Applicable ☒Not applicable

Additional description:

☐Applicable ☒Not applicable

5. Accounts receivable

(1) Disclosure by aging

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Aging	Closing carrying amount
Subtotal within 1 year	1,439,825,606.57
1 to 2 years	210,224,035.90
2 to 3 years	72,057,802.36
More than 3 years	92,694,912.17
Total	1,814,802,357.00

(2) Disclosure by classification for methods of bad debt provision

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Carrying amount		Bad debt provisions		Book value	Carrying amount		Bad debt provisions		Book value
	Amount	Proportion (%)	Amount	Provision ratio (%)		Amount	Proportion (%)	Amount	Provision ratio (%)	
Bad debt provisions made on individual item	54,368,702.17	3.00	47,087,506.28	86.61	7,281,195.89	57,891,241.38	3.58	44,660,629.49	77.15	13,230,611.89
Including:										
Material individual amount	30,401,817.83	1.68	24,217,828.37	79.66	6,183,989.46	38,370,210.08	2.37	29,446,243.02	76.74	8,923,967.06
Immaterial individual amount	23,966,884.34	1.32	22,869,677.91	95.42	1,097,206.43	19,521,031.30	1.21	15,214,386.47	77.94	4,306,644.83
Bad debt provisions made on a group basis	1,760,433,654.83	97.00	138,815,467.45	7.89	1,621,618,187.38	1,560,670,474.25	96.42	132,369,305.80	8.48	1,428,301,168.45
Including:										

Receivables of bad debt provisions made based on credit risk characteristics portfolio	1,760,433,654.83	97.00	138,815,467.45	7.89	1,621,618,187.38	1,560,670,474.25	96.42	132,369,305.80	8.48	1,428,301,168.45
Total	1,814,802,357.00	/	185,902,973.73	/	1,628,899,383.27	1,618,561,715.63	/	177,029,935.29	/	1,441,531,780.34

Bad debt provisions made on individual item:

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Name	Closing balance			
	Carrying amount	Bad debt provisions	Provision ratio (%)	Reason for provision
Customer 1	10,800,000.00	10,800,000.00	100.00	Estimated to be unrecoverable
Customer 2	9,082,318.00	2,898,328.54	31.91	Estimated to be unrecoverable
Customer 3	5,415,762.90	5,415,762.90	100.00	Estimated to be unrecoverable
Customer 4	5,103,736.93	5,103,736.93	100.00	Estimated to be unrecoverable
Others	23,966,884.34	22,869,677.91	95.42	
Total	54,368,702.17	47,087,506.28	86.61	/

Description of bad debt provisions made on individual item:

☐Applicable ☒Not applicable

Bad debt provisions made on a group basis:

☒Applicable ☐Not applicable

Items of provisions on a group basis: receivables of bad debt provisions made on a group basis by credit risks

Unit: Yuan Currency: RMB

Name	Closing balance		
	Accounts Receivable	Bad debt provisions	provision ratio (%)
within 1 year	1,426,027,325.82	24,400,575.92	1.71
1 to 2 years	198,693,194.00	24,610,292.92	12.39
2 to 3 years	66,942,635.21	27,822,013.35	41.56
3 to 5 years	39,509,380.85	32,721,466.31	82.82
More than 5 years	29,261,118.95	29,261,118.95	100.00
Total	1,760,433,654.83	138,815,467.45	7.89

Recognition criteria and description of bad debt provisions made on a group basis

☐Applicable ☒Not applicable

If the provision for bad debts is based on the general model of expected credit losses, please refer to the disclosure for other receivables as follows:

☐Applicable ☒Not applicable

(3) Bad debt provisions

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Amount changed during the period				Closing balance
		Provided	Recovered or reversed	Written-off or cancelled after verification	Other changes	
Bad debt provisions	177,029,935.29	15,363,208.58	108,808.79	6,974,466.10	375,487.17	185,902,973.73
Total	177,029,935.29	15,363,208.58	108,808.79	6,974,466.10	375,487.17	185,902,973.73

Of which the amount of bad debt provisions recovered or reversed for the period was significant:

☐ applicable ☒not applicable

(4) Accounts receivable actually written off during the period

☒Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Amount written off
Accounts receivable actually written off	6,974,466.10

Of which the amount of accounts receivable written off was significant:

☒Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Name	Nature of accounts receivable	Amount written off	Reasons for writing off	Write-off procedures performed	Whether caused by related transactions
Customer 5	Payment for goods	2,244,375.00	unrecoverable	Approval procedure of cancellation after verification of bad debts	
Total	/	2,244,375.00	/	/	/

Explanation for writing off accounts receivable:

☐Applicable ☒Not applicable

(5) Accounts receivable with top five closing balances as categorized by debtors√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Name	Closing balance	Proportion to total closing balances of accounts receivable (%)	Closing balance of bad debt provisions
Customer 6	109,966,116.19	6.06	593,148.33
Customer 7	70,441,038.80	3.88	786,826.41
Customer 8	43,233,466.98	2.38	655,429.94
Customer 9	35,919,157.34	1.98	418,968.56
Customer 10	28,144,994.76	1.55	273,730.72
Total	287,704,774.07	15.85	2,728,103.96

(6) Derecognition of accounts receivables due to transfer of financial assets☐Applicable √Not applicable**(7) Amount of assets and liabilities arising from the transfer of accounts receivable and continued involvement**☐Applicable √Not applicable

Additional description:

☐Applicable √Not applicable**6. Receivables financing**√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Bank acceptance bills	153,286,962.59	230,376,142.57
Total	153,286,962.59	230,376,142.57

Changes in receivables financing during the period and changes in fair value:

☐Applicable √Not applicable

If the provision for bad debts is based on the general model of expected credit losses, please refer to the disclosure for other receivables as follows:

☐Applicable √Not applicable

Additional description:

√Applicable ☐ Not applicable

Remark 1: Receivables financing pledged by the Company at the end of the period

Unit: Yuan Currency: RMB

Item	Amount pledged at the end of the period
Bank acceptance bills	49,732,042.00
Total	49,732,042.00

Remark 2: Receivables financing endorsed or discounted by the Company and not expired on the balance sheet date at the end of the period

Unit: Yuan Currency: RMB

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance bills	531,462,977.60	
Total	531,462,977.60	

7. Prepayments

(1) Prepayments shown by aging

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	324,261,856.20	89.37	244,421,661.45	93.66
1 to 2 years	32,087,510.41	8.84	10,973,043.30	4.20
2 to 3 years	2,158,865.80	0.60	1,046,034.55	0.41
More than 3 years	4,316,934.43	1.19	4,519,970.65	1.73
Total	362,825,166.84	100.00	260,960,709.95	100.00

(2) Prepayment with top five closing balances as categorized by prepaid entities

☒Applicable ☐ Not applicable

Name	Closing balance	Proportion to total closing balances of prepayments (%)
Supplier 1	29,182,911.51	8.04
Supplier 2	28,518,908.63	7.86
Supplier 3	21,789,083.68	6.01
Supplier 4	18,801,128.00	5.18
Supplier 5	12,079,000.00	3.33
Total	110,371,031.82	30.42

Additional description

☒Applicable ☐Not applicable

Remark: supplier 2 is Qinghai Salt Lake Lanke Lithium Industry Co., Ltd., the company with our equity investment.

8. Other receivables

List of items

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest receivable		
Dividends receivable		
Other receivables	140,208,923.08	107,980,971.15
Total	140,208,923.08	107,980,971.15

Additional description

☐Applicable ☒Not applicable

Interest receivable

(1) Classification of interest receivable

☐Applicable ☒Not applicable

(2) Significant overdue interest

☐Applicable ☒Not applicable

(3) Bad debt provisions

☐Applicable ☒Not applicable

Additional description:

☐Applicable ☒Not applicable

Dividends receivable

(1) Dividends receivable

☐ applicable ☒not applicable

(2) Significant dividends receivable aged over 1 year

☐Applicable ☒Not applicable

(3) Bad debt provisions

☐Applicable ☒Not applicable

Additional description:

☐Applicable ☒Not applicable

Other receivables

(1) Disclosure by aging

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Aging	Closing carrying amount
Subtotal within 1 year	126,060,962.13
1 to 2 years	10,697,167.82
2 to 3 years	3,241,445.32
More than 3 years	8,272,344.31
Total	148,271,919.58

(2) Classification by fund nature

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Fund nature	Closing carrying amount	Opening carrying amount
Current accounts of the Company	54,138,470.36	56,108,359.00
Other current accounts	48,421,106.21	28,315,228.06
Export tax refund	10,050,262.78	18,703,361.01
Security deposit	35,662,080.23	21,805,220.68
Total	148,271,919.58	124,932,168.75

(3) Bad debt provisions

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Bad debt provisions	First stage	Second stage	Third stage	Total
	Expected credit loss in the next 12 months	Expected credit loss for the lifetime (credit not impaired)	Expected credit loss for the lifetime (credit impaired)	
Balance as of 1 January 2022	3,984,786.70		12,966,410.90	16,951,197.60
Balance as of 1 January 2022 for the period	3,984,786.70		12,966,410.90	16,951,197.60
- Transferred to the second stage				
- Transferred to the third stage				
- Transferred from the second stage				
- Transferred from the first stage				

Provided for the period	765,147.86		142,355.56	907,503.42
Reversed during the period				
Written off during the period				
Cancelled after verification during the period	3,000.00		9,818,470.96	9,821,470.96
Other changes	25,766.44			25,766.44
Balance as of 30 June 2022	4,772,701.00		3,290,295.50	8,062,996.50

Description of significant changes in the carrying amount of other receivables of which provision for losses changed during the period:

☐Applicable ☒Not applicable

The amount of provision for bad debts for the period and the basis adopted to assess whether there has been a significant increase in the credit risk of the financial instruments:

☐Applicable ☒Not applicable

(4) Bad debt provisions

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Amount changed during the period				Closing balance
		Provided	Recovered or reversed	Written off or cancelled after verification	Other changes	
Bad debt provisions	16,951,197.60	907,503.42		9,821,470.96	25,766.44	8,062,996.50
Total	16,951,197.60	907,503.42		9,821,470.96	25,766.44	8,062,996.50

Of which the amount of provision for bad debts reversed or recovered during the period was significant:

☐ applicable ☒not applicable

(5) Details of other receivables written off during the period

☒Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Amount actually cancelled after verification
Other receivables actually cancelled after verification	9,821,470.96

Of which other receivables cancelled after verification was significant:

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Name of unit	Nature of other receivables	Amount of cancellation after verification	Reason of cancellation after verification	Write-off procedures performed	Whether caused by related transactions
Transaction unit 1	Transaction amount	9,818,470.96	unrecoverable	approval procedure of cancellation after verification of bad debts	
Total	/	9,818,470.96	/	/	/

Explanation for cancelling other receivables:

☐ Applicable ☒ Not applicable**(6) Accounts receivable with top five closing balances as categorized by debtors**☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Name	Fund nature	Closing balance	Aging	Proportion to total closing balances of other accounts receivable (%)	Closing balance of bad debt provisions
Transaction unit 2	Transaction amount	17,213,354.72	Within 1 year	11.61	41,272.53
Transaction unit 3	export tax rebate	10,050,262.78	Within 1 year	6.78	
Transaction unit 4	Deposits	8,248,402.43	Within 1 year	5.56	
Transaction unit 5	Deposits	6,160,000.00	Within 1 year	4.15	
Transaction unit 6	Deposits	3,272,926.80	Within 1 year	2.21	
Total	/	44,944,946.73	/	30.31	41,272.53

(7) Receivables involving government grants☐ Applicable ☒ Not applicable**(8) Other receivables derecognized due to transfer of financial assets**☐ Applicable ☒ Not applicable**(9) Amount of assets and liabilities arising from the transfer of other receivables and continued involvement**☐ Applicable ☒ Not applicable

Additional description:

☐ Applicable ☒ Not applicable

9. Inventories**(1) Classification of inventories**

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Carrying amount	Stock depreciation reserves/Impairment provision of contract performance cost	Book value	Carrying amount	Stock depreciation reserves/Impairment provision of contract performance cost	Book value
Raw materials	1,103,546,138.53		1,103,546,138.53	993,717,519.01		993,717,519.01
Goods in process	1,424,632,863.40		1,424,632,863.40	1,600,285,146.12		1,600,285,146.12
Goods in stock	687,119,002.97		687,119,002.97	610,449,751.28		610,449,751.28
Goods in transit	43,876,625.94		43,876,625.94	57,993,029.02		57,993,029.02
Total	3,259,174,630.84		3,259,174,630.84	3,262,445,445.43		3,262,445,445.43

(2) Stock depreciation reserves/Impairment provision on contract performance cost

□Applicable √Not applicable

(3) Description of the closing balance of inventories containing amounts capitalised as borrowing costs

□Applicable √Not applicable

(4) Description of the contract performance costs amortized during the period

□Applicable √Not applicable

Additional description:

□Applicable √Not applicable

10. Contract assets**(1) Contract assets**

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Carrying amount	Impairment provision	Book value	Carrying amount	Impairment provision	Book value
Contract assets	441,503,900.24	46,547,152.09	394,956,748.15	397,851,795.59	42,851,855.94	354,999,939.65
Total	441,503,900.24	46,547,152.09	394,956,748.15	397,851,795.59	42,851,855.94	354,999,939.65

(2) Amount of and reasons for significant changes in the carrying value during the reporting period

☐Applicable ☒Not applicable

(3) Impairment provision on contract assets for the period

☒Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Provided for the period	Reversed during the period	Written off/ cancelled after verification during the period	Reason
Impairment provision	3,700,122.80			
Total	3,700,122.80			/

If the provision for bad debts is based on the general model of expected credit losses, please refer to the disclosure for other receivables as follows:

☐Applicable ☒Not applicable

Additional description:

☐Applicable ☒Not applicable

11. Assets held for sale

☐Applicable ☒Not applicable

12. Non-current assets due within one year

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Debt investments expiring within one year		
Other debt investments expiring within one year		
Finance leases	585,147,039.11	641,167,056.20
Including: rental income of finance leases not realized	30,265,948.96	31,618,966.26
Total	585,147,039.11	641,167,056.20

Significant debt investments and other debt investments at the end of the period:

☐Applicable ☒Not applicable

Additional description:

Category	Closing balance					Opening balance				
	Carrying amount		Bad debt provisions		Book value	Carrying amount		Bad debt provisions		Book value
	Amount	Proportion (%)	Amount	Provision ratio (%)		Amount	Proportion (%)	Amount	Provision ratio (%)	
Bad debt provisions made on individual item	108,167,067.11	15.96	81,007,388.50	74.89	27,159,678.61	115,137,989.37	15.64	82,874,092.34	71.98	32,263,897.03
Bad debt provisions made on a group basis	569,444,792.92	84.04	11,457,432.42	2.01	557,987,360.50	621,033,167.40	84.36	12,130,008.23	1.95	608,903,159.17
Total	677,611,860.03		92,464,820.92	13.65	585,147,039.11	736,171,156.77		95,004,100.57		641,167,056.20

Remark 1: Description of bad debt provisions made on individual item:

Name	Closing balance			
	Carrying amount	Bad debt provisions	Provision ratio (%)	Reasons for provision
Customer 11	19,155,507.62	19,155,507.62	100.00	The customer is unable to repay
Customer 12	18,829,298.36	15,063,438.69	80.00	The customer is unable to repay and intends to receive assets to offset the debts
Customer 13	12,250,664.70	12,250,664.70	100.00	The customer is unable to repay
Customer 14	12,190,499.01	9,752,399.21	80.00	The customer is unable to repay and intends to receive assets to offset the debts
Customer 15	7,858,784.86	6,287,027.89	80.00	The customer is unable to repay and intends to receive assets to offset the debts
Customer 16	6,480,286.16	3,240,143.09	50.00	The customer is unable to repay and intends to receive assets to offset the debts
Customer 17	5,076,388.03	2,538,194.02	50.00	The customer is unable to repay and intends to receive assets to offset the debts
Customer 18	3,087,382.60	1,543,691.31	50.00	The customer is unable to repay and intends to receive assets to offset the debts
Others	23,238,255.77	11,176,321.97	48.09	
Total	108,167,067.11	81,007,388.50		

Remark 2: Provision for the period

Category	Opening balance	Provided	Recovered or reversed	Written off or cancelled after verification	Other changes	Closing balance
Bad debt provisions	95,004,100.57	-2,853,604.13			314,324.48	92,464,820.92
Total	95,004,100.57	-2,853,604.13			314,324.48	92,464,820.92

13. Other current assets

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Input VAT to be deducted	137,378,754.93	139,054,937.85
Prepaid taxes	17,925,578.47	24,813,901.55
Wealth management products	10,075,859.08	8,280,090.00
Total	165,380,192.48	172,148,929.40

Additional description:

☐Applicable ☒Not applicable

14. Debt investments

(1) Debt investments

☐Applicable ☒Not applicable

(2) Significant debt investments at the end of the period

☐Applicable ☒Not applicable

(3). Impairment provision

☐Applicable ☒Not applicable

15. Other debt investments

(1). Other debt investments

☐Applicable ☒Not applicable

(2). Significant other debt investments at the end of the period

☐Applicable ☒Not applicable

(3). Provision for impairment

☐Applicable ☒Not applicable

Other description:

☐Applicable ☒Not applicable

16. Long-term receivables

(1) Long-term receivables

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance			Range of discounting rate
	Balance of book value	Bad debt provision	Book value	Balance of book value	Bad debt provision	Book value	
Finance lease payment	181,452,636.03	2,742,424.57	178,710,211.46	195,986,119.64	3,022,025.01	192,964,094.63	

Including: unrealized financial earnings	6,837,552.79		6,837,552.79	6,057,784.66		6,057,784.66	
Total	181,452,636.03	2,742,424.57	178,710,211.46	195,986,119.64	3,022,025.01	192,964,094.63	/

(2) Bad debt provision

√Applicable □Not applicable

Unit:Yuan Currency:RMB

Bad debt provision	First stage	Second stage	Third stage	Total
	Expected credit loss of coming 12 months	Lifetime expected credit loss (without credit impairment)	Lifetime expected credit loss (with credit impairment)	
Balance as of 1 January 2022	3,022,025.01			3,022,025.01
Balance as of 1 January 2022 in the current period	3,022,025.01			3,022,025.01
- transferred to the second stage				
- transferred to the third stage				
- reversed to the second stage				
- reversed to the first stage				
Accrual in the current period	-280,981.59			-280,981.59
Reversal in the current period				
Transfer in the current period				
Write-off in the current period				
Other changes	1,381.15			1,381.15
Balance as at 30 June 2022	2,742,424.57			2,742,424.57

Explanation of significant changes in the balance of book value of long-term receivables with changes in loss provision in the current period:

□Applicable √Not applicable

The amount of bad debt provision and the basis for evaluating whether the credit risks of the financial instruments have been increased significantly in the current period:

□Applicable √Not applicable

(3) Long-term receivables derecognized due to transfer of financial assets

☐Applicable ☒Not applicable

(4) Amount of assets and liabilities arising from transfer of long-term receivables and continuous involvement

☐Applicable ☒Not applicable

Other description:

☐Applicable ☒Not applicable

17. Long-term equity investments

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Unit: Yuan
Currency: RMB

Investee	Opening balance	Amount increased or decreased in the current period								Closing balance	Closing balance of provision for impairment
		Investment increased	Investment decreased	Gains and losses recognized under the equity method	Adjustment s to other comprehensive income	Other equity changes	Declaration of Cash dividends or profits	Provision for impairment	Others		
I. Joint ventures											
Subtotal											
II. Associates											
Qinghai Salt Lake Lanke Lithium Industry Co., Ltd.	1,840,472,655.28			1,790,056,101.56		1,751,555.55	339,666,374.70			3,292,613,937.69	
Foshan KEDA Ceramic Technology Co., Ltd.	187,539,458.67			-205,567.97						187,333,890.70	
Zhangzhou Juming Graphite Material Co., Ltd.	26,274,994.69			5,255,298.92						31,530,293.61	
Sichuan Guangxing Lithium Battery Technology Co., Ltd.	16,549,871.09			4,351,520.00		556,000.00				21,457,391.09	
Jiangsu Zhongchuang Qingyuan Technology Co., Ltd.	12,081,043.26			232,674.47						12,313,717.73	
Maanshan Qingshan Electricity Selling Co., Ltd.	5,376,947.54			-132,291.49						5,244,656.05	

Anhui KEDA Yuli Automobile Technology Co., Ltd.	2,359,576.61			-807,639.27						1,551,937.34	
Anhui Ganghua Keda Smart Energy Co., Ltd.	1,544,278.73			10,092.89						1,554,371.62	
Subtotal	2,092,198,825.87			1,798,760,189.11		2,307,555.55	339,666,374.70			3,553,600,195.83	
Total	2,092,198,825.87			1,798,760,189.11		2,307,555.55	339,666,374.70			3,553,600,195.83	

Other description

The closing balance of long-term equity investments in the current period increased by 69.85% as compared with the closing balance of the previous year, mainly due to the recognition of investment income from its associate Lanke Lithium Industry in the current period.

18. Other equity instrument investments**(1). Other equity instrument investments**√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Fujian Keda Electric Power Co., Ltd.	3,820,562.02	3,820,562.02
Huizhou City Avenue New Material Technology Co., Ltd.	3,000,000.00	3,000,000.00
Foshan Zhongtao Union Technology Co., Ltd.	1,260,000.00	1,260,000.00
Foshan Unicermics Development Co., Ltd.	504,000.00	504,000.00
Total	8,584,562.02	8,584,562.02

(2). Investment in non-trading equity instruments☐ Applicable √Not applicable

Other description:

☐ Applicable √Not applicable**19. Other non-current financial assets**√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Financial assets at fair value through profit or loss in the current period	5,000,000.00	5,000,000.00
Total	5,000,000.00	5,000,000.00

20. Investment properties

Measurement model for investment properties

Not applicable

21. Fixed assets**List of items**√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Fixed assets	3,251,571,033.90	2,936,739,595.20

Disposal of fixed assets		
Total	3,251,571,033.90	2,936,739,595.20

Other description:

☐Applicable ☒Not applicable**Fixed assets****(1) .Fixed assets**☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Land (overseas)	Houses and buildings	Machinery and equipment	Transport equipment	Electronic equipment and others	Total
I. Original book value:						
1. Opening balance	69,917,290.74	2,299,894,137.94	2,596,058,708.51	99,743,526.58	103,295,019.64	5,168,908,683.41
2. Increase during the current period	6,497,399.49	137,704,327.20	401,980,110.14	15,958,992.91	8,765,532.90	570,906,362.64
(1) Purchase	6,497,399.49		38,256,835.32	15,958,992.91	8,765,532.90	69,478,760.62
(2) Transfer from construction in progress		137,704,327.20	363,723,274.82			501,427,602.02
3. Decrease during the current period	2,327,500.93	80,118,708.08	72,785,683.58	7,280,289.76	2,505,770.31	165,017,952.66
(1) Disposal or retirement		5,439,708.30	13,567,396.35	6,210,020.67	1,629,486.51	26,846,611.83
(2) Transfer into construction in progress		53,973,804.58				53,973,804.58
(3) Disposal of subsidiaries		958,897.64	319,867.27	28,480.00	415,128.13	1,722,373.04
(4) Translation difference in foreign currency statements	2,327,500.93	19,746,297.56	58,898,419.96	1,041,789.09	461,155.67	82,475,163.21
4. Closing balance	74,087,189.30	2,357,479,757.06	2,925,253,135.07	108,422,229.73	109,554,782.23	5,574,797,093.39
II. Accumulated depreciation						
1. Opening balance		641,061,266.86	973,170,069.66	61,994,952.34	75,893,042.48	1,752,119,331.34
2. Increase during the current period		60,393,333.01	96,405,248.64	5,794,614.82	5,092,658.47	167,685,854.94
(1) Accrual		60,393,333.01	96,405,248.64	5,794,614.82	5,092,658.47	167,685,854.94
3. Decrease during the current period		44,721,551.16	24,733,370.10	5,047,343.81	2,126,618.59	76,628,883.66
(1) Disposal or retirement		1,776,081.82	9,399,746.26	4,738,354.63	1,529,855.15	17,444,037.86

(2) Transfer into construction in progress		37,982,195.34				37,982,195.34
(3) Disposal of subsidiaries		337,812.00	12,661.40	27,056.00	245,661.93	623,191.33
(4) Translation difference in foreign currency statements		4,625,462.00	15,320,962.44	281,933.18	351,101.51	20,579,459.13
4. Closing balance		656,733,048.71	1,044,841,948.20	62,742,223.35	78,859,082.36	1,843,176,302.62
III. Impairment provision						
1. Opening balance		69,121,418.78	410,928,338.09			480,049,756.87
2. Increase during the current period						
(1) Accrual						
3. Decrease during the current period						
(1) Disposal or retirement						
4. Closing balance		69,121,418.78	410,928,338.09			480,049,756.87
IV. Book value						
1. Closing book value	74,087,189.30	1,631,625,289.57	1,469,482,848.78	45,680,006.38	30,695,699.87	3,251,571,033.90
2. Opening book value	69,917,290.74	1,589,711,452.30	1,211,960,300.76	37,748,574.24	27,401,977.16	2,936,739,595.20

(2). Temporarily idle fixed assets

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Original book value	Accumulated depreciation	Impairment provision	Book value	Note
Houses and buildings	124,004,188.71	37,477,144.08	69,121,418.78	17,405,625.85	
Machinery and equipment	692,735,449.48	221,078,934.53	410,928,338.09	60,728,176.86	
Electronic equipment and others	637,958.19	603,816.53		34,141.66	
Total	817,377,596.38	259,159,895.14	480,049,756.87	78,167,944.37	

Note: The Company's controlled subsidiary, Shenyang KEDA Clean Energy, has ceased production and operation in 2018, and related properties and equipment were left idle.

(3). Fixed assets leased in through finance lease

□Applicable √Not applicable

(4). Fixed assets leased out through operating lease√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing book value
Houses and buildings	29,235,843.56
Machinery and equipment	227,452.91
Total	29,463,296.47

(5). Fixed assets without proper certification of title☐Applicable √Not applicable

Other description:

☐Applicable √Not applicable**Disposal of fixed assets**☐Applicable √Not applicable**22. Construction in progress****List of items**√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Construction in progress	212,777,972.23	301,903,481.46
Project materials		
Total	212,777,972.23	301,903,481.46

Construction in progress**(1). Construction in progress**√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Balance of book value	Impairment provision	Book value	Balance of book value	Impairment provision	Book value
Equipment and installation	12,384,347.60		12,384,347.60	18,725,882.49		18,725,882.49
Technology reform project of Keda Group	25,445,240.20		25,445,240.20			
HLT Technology Project	25,496,770.46		25,496,770.46			

Anhui KEDA Industrial Plant	2,978,954.68		2,978,954.68	2,978,954.68		2,978,954.68
Fujian Keda New Energy Project	39,510,485.38		39,510,485.38	14,556,254.62		14,556,254.62
Project of manufacturing base for digital ceramic equipment	31,419,042.92		31,419,042.92	28,258,438.45		28,258,438.45
Project of lithium battery series anode material with annual production of 20,000 tons	2,555,073.38		2,555,073.38	870,197.98		870,197.98
Kean Photovoltaic Project				12,810,801.56		12,810,801.56
Phase I of Kisumu Ceramic Factory Project				144,657,726.84		144,657,726.84
Phase II of Senegal Ceramic Factory Project	11,663,930.61		11,663,930.61			
Phase I of Zambia Ceramic Factory Project	5,473,393.70		5,473,393.70	5,473,393.70		5,473,393.70
Integrated Project of Zambia Ceramic Factory	17,319,853.86		17,319,853.86			
Phase IV of Ghana Ceramic Factory Project				56,771,561.39		56,771,561.39
Integrated Project of Ghana Ceramic Factory	12,461,269.22		12,461,269.22			
Phase I of Cameroon Ceramic Factory Project	5,186,588.27		5,186,588.27	4,466,874.94		4,466,874.94
Other sporadic projects	20,883,021.95		20,883,021.95	12,333,394.81		12,333,394.81
Total	212,777,972.23		212,777,972.23	301,903,481.46		301,903,481.46

(2). Changes in major construction in progress in the current period

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Project name	Budget	Opening balance	Increase during the current period	Amount of transfer into fixed assets in the current period	Other decreases during the current period	Closing balance	Proportion of accumulated project investment to budget (%)	Project progress	Accumulated amount of interest capitalization	Including: interest capitalization amount in the current period	Capitalization rate of interest in the current period (%)	Sources of financing
--------------	--------	-----------------	------------------------------------	--	---	-----------------	--	------------------	---	---	---	----------------------

Project of manufacturing base for digital ceramic equipment	211,170,606.97	28,258,438.45	3,939,365.56	778,761.09		31,419,042.92	99.28	99.28%				Raising+self-financing
Phase I of Zambia Ceramic Factory Project	233,803,218.86	5,473,393.70				5,473,393.70	93.12	93.12%				Self-financing
Phase I of Kisumu Ceramic Factory Project	262,146,106.00	144,657,726.84	118,594,966.64	263,252,693.48			100.57	100.00%				Self-financing
Phase IV of Ghana Ceramic Factory Project	178,240,400.00	56,771,561.39	115,241,292.14	172,012,853.53			102.89	100.00%				Self-financing
Total	885,360,331.83	235,161,120.38	237,775,624.34	436,044,308.10		36,892,436.62					/	/

(3). Provision for impairment of construction in progress during the current period

☐Applicable ☒Not applicable

Other description

☐Applicable ☒Not applicable

Project Materials

☐Applicable ☒Not applicable

23. Productive biological assets

(1). Productive biological assets using cost measurement model

☐Applicable ☒Not applicable

(2). Productive biological assets with fair value measurement model

☐Applicable ☒Not applicable

Other description

☐Applicable ☒Not applicable

24. Oil and gas assets

☐Applicable ☒Not applicable

25. Right-of-use assets

☒Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Houses and buildings	Total
I. Original book value		
1. Opening balance	12,320,750.63	12,320,750.63
2. Increase during the current period		
3. Decrease during the current period		
4. Closing balance	12,320,750.63	12,320,750.63
II. Accumulated depreciation		
1. Opening balance	2,053,458.48	2,053,458.48
2. Increase during the current period	1,026,729.24	1,026,729.24
(1) Accrual	1,026,729.24	1,026,729.24
3. Decrease during the current period		
(1) Disposal		
4. Closing balance	3,080,187.72	3,080,187.72
III. Impairment provision		
1. Opening balance		
2. Increase during the current period		
(1) Accrual		
3. Decrease during the current period		
(1) Disposal		
4. Closing balance		
IV. Book value		
1. Closing book value	9,240,562.91	9,240,562.91
2. Opening book value	10,267,292.15	10,267,292.15

26. Intangible assets

(1). Intangible assets

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Land use rights	Application software	Patent rights	合计
I. Original book value				
1. Opening balance	957,676,231.29	19,313,149.18	66,628,108.12	1,043,617,488.59
2. Increase during the current period	3,005,560.19	10,732,229.80		13,737,789.99
(1) Purchase	3,005,560.19	10,732,229.80		13,737,789.99
(2) Internal research and development				

(3) Increase from business combinations				
3. Decrease during the current period	2,634,102.36	27,097.49		2,661,199.85
(1) Disposal				
(2) Disposal of subsidiaries	2,634,102.36			2,634,102.36
(3) Translation difference in foreign currency statements		27,097.49		27,097.49
4. Closing balance	958,047,689.12	30,018,281.49	66,628,108.12	1,054,694,078.73
II. Cumulative amortization				
1. Opening balance	101,226,673.92	8,107,165.44	63,634,656.67	172,968,496.03
2. Increase during the current period	11,751,684.89	1,664,720.18	968,336.82	14,384,741.89
(1) Accrual	11,751,684.89	1,664,720.18	968,336.82	14,384,741.89
3. Decrease during the current period	987,788.70	18,648.81		1,006,437.51
(1) Disposal				
(2) Disposal of subsidiaries	987,788.70			987,788.70
(3) Translation difference in foreign currency statements		18,648.81		18,648.81
4. Closing balance	111,990,570.11	9,753,236.81	64,602,993.49	186,346,800.41
III. Impairment provision				
1. Opening balance				
2. Increase during the current period				
(1) Accrual				
3. Decrease during the current period				
(1) Disposal				
4. Closing balance				
IV. Book value				
1. Closing book value	846,057,119.01	20,265,044.68	2,025,114.63	868,347,278.32
2. Opening book value	856,449,557.37	11,205,983.74	2,993,451.45	870,648,992.56

(2). Land use rights without proper certification of title

☐Applicable ☒Not applicable

Other description:

☐Applicable ☒Not applicable

27. Development expenses

□Applicable √Not applicable

28. Goodwill**(1). Original book value of goodwill**

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Name of investee or matters constituting goodwill	Opening balance	Increase during the current period	Decrease during the current period	Closing balance
		Arising from business combinations	Disposal	
Qinghai KEDA Lithium Industry Co., Ltd.	261,315,685.22			261,315,685.22
Henan KDNEU International Engineering Co., Ltd.	232,664,477.89			232,664,477.89
Foshan HLT Industry Co., Ltd.	202,726,972.41			202,726,972.41
Wuhu KEDA SureMaker Industrial Co., Ltd.	189,095,543.17			189,095,543.17
Qinghai Weili New Energy Material Co., Ltd.	144,082,157.89			144,082,157.89
Brightstar Investment Limited	113,522,333.97			113,522,333.97
Jiangsu Kehang Environmental Protection Co., Ltd.	75,596,829.84			75,596,829.84
I.C.F&WELKO S.P.A	52,926,130.16			52,926,130.16
Keda(Ghana) Ceramics Company Limited	14,416,737.23			14,416,737.23
Keda(Tanzania) Ceramics Company Limited	10,259,143.58			10,259,143.58
Anhui KEDA Purui Energy Technology Co., Ltd.	4,694,036.50			4,694,036.50
Anhui KEDA Platinum Platform Energy Technology Co., Ltd.	4,160,100.00			4,160,100.00
Anhui Kean Electric Power Engineering Co., Ltd.	943,797.49			943,797.49
Total	1,306,403,945.35			1,306,403,945.35

(2). Goodwill impairment provision

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Name of investee or matters constituting goodwill	Opening balance	Increase during the current period	Decrease during the current period	Closing balance
---	-----------------	------------------------------------	------------------------------------	-----------------

		Accrual	Disposal	
Jiangsu Kehang Environmental Protection Co., Ltd.	75,596,829.84			75,596,829.84
Henan KDNEU International Engineering Co., Ltd.	193,602,463.94			193,602,463.94
Wuhu KEDA SureMaker Industrial Co., Ltd.	65,407,924.98			65,407,924.98
Anhui KEDA Purui Energy Technology Co., Ltd.	4,694,036.50			4,694,036.50
Total	339,301,255.26			339,301,255.26

(3). Information about the cash-generating unit or groups of units to which the goodwill belongs

☐Applicable ☒Not applicable

(4). Explanation of the determination method for the goodwill impairment test process, key parameters (such as the growth rate in the forecast period, the growth rate in the stable period, the profit margin, the discount rate, the forecast period, if applicable, when estimating the present value of future cash flows) and goodwill impairment loss

☐Applicable ☒Not applicable

(5). Impact of goodwill impairment test

☐Applicable ☒Not applicable

Other description:

☐Applicable ☒Not applicable

29. Long-term prepaid expenses

☒Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the current period	Amortization in the current period	Other decreases	Closing balance
Decoration fee for the leased house	158,403.47		79,201.68		79,201.79
Loan front-end fees	15,419,124.24		1,891,545.34		13,527,578.90
Total	15,577,527.71		1,970,747.02		13,606,780.69

30. Deferred income tax assets/deferred income tax liabilities**(1). Deferred income tax assets that have not been offset**√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Impairment provision of assets	335,888,384.15	39,482,798.54	335,203,957.00	39,601,698.16
Deductible deficit	762,577,678.50	116,437,693.06	822,137,928.58	125,506,495.22
Government grants	25,637,835.43	3,845,675.31	26,654,158.00	3,998,123.70
Others	27,465,732.91	5,766,113.25	27,256,568.59	5,734,738.60
Total	1,151,569,630.99	165,532,280.16	1,211,252,612.17	174,841,055.68

(2). Deferred income tax liabilities that have not been offset√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Assets appraisal and appreciation of HLT	15,389,803.67	2,308,470.49	15,824,615.45	2,373,692.26
Assets appraisal and appreciation of SureMaker	6,323,850.38	948,577.57	6,654,619.64	998,192.97
Assets appraisal and appreciation of KDNEU	2,269,872.23	340,480.85	3,246,345.59	486,951.85
Assets appraisal and appreciation of Jiangsu Kehang	25,264,393.83	4,155,682.93	26,285,755.91	4,324,391.88
Appraisal and appreciation of Welko	26,152,348.85	7,296,505.33	26,152,348.85	7,296,505.33
Total	75,400,268.96	15,049,717.17	78,163,685.44	15,479,734.29

(3). Deferred income tax assets or liabilities presented by net amount after offsetting☐ Applicable √Not applicable**(4). Breakdown of unrecognized deferred income tax assets**√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Deductible deficit	783,577,473.29	783,577,473.29
Impairment provision of fixed assets	480,049,756.87	480,049,756.87

Impairment provision of other current assets		92,012,305.74
Total	1,263,627,230.16	1,355,639,535.90

(5). Deductible loss of unrecognized deferred income tax assets expiring in the following years

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Year	Closing amount	Opening amount	Note
2022	99,132,293.20	99,132,293.20	
2023	74,464,432.50	74,464,432.50	
2024	48,704,802.11	48,704,802.11	
2025	43,070,267.44	43,070,267.44	
2026	53,254,602.97	53,254,602.97	
2027			
2028	94,353,175.80	94,353,175.80	
2030	272,693,246.72	272,693,246.72	
2031	97,904,652.55	97,904,652.55	
Total	783,577,473.29	783,577,473.29	/

Other description:

☐Applicable ☒Not applicable

31. Other non-current assets

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Balance of book value	Impairment provision	Book value	Balance of book value	Impairment provision	Book value
Prepayment of equipment and construction costs	70,770,414.64		70,770,414.64	39,031,712.39		39,031,712.39
Total	70,770,414.64		70,770,414.64	39,031,712.39		39,031,712.39

Other description:

The closing balance of other non-current assets in the current period increased by 81.32% as compared with the closing balance of previous year, mainly due to the increase in the equipment and construction costs prepaid by the subsidiaries, Anhui Keda Lithium Battery Equipment and HLT Technology in the current period.

32. Short-term loans**(1). Classification of short-term loans**

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Guaranteed loan	246,768,330.15	144,859,544.09
Pledged loan	191,000,000.00	188,799,494.06
Mortgage loan	130,478,034.23	54,860,905.31
Credit loan	719,155,401.00	393,025,711.97
Pledged loan + guaranteed loan	88,966,012.57	87,123,262.57
Mortgage loan + guaranteed loan	8,005,008.93	42,980,000.00
Total	1,384,372,786.88	911,648,918.00

Explanation of short-term loans classification:

Remark 1: Breakdown of guaranteed loan is as follows:

Borrower	Guarantor	Guarantee mode	Currency	Amount in original currency	Amount converted into RMB
Anhui KEDA Industrial Co., Ltd.	Keda Industrial Group Co., Ltd.	Warranted guarantee	RMB	20,000,000.00	20,000,000.00
Fujian Keda New Energy Technology Co., Ltd.	Keda Industrial Group Co., Ltd.	Warranted guarantee	RMB	65,000,000.00	65,000,000.00
KEDA (Anhui) Huadong New Energy Automobile Travel Service Co., Ltd.	Keda Industrial Group Co., Ltd., Anhui Qilian New Energy Technology Co., Ltd., Zhu Hongjun, Wang Yun	Warranted guarantee	RMB	10,000,000.00	10,000,000.00
Anhui Keda Clean Energy Co., Ltd.	Keda Industrial Group Co., Ltd.	Warranted guarantee	RMB	29,000,000.00	29,000,000.00
Forwell International (HK) Co., Limited	Keda Industrial Group Co., Ltd.	Warranted guarantee	USD	7,000,000.00	46,804,100.00
Forwell International (HK) Co., Limited	Keda Industrial Group Co., Ltd.	Warranted guarantee	EUR	4,756,016.36	33,324,015.45
Xincheng International (Hong Kong) Co., Ltd.	Keda Industrial Group Co., Ltd.	Warranted guarantee	EUR	360,000.00	2,522,414.70
Xincheng International (Hong Kong) Co., Ltd.	Keda Industrial Group Co., Ltd.	Warranted guarantee	USD	6,000,000.00	40,117,800.00
Total					246,768,330.15

Remark 2: The pledged loan was RMB191,000.0 thousand, which was the discount applied by the subsidiaries Foshan KEDA Electromechanica and Fujian Keda New Energy to the bank with an acceptance bill.

Remark 3: The mortgage loan was RMB130,478.0 thousand, which was the loan applied by the subsidiaries Keda Ghana, Keda Kenya, Keda Tanzania, Anhui New Materials and Fujian Keda New Energy to the bank with real estate and machinery and equipment as collateral.

Remark 4: The pledged loan + guaranteed loan were RMB88,966.0 thousand, which were the loans applied by the subsidiary Anhui New Materials with the accounts receivable as pledge and the guarantee of Keda Group.

Remark 5: The mortgage loan + guaranteed loan were RMB8,005.0 thousand, which are the loans acquired by the subsidiary Keda Kenya with the guarantee of Keda Tanzania and with the land and properties as collateral.

(2). Short-term loans overdue subject to repayment

☐Applicable ☒Not applicable

Other description:

☐Applicable ☒Not applicable

33. Financial liabilities held-for-trading

☒Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the current period	Decrease during the current period	Closing balance
Financial liabilities held-for-trading	2,139,425.27	9,421,005.29	5,583,070.59	5,977,359.97
Including:				
Forward foreign exchange settlement hedging	747,365.27	6,685,265.29	5,120,070.59	2,312,559.97
Futures contract	1,392,060.00	2,735,740.00	463,000.00	3,664,800.00
Total	2,139,425.27	9,421,005.29	5,583,070.59	5,977,359.97

Other description:

The closing balance of financial liabilities held-for-trading in the current period increased by 179.39% as compared with the closing balance of previous year, mainly due to the changes in the fair value of the Company's futures contracts in the current period.

34. Derivative financial liabilities

☐Applicable ☒Not applicable

35. Notes payable

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Type	Closing balance	Opening balance
Commercial acceptance bill		
Bank acceptance bill	912,318,825.99	745,183,013.84
Total	912,318,825.99	745,183,013.84

Remark 1: Amount of bank acceptance bill issued by the parent company and subsidiaries at the end of the period:

Unit: Yuan Currency: RMB

Company	Amount of bank acceptance bill issued at the end of the period
Keda Industrial Group Co., Ltd.	233,941,132.51
Sichuan KEDA Clean Energy New Material Co., Ltd.	220,416,000.00
Foshan KEDA Electromechanica Co., Ltd.	128,160,928.28
Anhui KEDA Industrial Co., Ltd.	104,090,911.39
Jiangsu Kehang Environmental Protection Co., Ltd.	65,653,476.71
Foshan HLT Industry Co., Ltd.	32,400,000.00
Anhui KEDA New Materials Co., Ltd.	32,280,000.00
Anhui Keda Clean Energy Co., Ltd.	27,175,510.58
Henan KDNEU International Engineering Co., Ltd.	23,401,881.72
Foshan DLT Technology Co., Ltd.	23,090,000.00
Fujian Keda New Energy Technology Co., Ltd.	13,831,777.80
Anhui Keda Lithium Battery Equipment Co., Ltd.	7,407,600.00
Guangdong KEDA Hydraulic Technology Co., Ltd.	469,607.00
Total	912,318,825.99

36. Accounts payable**(1). List of accounts payable**

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Within 1 year	1,480,521,095.03	1,578,578,972.43
1 to 2 years	98,397,510.88	173,640,630.49
2 to 3 years	48,131,143.63	60,232,434.60
More than 3 years	101,878,545.01	98,903,860.59
Total	1,728,928,294.55	1,911,355,898.11

(2). Important accounts payable aged over 1 year√Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Reason for non-repayment or carry-over
Supplier 6	17,200,711.00	Project disputes
Supplier 7	10,726,557.40	Within the credit period
Supplier 8	6,748,510.08	Within the credit period
Supplier 9	5,653,395.03	Within the credit period
Supplier 10	5,509,852.19	Within the credit period
Total	45,839,025.70	/

Other description:

☐Applicable√Not applicable**37. Receipts in advance****(1). List of accounts received in advance**☐Applicable √Not applicable**(2). Important receipts in advance with aging over 1 year**☐Applicable √Not applicable

Other description:

☐Applicable √Not applicable**38. Contract liabilities****(1). Contract liabilities**√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Within 1 year	1,126,376,253.51	1,370,891,048.91
1 to 2 years	236,935,103.08	237,580,207.83
2 to 3 years	67,257,493.50	78,324,865.53
More than 3 years	79,652,508.74	56,705,873.81
Total	1,510,221,358.83	1,743,501,996.08

(2). Amount of and reasons for significant changes in the book value during the reporting period

☐Applicable ☒Not applicable

Other description:

☐Applicable ☒Not applicable

39. Payroll payable

(1). List of payroll payable

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the current period	Decrease during the current period	Closing balance
I. Short-term remunerations	184,806,674.29	536,152,236.88	619,729,667.55	101,229,243.62
II. Post-employment benefits - defined contribution plan	-	27,721,019.94	27,721,019.94	
III. Termination benefits	-	10,565,687.02	10,565,687.02	
IV. Other benefits due within one year				
Total	184,806,674.29	574,438,943.84	658,016,374.51	101,229,243.62

(2). List of short-term remunerations

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the current period	Decrease during the current period	Closing balance
I. Wages, bonuses, allowances and subsidies	184,806,674.29	484,843,510.48	568,420,941.15	101,229,243.62
II. Employee welfare expenses		26,679,457.08	26,679,457.08	
III. Social insurance expenses		12,038,147.02	12,038,147.02	
Including: medical insurance premiums		11,377,117.72	11,377,117.72	
Occupational injury insurance premiums		661,029.30	661,029.30	
IV. Housing fund		11,990,630.23	11,990,630.23	
V. Labor-union funds and employee education funds		600,492.07	600,492.07	
VI. Short-term compensated absences				
VII. Short-term profit-sharing plan				

Total	184,806,674.29	536,152,236.88	619,729,667.55	101,229,243.62
-------	----------------	----------------	----------------	----------------

(3). List of defined contribution plan√Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the current period	Decrease during the current period	Closing balance
1. Basic endowment insurance		27,136,450.84	27,136,450.84	
2. Unemployment insurance expense		584,569.10	584,569.10	
3. Enterprise annuity payment				
Total		27,721,019.94	27,721,019.94	

Other description:

☐Applicable √Not applicable**40. Taxes payable**√Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
VAT	25,102,411.46	40,773,362.93
Corporate income tax	53,316,075.89	44,529,471.45
Individual income tax	1,001,309.67	2,903,863.37
Urban maintenance and construction	985,127.85	2,054,966.81
House property tax	3,591,642.96	1,720,133.43
Land use tax	1,441,994.83	1,091,430.19
Education fee extra	747,697.50	1,478,845.84
Embankment fee	88,939.88	78,189.65
Stamp duty	588,897.37	395,304.56
Other taxes	515,636.12	17,575.00
Total	87,379,733.53	95,043,143.23

Other description:

☐Applicable √Not applicable

41. Other payables**List of items**√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest payable		
Dividends payable		
Other payables	132,404,187.66	135,707,186.60
Total	132,404,187.66	135,707,186.60

Interest payable☐Applicable √Not applicable**Dividends payable**☐Applicable √Not applicable**Other payables****(1). Other payables listed by fund nature**√Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Current accounts	109,864,549.34	113,300,506.04
Other current accounts	20,022,983.66	19,044,940.08
Withholding individual income tax	812,605.56	1,383,101.18
Deposit	1,704,049.10	1,978,639.30
Total	132,404,187.66	135,707,186.60

(2). Significant other payables aged over 1 year☐Applicable √Not applicable

Other description:

☐Applicable √Not applicable**42. Liabilities held for sale**☐Applicable √Not applicable

43. Non-current liabilities due within one year

√Applicable □Not applicable

Unit:: Yuan Currency: RMB

Item	Closing balance	Opening balance
Long-term loans due within 1 year	700,880,721.62	510,623,921.75
Bonds payables due within 1 year		
Long-term payables due within 1 year		
Lease liabilities due within 1 year		
Total	700,880,721.62	510,623,921.75

Other description:

Remark 1: Details of Long-term loans due within 1 year

Item	Closing balance	Opening balance
Guaranteed loan	162,443,058.07	136,187,963.17
Pledged loan	13,074,205.34	20,000,000.00
Mortgage loan	210,121,036.07	104,786,435.98
Mortgage loan + Guaranteed loan	238,586,821.18	228,455,663.63
Credit loan	76,061,600.96	21,193,858.97
Mortgage loan + pledged loan	594,000.00	
Total	700,880,721.62	510,623,921.75

Remark 2: Details of Guaranteed loan are described as follows

Borrower	Guarantor	Mode of guarantee	Currency	Amount in original currency	Amount converted into RMB
Guangdong Xincheng Financing Leasing Co., Ltd.	Keda Industrial Group Co., Ltd.	Warranted guarantee	RMB	31,804,953.84	31,804,953.84
Anhui Xincheng Financing Leasing Co., Ltd.	Keda Industrial Group Co., Ltd.	Warranted guarantee	RMB	7,500,000.00	7,500,000.00
Fujian Keda New Energy Technology Co., Ltd.	Keda Industrial Group Co., Ltd.	Warranted guarantee	RMB	2,500,000.00	2,500,000.00
Forwell International (HK) Co., Limited	Keda Industrial Group Co., Ltd.	Warranted guarantee	USD	2,861,837.28	19,135,102.61
Keda (Ghana) Ceramics Company Limited	Keda Industrial Group Co., Ltd.	Warranted guarantee	EUR	710,000.00	4,956,263.54
Keda (Tanzania) Ceramics Company Limited	Keda Industrial Group Co., Ltd.	Warranted guarantee	USD	3,999,999.96	26,739,600.16
Keda (SN) Ceramics Company Limited	Keda Industrial Group Co., Ltd.	Warranted guarantee	EUR	10,000,000.00	69,807,137.92
Total					162,443,058.07

Remark 3: The pledged loan of RMB13,074.2 thousand is the loan applied by Keda Group and Dangtu Kean to the bank by using the equity of Foshan Keda Equipment Manufacturing and the project charge right, respectively, as pledges.

Remark 4: The mortgage loan of RMB210,121.0 thousand is the loan acquired by the subsidiaries KEDA Electromechanica, Anhui New Materials, Anhui Xincheng, HLT, KEDA Hydraulic and Keda (Kenya) by using houses, land and their equipment as collaterals.

Remark 5:

The mortgage loan+guaranteed loan of RMB238,586.8 thousand is the loan acquired by the subsidiaries Anhui KEDA Huadong Electric Vehicle Travel Service Co., Ltd. (by using Zhu Hong Jun and Wang Yun as guarantees), Keda (Tanzania) and Anhui Xincheng (by using Keda Group as guarantees), and Keda (Senegal), Keda Zambia and Keda (Ghana) (by using Keda Group and Sunda Group as guarantees) and their land and equipment as collaterals.

Remark 6: The mortgage loan+pledged loan of RMB594.0 thousand is the loan acquired by the subsidiary Maanshan Kean by using the project charge right as pledge and the equipment as collateral.

44. Other current liabilities

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Short-term bonds payable		
Refund payable		
Output tax to be transferred	123,122,925.23	149,079,628.35
Financing loan due within one year		
Total	123,122,925.23	149,079,628.35

Increase/decrease in short-term bonds payable:

☐Applicable ☒Not applicable

Other description:

☐Applicable ☒Not applicable

45. Long-term loans

(1). Classification of Long-term loans

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Credit loan	406,507,937.12	389,171,199.40
Guaranteed loan	155,182,663.35	604,109,418.45
Pledged loan	120,725,794.66	195,000,000.00
Mortgage loan	198,491,778.73	291,277,456.11
Mortgage loan + guaranteed loan	400,433,892.48	55,240,560.46
Mortgage loan + pledged loan	5,346,000.00	
Total	1,286,688,066.34	1,534,798,634.42

Description of Long-term loans classification:

Remark 1: Details of guaranteed loan:

Borrower	Guarantor	Mode of guarantee	Currency	Amount in original currency	Amount converted into RMB
Fujian Keda New Energy Technology Co., Ltd.	Keda Industrial Group Co., Ltd.	Warranted guarantee	RMB	47,450,800.00	47,450,800.00
Guangdong Xincheng Financing Leasing Co., Ltd.	Keda Industrial Group Co., Ltd.	Warranted guarantee	RMB	9,088,573.00	9,088,573.00
Forwell International (HK) Co., Limited	Keda Industrial Group Co., Ltd.	Warranted guarantee	USD	4,292,755.92	28,702,653.91
Keda (Tanzania) Ceramics Company Limited	Keda Industrial Group Co., Ltd.	Warranted guarantee	USD	333,333.53	2,228,303.56
Keda (Ghana) Ceramics Company Limited	Keda Industrial Group Co., Ltd.	Warranted guarantee	EUR	9,700,000.00	67,712,332.88
Total					155,182,663.35

Remark 2 : The pledged loan of RMB120,725.8 thousand is the loan applied by Keda Group and Dangtu Kean to the bank by using the equity of Foshan Keda Equipment Manufacturing and the project charge right, respectively, as pledges.

Remark 3: The mortgage loan of RMB198,491.8 thousand is the loan acquired by the subsidiaries KEDA Electromechanica, Anhui Xincheng, HLT, HLT Technology, Anhui New Materials, KEDA Hydraulic and Keda (Kenya) by using houses, land, equipment, and so forth as collaterals.

Remark 4: The mortgage loan+guaranteed loan of RMB400,433.9 thousand is the loan acquired by the subsidiaries Anhui KEDA Huadong Electric Vehicle Travel Service Co., Ltd., Anhui Xincheng, and Keda Senegal, Keda Zambia and Keda (Ghana) by using Zhu Hong Jun and Wang Yun, Keda Group, as well as Keda Group and Sunda Group as guarantees and their land and equipment as collateral respectively.

Remark 5: The mortgage loan+pledged loan of RMB5,346.0 thousand is the loan acquired by the subsidiary Maanshan Kean by using the project charge right as pledge and the equipment as collateral.

Other description, including interest rate bands:

☐Applicable ☒Not applicable

46. Bonds payable

(1). Bonds payable

☐Applicable ☒Not applicable

(2). Increase and decrease alteration for the bonds payable (excluding preferred stocks classified as financial liability, perpetual bond and other financial instruments)

☐Applicable ☒Not applicable

(3). Description of conversion conditions and time of convertible corporate bond

☐Applicable ☒Not applicable

(4). Description of other financial instruments classified as financial liabilities

Basic situation on preferred stocks, perpetual bonds and other financial instruments outstanding at the end of the period

☐Applicable ☒Not applicable

Table of changes in financial instruments such as preferred stocks and perpetual bonds outstanding at the end of the period

☐Applicable ☒Not applicable

Basis for classifying other financial instruments as financial liabilities

☐Applicable ☒Not applicable

Other description:

☐Applicable ☒Not applicable

47. Lease liabilities

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Lease liabilities	9,564,454.78	10,498,160.65
Total	9,564,454.78	10,498,160.65

48. Long-term payables**List of items**

□Applicable √Not applicable

Long-term payables

□Applicable √Not applicable

Special accounts payable

□Applicable √Not applicable

49. Long-term payroll payables

□Applicable √Not applicable

50. Estimated liabilities

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance	Cause
Product quality assurance	1,130,727.18	737,691.50	
Compensation related to pending litigations	98,521,800.00	187,592,351.57	
Total	99,652,527.18	188,330,043.07	/

Other descriptions, including relevant key assumptions and estimation explanations of important estimated liabilities:

The closing balance of the estimated liabilities of the current period was RMB188,330.0 thousand, among which:

- ① RMB96,521.8 thousand was the branch bank litigation estimated liabilities accrued by the Company in accordance with the “Civil Judgment” [(2019) Su 01 Min Chu No. 2893] issued by the Nanjing Intermediate People’s Court of Jiangsu Province;

② RMB91,070.6 thousand was the litigation estimated liabilities accrued by the Company in accordance with the “Civil Judgment” [(2021) Yue 06 Min Chu No. 119] issued by the Foshan Intermediate People’s Court of Guangdong Province.

51. Deferred income

Deferred income

☒Applicable ☐Not applicable

Unit: Yuan Currency RMB

Item	Opening balance	Increase during the current period	Decrease during the current period	Closing balance	Cause
Government grants	10,400,000.00		1,500,000.00	8,900,000.00	Special fund granted by the government
Total	10,400,000.00		1,500,000.00	8,900,000.00	/

Items involving government grants:

☒Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Liability items	Opening balance	Amount of new grants in the current period	Amount credited to non-operating income during the current period	Amount credited to other gains during the current period	Other changes	Closing balance	Asset-related/revenue-related
Industrial Support Funds for HLT	10,400,000.00			1,500,000.00		8,900,000.00	Asset-related
Total	10,400,000.00			1,500,000.00		8,900,000.00	

Other description:

☐Applicable ☒Not applicable

52. Other non-current liabilities

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Production base construction technology transformation project of 50,000 sets of high-pressure plunger pumps	23,800,000.00	23,800,000.00
Special subsidy for major emerging industries for key technology development and industrialization of new energy vehicle high performance graphene	16,025,435.43	18,666,258.00

based composite electrode negative electrode material		
Key technology and application of industrialization of heavy-duty variable electronically controlled axial piston pump for large-scale pressure forming machinery	5,782,500.00	5,782,500.00
Green industrial service system construction fund support project of Shunde District	4,632,148.90	5,194,000.00
Demonstration application of key technologies of roadheader hydraulic pump and motor	4,743,400.00	4,719,400.00
Lithium battery anode material production project	3,322,125.00	3,543,600.00
R&D and industrialization of key technologies of intelligent detection line for grading and color separation of building ceramic wall and floor tiles based on AI vision	1,800,000.00	1,800,000.00
Key technology and equipment for high-speed online intelligent visual inspection of ceramic tile grading and color separation	1,140,000.00	1,140,000.00
Development and industrialization of high first-efficiency and low-expansion silicon oxide anode	1,100,000.00	
Infrastructure construction subsidy project of Ningxia Kehang	793,532.60	793,532.60
Application verification and promotion of 3D design of complex products in typical industries	960,000.00	740,000.00
Flue gas dust removal, desulfurization and denitration complete equipment manufacturing project	700,000.00	700,000.00
Key technology for industrialization of high-pressure axial piston pump for aluminum extrusion press	645,000.00	
Guangdong Provincial Key Laboratory of Ceramic Machinery Energy Saving and Environmental Protection Technology Enterprises	500,000.00	500,000.00
Other projects	660,000.00	660,000.00
Total	66,604,141.93	68,039,290.60

53. Share capital

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

	Opening balance	Changes in increase and decrease in the current period (+, -)					Closing balance
		Issuance of new shares	Stock dividend	Conversion of accumulation fund into shares	Others	Subtotal	
Total shares	1,888,419,929.00						1,888,419,929.00

54. Other equity instruments**(1) Basic situation on preferred stocks, perpetual bonds and other financial instruments outstanding at the end of the period**

☐Applicable ☒Not applicable

(2) Table of changes in financial instruments such as preferred stocks and perpetual bonds outstanding at the end of the period

☐Applicable ☒Not applicable

Explanation of the changes in other equity instruments during the period, the reasons for the changes and the basis for the related accounting treatment:

☐Applicable ☒Not applicable

Other description:

☐Applicable ☒Not applicable

55. Capital reserves

☒Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the current period	Decrease during the current period	Closing balance
Capital premium (equity premium)	1,704,159,035.74	35,774,942.14	35,163,823.10	1,704,770,154.78
Other capital reserves	200,102,224.66	2,127,288.68		202,229,513.34
Total	1,904,261,260.40	37,902,230.82	35,163,823.10	1,906,999,668.12

Other descriptions, including the changes in increase and decrease in the current period and the reasons for changes:

Remark 1: Capital reserves-capital premium increased by RMB35,774,942.14 in the current period, among which RMB33,717,039.59 was due to an increase in capital reserves of the subsidiary Fujian Keda through the implementation of equity incentives, and RMB2,057,902.55 was due to the Company buying or disposing minority stakes of its subsidiaries in order to increase capital reserves.

Remark 2: Capital reserves-capital premium decreased by RMB35,163,823.10 in the current period, among which RMB35,163,823.10 was due to the Company buying or disposing minority stakes of its subsidiaries in order to decrease capital reserves.

Remark 3: Capital reserves-other capital reserves increased by RMB2,127,288.68 in the current period as the subsidiaries Qinghai KEDA Lithium Industry and Qinghai Weili

recognized the other equity changes of the associate Lanke Lithium Industry by using equity method; and the parent company recognized the other equity changes of the associate Guangxing Lithium Battery by using equity method.

56. Treasury stock

☐Applicable ☒Not applicable

57. Other comprehensive income

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Amount incurred in the current period						Closing balance
		Amount of pre-income tax incurred in current period	Less: profits and losses included in other comprehensive income previously and transferred in the current period	Less: retained earnings included in other comprehensive income previously and transferred in currently	Less: income tax	After tax attributable to parent company	After tax attributable to non-controlling shareholders	
I. Other comprehensive income not reclassified as profit or loss								
Including: changes from re-measuring or re-defining benefit plan								
Other comprehensive income that cannot be transferred to profit or loss under equity method								
Changes in fair value of other equity instrument investments								
Changes in fair value of the Company's own credit risk								
II. Other comprehensive income reclassified as profit or loss	-110,427,080.90	-70,131,637.34				-29,033,255.56	-41,098,381.78	-139,460,336.46

Including: other comprehensive income transferred to profit or loss under equity method								
Changes in fair value of other debt investments								
Amount of financial assets reclassified into other comprehensive income								
Impairment provision of credit in other debt investments								
Cash flow hedging reserve								
Converted difference in foreign currency statements	-110,427,080.90	-70,131,637.34				-29,033,255.56	-41,098,381.78	-139,460,336.46
Total of other comprehensive income	-110,427,080.90	-70,131,637.34				-29,033,255.56	-41,098,381.78	-139,460,336.46

58. Special reserve

☐Applicable ☒Not applicable

59. Surplus reserves

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the current period	Decrease during the current period	Closing balance
Statutory surplus reserves	345,182,448.75			345,182,448.75
Discretionary surplus reserves	10,168,213.70			10,168,213.70
Reserve funds				
Enterprise development fund				
Others				
Total	355,350,662.45			355,350,662.45

60. Undistributed profits

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Last year
Undistributed profits at the end of last period before adjustment	2,814,114,079.93	2,068,506,953.16
Total undistributed profits at the beginning of the period (increase marked with "+", decrease marked with "-")		-56,208,525.30
Undistributed profits at the beginning of the period after adjustment	2,814,114,079.93	2,012,298,427.86
Add: net profit attributable to parent company's owners in the period	2,120,725,178.18	1,005,757,290.67
Less: withdraw statutory surplus reserves		15,099,645.70
Withdraw discretionary surplus reserves		
Withdraw general risk provision		
Ordinary share dividends payable	339,915,587.22	188,841,992.90
Dividend of ordinary shares payable converted into share capital		
Other comprehensive income carried forward into retained earnings		
Other comprehensive income carried forward into retained earnings		
Undistributed profits at the end of the period	4,594,923,670.89	2,814,114,079.93

61. Operating revenue and operating expenses**(1). Operating revenue and operating expenses**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period		Amount incurred last period	
	Income	Cost	Income	Cost
Main business	5,645,461,529.41	4,032,070,795.34	4,552,385,587.43	3,437,928,013.03
Other business	5,670,879.66	2,913,413.67	5,545,743.84	3,628,307.23
Total	5,651,132,409.07	4,034,984,209.01	4,557,931,331.27	3,441,556,320.26

Other description

Main business (by product)

Product description	Amount incurred in the current period		Amount incurred last period	
	Operating revenue	Operating expenses	Operating revenue	Operating expenses
Building material machinery and equipment	2,929,310,656.32	2,182,544,768.59	2,868,788,407.69	2,338,817,273.20
Building ceramics	1,525,898,639.84	858,660,832.45	1,061,668,021.34	577,450,717.13
Clean and environmental protection project	425,992,681.73	372,022,030.15	250,170,596.16	237,547,044.83
Lithium battery material	581,727,246.16	497,267,457.91	156,109,296.17	134,042,410.03
Finance leases	28,694,011.25	5,575,773.16	36,703,600.32	5,413,488.21
Others	153,838,294.11	115,999,933.08	178,945,665.75	144,657,079.63
Total	5,645,461,529.41	4,032,070,795.34	4,552,385,587.43	3,437,928,013.03

Main business (by region)

Name of region	Amount incurred in the current period		Amount incurred last period	
	Operating revenue	Operating expenses	Operating revenue	Operating expenses
Domestic	2,809,210,614.08	2,188,781,644.83	2,625,806,294.47	2,149,954,645.58
Abroad	2,836,250,915.33	1,843,289,150.51	1,926,579,292.96	1,287,973,367.45
Total	5,645,461,529.41	4,032,070,795.34	4,552,385,587.43	3,437,928,013.03

Remark: Total sales amount of the top five customers was RMB873,909.1 thousand (tax not included), accounting for 15.48% of sales revenue.

(2). The status of revenue generated by the contract

□Applicable √Not applicable

(3). Description of performance obligations

□Applicable √Not applicable

(4). Description of allocation to remaining performance obligations

☐Applicable ☒Not applicable

62. Taxes and surcharges

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred last period
Urban maintenance and construction	7,389,353.97	5,018,558.95
Educational surcharge	5,368,733.35	3,628,432.22
Property tax	6,110,571.74	5,858,778.92
Land use tax	3,693,162.26	3,760,967.37
Vehicle and vessel use tax	43,028.18	80,574.33
Stamp duty	2,608,402.03	2,316,533.71
Embankment protection fee	522,312.40	571,957.65
Environmental protection tax	15,703.54	10,465.15
Other taxes	970,487.18	123,524.32
Total	26,721,754.65	21,369,792.62

63. Selling expenses

☒Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred last period
Employee remunerations	106,200,754.04	87,783,132.56
Travel expenses	16,099,597.04	19,436,206.74
Transport expenses	63,696,734.76	48,124,943.93
Entertainment expense	10,088,187.73	7,850,809.78
Expenses for advertising and business promotion	7,518,955.77	6,972,858.54
After-sales service fee	14,863,769.19	11,031,423.08
Others	46,092,717.68	48,027,894.02
Total	264,560,716.21	229,227,268.65

64. Management expenses

☒Applicable ☐Not Applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred last period
------	---------------------------------------	-----------------------------

Employee remunerations	149,070,926.79	109,239,037.75
Office expenses	15,131,215.93	13,213,691.83
Water and electricity charges	6,005,520.64	5,363,974.07
Travel expenses	9,791,495.00	8,457,565.22
Audit and consultancy fee	23,273,119.21	23,140,731.54
Depreciation and rentals	38,446,418.51	37,351,138.57
Amortization of intangible assets	14,384,741.89	8,106,432.86
Equity incentive fee	48,248,414.48	
Others	31,461,797.45	21,974,766.07
Total	335,813,649.90	226,847,337.91

Other description:

The amount of management expenses in the current period increased by 48.04% as compared with the amount incurred in the same period of the previous year, mainly due to the share-based payment generated from the equity incentives launched by the subsidiary Fujian Keda New Energy.

65. R&D expenses

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred last period
Material expenses	75,021,597.30	57,932,046.60
Labor expenses	66,623,539.58	54,275,916.37
Depreciation and amortization	6,411,222.48	6,256,671.45
Other expenses	8,380,930.82	5,248,602.79
Total	156,437,290.18	123,713,237.21

66. Financial expenses

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred last period
Interest expense	51,391,933.92	44,924,857.48
Less: interest income	-10,109,419.56	-6,927,257.82
Exchange losses	-10,457,299.71	21,506,348.20
Handling charge	10,307,999.11	9,133,802.75
Total	41,133,213.76	68,637,750.61

Other description:

The amount of financial expenses in the current period decreased by 40.07% as compared with the amount incurred in the same period of the previous year, mainly due to an increase in exchange gains of the Company in the current period.

67. Other income

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred last period
VAT refund on demand	8,012,040.38	13,720,505.99
Subsidies for “Made in China 2025” Green Manufacturing System Integration Project granted by Shunde District Development and Reform Bureau	4,830,000.00	
Supporting funds for digital and intelligent transformation and development of regional manufacturing industry in 2022 from Economic Promotion Bureau	4,470,000.00	
Tax preferences through credit for VAT input tax addition	2,687,894.34	4,955,576.01
Special subsidies for major emerging industries in key technology development and industrialization of high-performanced graphene-based composite electrode anode materials of new energy vehicles	2,640,822.57	2,407,281.00
Construction policy reward for the strong manufacturing provinces in 2021 granted by Maanshan Economic and Technological Development Zone Management Committee	2,484,000.00	
Finance and Taxation Bureau’s Foreign Economic and Trade Development Special Grant (Key Markets Development) in 2021	2,268,000.00	
Finance Bureau’s Promotion of the Digital and Intelligent Transformation of the Manufacturing Industry of Foshan City – Digitalized Workshop Support Fund in 2021	2,000,000.00	
The industrial policy encashment fund by Maanshan Economic and Technological Development Zone Management Committee	1,502,440.00	1,034,150.00
The industrial support funds by the Economic Promotion Bureau of Leping Town, Sanshui District	1,500,000.00	1,500,000.00
Maanshan Economic and Technological Development Zone Management Committee’s Fiscal Incentive Income	1,239,072.00	836,674.00
Key Areas for improving defective products and key technology research projects proposed by Dangtu County Economic and Information Bureau	1,000,000.00	
Maanshan Economic and Technological Development Zone Management Committee’s SME (Private Economic Development) Policy Reward in 2021	1,000,000.00	
Incentive funds for the “three keys and one innovation” platform construction from Maanshan Economic and Technological Development Zone Management Committee	1,000,000.00	500,000.00

Dangtu County Economic and Information Bureau' s Reward for the R&D and Demonstrative Application of the First Batch of New Materials	880,000.00	
The construction policy for the strong manufacturing provinces in 2022 proclaimed by Maanshan Economic and Technological Development Zone Management Committee	800,000.00	
Job Stabilization Allowance	722,360.93	2,320,164.81
Maanshan Economic and Technological Development Zone Management Committee' s Technological Innovation Enterprise Fund in 2020	660,000.00	
Maanshan Economic and Technological Development Zone Management Committee' s Public Transportation Operaton Subsidy	639,008.00	1,251,216.00
Reward for the county-recognized high-growth small and micro enterprises by Dangtu County Economic and Information Bureau	500,000.00	
Comprehensive subsidy for the "Dragon Horse" project	500,000.00	
Dangtu Bureau of Economy and Information Technology' s City-level Industry Support Policy Subsidy in 2020	479,430.00	
Special funds granted by Shunde Finance and Taxation Bureau	414,163.07	
Modern Services Policy Funding	186,560.00	757,100.00
Sudsidy projects for supporting the strong manufacturing provinces in 2020 by Anhui Provincial Department of Economy and Information Technology		3,940,000.00
R&D grant for Newpower Clean Coal Gasification System of KEDA (Anhui) Clean Energy		3,500,000.00
Special Fund for the Development of Advanced Equipment Manufacturing Industry on the West Coast of the Pearl River		2,512,820.00
Economic Development Bureau of Zhengdong New District Management Committee' s Annual Post-Grant Special Fund for R&D Expenses of Science and Technology-based Enterprises		1,935,000.00
Enterprise R&D cost subsidy		1,644,600.00
Shunde District Science and Technology Bureau' s Science and Technology Innovation Globalization Advanced Enterprise Special Fund		1,000,000.00
Special funding for leading enterprises		750,000.00
Foshan Intellectual Property Funding		708,388.00
Other items	5,917,443.14	6,108,817.50
Total	48,333,234.43	51,382,293.31

68. Investment income

√Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred last period
------	---------------------------------------	-----------------------------

Long-term equity investments income under the equity method	1,798,760,189.11	109,771,405.40
Investment income from disposal of long-term equity investments	-835,750.86	13,674,501.58
Investment income from financial assets held for trading during the holding period		
Dividend income from other equity instrument investments during the holding period	589,000.00	
Interest income from debt investments during the holding period		
Interest income from other debt investments during the holding period		
Investment income from disposal of financial assets held for trading	803,764.09	190,401.13
Investment income from disposal of other equity instrument investments		
Investment income from disposal of debt investments		
Investment income from disposal of other debt investments		
Gains on debt restructuring	-1,687,548.66	
Total	1,797,629,653.68	123,636,308.11

Other description:

Remark 1: Long-term equity investments income under the equity method:

Unit: Yuan Currency: RMB

Investees	Amount incurred in the current period	Amount incurred last period
Qinghai Salt Lake Lanke Lithium Industry Co., Ltd.	1,790,056,101.56	113,663,382.44
Jiangsu Zhongchuang Qingyuan Technology Co., Ltd.	232,674.47	162,273.55
Maanshan Qingshan Electricity Selling Co., Ltd.	-132,291.49	113,821.32
Anhui Ganghua KEDA Smart Energy Co., Ltd.	10,092.89	61,049.04
Sichuan Guangxing Lithium Battery Technology Co., Ltd.	4,351,520.00	9,264.52
Foshan KEDA Ceramic Technology Co., Ltd.	-205,567.97	-193,723.39
Zhangzhou Juming Graphite Material Co., Ltd.	5,255,298.92	-427,053.05
Anhui KEDA Yuli Automobile Technology Co., Ltd.	-807,639.27	-491,560.72
Anhui Hudu KEDA Fluid Machinery Co., Ltd.		-3,126,048.31
Total	1,798,760,189.11	109,771,405.40

Remark 2: Investment income from disposal of long-term equity investments

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred last period
------	---------------------------------------	-----------------------------

Foshan Dehua Investment Co., Ltd.		10,446,851.72
Foshan Derui Investment Co., Ltd.		3,227,649.86
Henan Tailong Metallurgy Technology Co., Ltd.	-837,019.57	
Chuzhou KEDA Smart Energy Technology Co., Ltd.	1,268.71	
Total	-835,750.86	13,674,501.58

Remark 3: Dividend income from other equity instrument investments during the holding period

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred last period
Fujian KEDA Electric Power Co., Ltd.	589,000.00	
Total	589,000.00	

Remark 4: The amount of investment income in the current period increased by 1,353.97% as compared with the amount incurred in the same period of the previous year, mainly due to the investment income of the associate Lanke Lithium Industry recognized by the Company in the current period.

69. Net exposure hedging income

☐Applicable ☒Not applicable

70. Income from changes in fair value

☒Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Sources of income from change in fair value	Amount incurred in the current period	Amount incurred last period
Financial assets held for trading	19,288,819.77	2,604,292.37
Including: Income from changes in fair value from derivative financial instruments		
Financial liabilities held for trading	-3,837,934.70	-597,503.05
Investment real estate measured at fair value		
Total	15,450,885.07	2,006,789.32

Other description:

The amount of changes in fair value gains and losses in the current period increased by 669.93% as compared with the amount incurred in the same period of the previous year, mainly due to the changes in fair value of the forward settlement of the Company in the current period.

71. Credit impairment loss

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred last period
Bad debt loss of notes receivable	128,659.12	-137,581.22
Bad debt loss of accounts receivable	-15,363,208.58	-6,697,658.31
Bad debt loss of other receivables	-907,503.42	-2,618,866.56
Impairment loss of debt investments		
Impairment loss of other debt investments		
Bad debt loss of long-term receivables	280,981.59	1,032,084.09
Impairment loss of contract assets		
Bad debt loss of non-current assets due within one year	2,853,604.13	-2,121,717.15
Total	-13,007,467.16	-10,543,739.15

72. Impairment losses on assets

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred last period
I. Bad debt losses		
II. Losses on decline in value of inventories and impairment losses on contract performance costs		
III. Impairment losses on long-term equity investments		
IV. Impairment losses on investment properties		
V. Impairment losses on fixed assets		
VI. Impairment losses on construction materials		
VII. Impairment losses on construction in progress		
VIII. Impairment losses on productive biological assets		
IX. Impairment losses on oil and gas assets		
X. Impairment losses on intangible assets		

XI. Impairment losses on goodwill		
XII. Others	92,012,305.74	
XIII. Impairment losses on contract assets	-3,700,122.80	1,142,579.42
Total	88,312,182.94	1,142,579.42

Other description:

The amount of impairment losses on assets incurred in the current period increased by 7,629.19% as compared to the amount incurred in last period, mainly because the provision VAT retention credits of a subsidiary (namely Shenyang KEDA) prior year reversed during the current period.

73. Income from disposal of assets

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred last period
Gains or losses on disposal of fixed assets	-571,585.65	-1,157,692.66
Gains or losses on disposal of intangible assets		
Total	-571,585.65	-1,157,692.66

Other description:

☐Applicable ☒Not applicable

74. Non-operating revenue

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred last period	Amount included in current non-recurring profit or loss
Total gains on disposal of non-current assets	201,268.88		201,268.88
Including: gains on disposal of fixed assets	201,268.88		201,268.88
Gains on disposal of intangible assets			
Gains on debt restructuring			
Gains on exchange of non-monetary assets			
Donations received			
Government grants			
Penalty income	2,824,397.16	694,425.68	2,824,397.16

Income from customer default	2,546,283.31	7,723,950.00	2,546,283.31
Others	7,661,520.66	5,831,925.06	7,661,520.66
Total	13,233,470.01	14,250,300.74	13,233,470.01

Government grants included in current profit or loss

☐Applicable ☒Not applicable

Other description:

☐Applicable ☒Not applicable

75. Non-operating expenses

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred last period	Amount included in current non-recurring profit or loss
Total losses on disposal of non-current assets	4,685,996.36	207,504.58	4,685,996.36
Including: losses on disposal of fixed assets	4,685,996.36	207,504.58	4,685,996.36
Losses on disposal of intangible assets			
Losses on debt restructuring			
Losses on exchange of non-monetary assets			
Compensation relating to litigation	91,070,551.57		91,070,551.57
External donations	722,620.01	4,109,913.82	722,620.01
Late fees and fines	5,065,406.26	1,149,578.34	5,065,406.26
Others	1,465,813.17	1,306,338.51	1,465,813.17
Total	103,010,387.37	6,773,335.25	103,010,387.37

Other description:

The amount of non-operating expenses incurred in the current period increased by 1,420.82% as compared to the amount incurred in last period, mainly due to the provision for expected liabilities of the Company for the Period in accordance with the Civil Judgement ((2021) Yue 06 Min Chu No. 119) issued by the Intermediate People's Court of Foshan, Guangdong Province.

76. Income tax expenses**(1) Table of income tax expenses**√Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in last period
Current income tax expenses	61,349,178.91	24,872,503.99
Deferred income tax expenses	8,878,758.40	240,776.87
Total	70,227,937.31	25,113,280.86

(2) Adjustment process of accounting profits and income tax expenses√Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period
Total profit	2,637,851,561.31
Income tax expenses calculated at statutory / applicable tax rates	395,677,734.20
Effect of different tax rates applied to subsidiaries	132,392,090.89
Effect of adjustment to income tax in previous periods	-4,388,676.98
Effect of non-taxable income	-448,873,904.73
Effect of non-deductible costs, expenses and losses	21,772,058.69
Effect of the use of deductible losses of unrecognized deferred tax assets in previous periods	-21,581,388.48
Effect of deductible temporary difference or deductible losses of unrecognized deferred tax assets in the Period	21,194,594.72
Additional deduction	-25,964,571.00
Income tax expenses	70,227,937.31

Other description:

√Applicable ☐Not applicable

The amount of income tax expenses incurred in the current period increased by 179.64% as compared to the amount incurred in last period, mainly due to the increase in profit for the Period of the Company resulting in an increase of corresponding income tax expenses.

77. Other comprehensive income√Applicable ☐Not applicable

See the note 57 for details.

78. Items of cash flow statement**(1). Other cash received relating to operating activities**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred last period
Government grants	43,374,784.37	44,220,351.48
Interest income	10,109,419.56	6,927,257.82
Others	17,014,116.78	15,520,011.21
Total	70,498,320.71	66,667,620.51

(2). Other cash paid relating to operating activities

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred last period
Office expenses	16,160,860.65	13,838,259.07
Water and electricity charges	48,680,347.00	44,996,939.21
Travel expenses	41,508,469.58	38,386,083.65
Vehicle expenses	4,170,191.41	5,627,804.99
Transportation expenses	78,097,141.83	62,881,718.33
Entertainment expenses	15,071,024.81	13,714,431.63
Rental expenses	20,228,051.90	17,920,273.26
Repair expenses	13,090,912.89	11,819,064.06
Advertising and business promotion expenses	9,697,797.53	10,055,868.37
Audit and consultancy expenses	23,273,119.21	23,105,376.70
Others	144,081,018.71	66,849,866.20
Total	414,058,935.52	309,195,685.47

Description of other cash paid relating to operating activities: the amount incurred in the current period increased by 33.91% as compared to the amount incurred last period, mainly due to temporarily frozen amount of RMB 85.9625 million of the Company by judicial body in connection with the litigation of KEDA Lithium Industry in the current period.

(3). Other cash received relating to investment activities

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred last period
Principal of wealth management products recovered	258,696,820.00	601,561,171.09
Futures margin recovered	3,359,240.84	
Prepayment received for disposal of subsidiary equity interests	20,700,000.00	
Total	282,756,060.84	601,561,171.09

(4). Other cash paid relating to investment activities√Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred last period
Cash paid for purchasing wealth management products	205,999,000.82	772,614,404.80
Futures margin paid		7,500,000.00
Difference of cash received from disposal of a subsidiary less than the book cash at the time the subsidiary was sold	186,386.32	
Total	206,185,387.14	780,114,404.80

(5). Other cash received relating to financing activities√Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred last period
Acceptance bill deposits	194,064,484.29	153,194,312.38
Guarantee deposits	39,266,694.73	27,498,226.97
Transfer payment of employee stock ownership plan received		86,226,880.00
Other deposits	106,394.18	5,443,802.68
Cash received from sale of minority interests	9,740,500.00	
Total	243,178,073.20	272,363,222.03

(6). Other cash paid relating to financing activities√Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred last period
Acceptance bill deposits	439,564,711.41	206,205,309.46
Guarantee deposits	35,822,696.37	46,057,742.04
Other deposits	539,379.12	5,410,950.76

Cash paid for purchase of minority interests	12,030,000.00	97,587,725.83
Total	487,956,786.90	355,261,728.09

79. Supplementary data for cash flow statement

(1) Supplementary data for cash flow statement

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Supplementary data	Amount in the current period	Amount in last period
1. Adjusting net profit to cash flow from operating activities:		
Net profit	2,567,623,624.00	595,409,846.99
Add: assets impairment provision	16,707,589.96	9,401,141.23
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	167,685,854.94	134,924,888.45
Amortization of right-of-use assets	1,026,729.24	
Amortization of intangible assets	14,384,741.89	8,384,751.18
Amortization of long-term prepaid expenses	1,970,747.02	1,366,613.24
Losses on disposal of fixed assets, intangible assets and other long-term assets (income marked with“-”)	571,585.65	1,365,197.24
Losses on scrapping of fixed assets (income marked with“-”)	4,484,727.48	
Losses on fair value changes (income marked with“-”)	-15,450,885.07	-2,006,789.32
Financial expenses (income marked with“-”)	56,967,707.08	50,338,345.69
Investment losses (income marked with“-”)	-1,797,629,653.68	-123,636,308.11
Decrease in deferred income tax liabilities (increase marked with“-”)	9,308,775.52	889,030.34
Increase in deferred income tax liabilities (decrease marked with“-”)	-430,017.12	-648,253.47
Decrease in inventories (increase marked with“-”)	3,270,814.59	-246,455,296.39
Decrease in operating receivables (increase marked with“-”)	-222,514,283.25	-77,990,654.50
Increase in operating payables (decrease marked with“-”)	-435,252,872.84	86,935,852.61
Others	-20,856,774.45	-185,926.12
Net cash flows from operating activities	351,868,410.96	438,092,439.06
2. Major investment and financial activities that do not involve cash income and expenditures:		
Conversion of debt into capital		
Convertible company bonds due within one year		

Fixed assets acquired under finance leases		
3. Net change in cash and cash equivalents:		
Closing balance of cash	1,819,011,850.33	1,132,713,478.21
Less: opening balance of cash	1,687,793,105.33	1,231,793,607.85
Add: closing balance of cash equivalents		
Less: opening balance of cash equivalents		
Net increase of cash and cash equivalents	131,218,745.00	-99,080,129.64

(2) Net cash paid for the acquisition of subsidiaries in the current period

☐Applicable ☒Not applicable

(3) Net cash received from disposal of subsidiaries in the current period

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

	Amount
Cash or cash equivalents received from disposal of subsidiaries in the current period	1,880,000.00
Henan Tailong Metallurgy Technology Co., Ltd.	1,880,000.00
Less: cash and cash equivalents held by the Company on the date of loss of control	9,568.67
Henan Tailong Metallurgy Technology Co., Ltd.	9,568.67
Add: cash or cash equivalents received from disposal of subsidiaries in previous period	
Net cash received for disposal of subsidiaries	1,870,431.33

(4) Composition of cash and cash equivalents

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
I. Cash	1,819,011,850.33	1,687,793,105.33
Including: cash on hand	7,557,588.04	5,593,501.38
Bank deposits available for payment at any time	1,811,454,262.29	1,682,199,603.95
Other monetary funds available for payment at any time		
Deposits in the Central Bank available for payment		
Deposits in other banks		
Call loans to other banks		
II. Cash equivalents		

Including: bond investment due within three months		
III. Balance of cash and cash equivalents at the end of the period	1,819,011,850.33	1,687,793,105.33
Including: cash and cash equivalents restricted by parent company or subsidiary within the group		

Other descriptions:

☐Applicable ☐Not applicable

80. Notes to items in statement of change in owners' equity

Describe the item names and adjusted amounts of "Others" which adjusted the closing balance of previous year:

☐Applicable ☒Not applicable

81. Assets with restricted ownership or rights of use

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Book value at the end of period	Reason for restriction
Monetary funds	584,923,011.57	Deposits and judicially frozen funds
Financing of receivables	49,732,042.00	Used for pledge
Fixed assets	1,063,681,233.89	Used for loans secured by projects
Intangible assets	125,899,842.41	Used for loans secured by projects
Accounts receivable	90,000,000.00	Used for pledge
Equity interests of Foshan Keda Equipment Manufacturing	375,000,000.00	Used for loans secured by projects
Total	2,289,236,129.87	/

82. Foreign currency monetary items

(1). Foreign currency monetary items

☒Applicable ☐Not applicable

Unit: Yuan

Item	Foreign currency balance at the end of period	Exchange rate for conversion	Balance converted into RMB at the end of period
Monetary funds	-	-	
Including: USD	60,823,221.39	6.68630	406,682,305.18
EUR	12,708,618.91	7.00670	89,045,480.12

Hong Kong Dollar	5,626,951.48	0.85208	4,794,612.82
Pound	270,648.39	8.13210	2,200,939.77
Turkish Lira	2,549,470.51	0.40064	1,021,419.87
Indian Rupee	232,235,338.51	0.08479	19,691,234.35
Kenyan Shilling	415,380,920.57	0.05348	22,214,571.63
Tanzanian Shilling	5,752,187,251.06	0.00284	16,336,211.79
Ghanaian Cedi	14,620,841.16	0.81325	11,890,399.07
CFA Franc	1,041,336,600.00	0.01059	11,027,754.59
Zambian Kwacha	12,303,357.13	0.38849	4,779,731.21
Central African Franc	72,213,781.00	0.01005	725,748.50
Singapore Dollar	100.00	4.81190	481.19
Accounts receivable	-	-	-
Including: USD	82,912,714.12	6.68630	554,379,280.42
EUR	16,448,013.41	7.00670	115,246,295.56
Turkish Lira	356,460.06	0.40064	142,812.16
Indian Rupee	819,512,740.78	0.08479	69,486,485.29
Kenyan Shilling	78,089,933.99	0.05348	4,176,249.67
Tanzanian Shilling	2,070,397,995.72	0.00284	5,879,930.31
Ghanaian Cedi	13,053,411.49	0.81325	10,615,686.89
CFA Franc	169,837,860.30	0.01059	1,798,582.94
Zambian Kwacha	8,231,025.81	0.38849	3,197,671.22
Other receivables			
Including: USD	478,384.18	6.68630	3,198,620.14
EUR	32,891.63	7.00670	230,461.78
HKD	66,818.10	0.85208	56,934.37
Turkish Lira	618,103.08	0.40064	247,636.82
Indian Rupee	66,027.00	0.08479	5,598.43
Kenyan Shilling	111,337,460.71	0.05348	5,954,327.40
Tanzanian Shilling	270,226,930.80	0.00284	767,444.48
Ghanaian Cedi	5,438,843.44	0.81325	4,423,139.43
CFA Franc	231,127,899.29	0.01059	2,447,644.45
Zambian Kwacha	397,958.45	0.38849	154,602.88
Central African Franc	1,032,111,157.72	0.01005	10,372,717.14
Long-term receivables			
Including: USD	11,510,253.39	6.68630	76,961,007.24
EUR	1,002,837.42	7.00670	7,026,580.95
Short-term loans			
Including: USD	29,787,490.03	6.68630	199,168,094.59
EUR	5,146,016.36	7.00670	36,056,592.83
Accounts payable			
Including: USD	2,153,726.06	6.68630	14,400,458.55
EUR	6,184,592.37	7.00670	43,333,583.36
Turkish Lira	12,381,446.37	0.40064	4,960,502.67
Indian Rupee	31,741,162.48	0.08479	2,691,333.17
Kenyan Shilling	1,000,997,104.78	0.05348	53,533,325.16
Tanzanian Shilling	2,714,216,665.11	0.00284	7,708,375.33
Ghanaian Cedi	6,170,626.38	0.81325	5,018,261.90
CFA Franc	727,557,369.33	0.01059	7,704,832.54
Zambian Kwacha	11,605,453.03	0.38849	4,508,602.45
Other payables			
Including: USD	515,025.07	6.68630	3,443,612.13

EUR	5,957.02	7.00670	41,739.05
HKD	4,900.00	0.85208	4,175.19
Turkish Lira	80,672.09	0.40064	32,320.47
Kenyan Shilling	8,494,261.39	0.05348	454,273.10
Tanzanian Shilling	123,056,958.20	0.00284	349,481.76
Ghanaian Cedi	1,553,731.35	0.81325	1,263,572.02
CFA Franc	272,500,873.92	0.01059	2,885,784.25
Zambian Kwacha	1,164,701.00	0.38849	452,474.69
Non-current liabilities due within one year			
Including: USD	16,407,291.78	6.68630	109,704,075.03
EUR	19,881,904.50	7.00670	139,306,540.26
Long-term loans	-	-	
Including: USD	30,080,635.24	6.68630	201,128,151.41
EUR	46,963,983.89	7.00670	329,062,545.92

(2). Description of overseas business entities, including for important overseas business entities, disclosure of main overseas operation locations, reporting currency and selection basis as well as disclosure of reasons for changes in reporting currency

√Applicable □Not applicable

Unit: Ten Thousand Yuan

Full name of subsidiary	Place of incorporation	Registered capital	Currency	Business scope	Business nature	Reporting currency
KEDA Industrial (Hong Kong) Limited	Hong Kong	5,870.48	USD	Import and export trade	Sales	HKD
Xincheng International (Hong Kong) Co., Ltd.	Hong Kong	2,000.00	USD	Import and export trade	Sales	USD
Kami Materials Co., Limited	Hong Kong	1.00	HKD	Import and export trade	Sales	USD
Keda (Kenya) Ceramics Company Limited	Kenya	100.00	USD	Manufacturing industry	Tile production	Kenyan Shilling
Keda (Ghana) Ceramics Company Limited	Ghana	100.00	USD	Manufacturing industry	Tile production	Ghana Cedi
Keda (Tanzania) Ceramics Company Limited	Tanzania	100.00	USD	Manufacturing industry	Tile production	Tanzanian shilling
Keda (SN) Ceramics Company Limited	Senegal	100.00	USD	Manufacturing industry	Tile production	CFA franc
Kami Colourcera Private Limited	India	160.00	USD	Manufacturing industry	Color glaze production	Indian rupee

I.C.F. & Welko S.P.A.	Italy	400.00	EUR	Manufacturing industry	Ceramic machinery production	EUR
Keda Industrial (India) Limited	India	6,500.00	Rupee	Manufacturing industry	Sales of accessories and consumables	Indian rupee
Keda Turkey Makine Ticaret Limited Sirketi	Turkey	1,058.55	Lira	Import and export trade	Sales of accessories and consumables	Turkish lira
Forwell International (Hong Kong) Co., Ltd.	Hong Kong	2,000.00	USD	Import and export trade	Sales	USD
Keda Zambia Ceramics Company Limited	Zambia	1.50	Kwacha	Manufacturing industry	Tile production	Zambian Kwacha
Keda Ceramics International Company Limited	Kenya	1,000.00	USD	Manufacturing industry	Tile production	Kenyan Schilling
Keda Cameroon Ceramics Limited	Cameroon	100.00	Central African Franc	Manufacturing industry	Tile production	Central African Franc

83. Hedging

☐Applicable ☒Not applicable

84. Government grants

1. Basic information of government grants

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Type	Amount	Presented item	Amount included in current profit and loss
VAT levied immediately returned	8,012,040.38	Other income	8,012,040.38
Subsidies from Development and Reform Bureau of Shunde District under “Made in China 2025” for green manufacturing system integration projects	4,830,000.00	Other income	4,830,000.00
Supporting Fund by Economy Promotion Bureau for digital and intelligent transformation and development of manufacturing industry in 2022	4,470,000.00	Other income	4,470,000.00
Tax preferences through credit for VAT input tax addition	2,687,894.34	Other income	2,687,894.34
Special subsidies for key technology development of high-performance graphene-based composite electrode anode materials for new energy vehicles and industrialization of major emerging industries	2,640,822.57	Other income	2,640,822.57

Construction policy award granted for 2020 large manufacturing province by Management Committee of Ma'anshan Economic and Technological Development Zone	2,484,000.00	Other income	2,484,000.00
Special fund for the foreign economic and trade development of Finance and Taxation Bureau in 2021 (exploration of key market)	2,268,000.00	Other income	2,268,000.00
Supporting Fund for advancement of digital and intelligent transformation and development of manufacturing industry – digital workshop in Foshan City granted by Finance Bureau in 2021	2,000,000.00	Other income	2,000,000.00
Industrial policies implementing fund of the Management Committee of Ma'anshan Economic and Technological Development Zone	1,502,440.00	Other income	1,502,440.00
Industrial supporting fund granted by Economy Promotion Bureau of Leping Town, Sanshui District	1,500,000.00	Other income	1,500,000.00
Financial incentives revenue of the Management Committee of Ma'anshan Economic and Technological Development Zone	1,239,072.00	Other income	1,239,072.00
Weak-link improvement products in key areas and key technological breakthrough projects of Economy and Information Technology Department of Dangtu County	1,000,000.00	Other income	1,000,000.00
Policy award for small-and-medium enterprises (private economy) granted by the Management Committee of Ma'anshan Economic and Technological Development in 2021Zone	1,000,000.00	Other income	1,000,000.00
The “Sanzhongyichuang” platform construction incentive fund of the Management Committee of Ma'anshan Economic and Technological Development Zone	1,000,000.00	Other income	1,000,000.00
Award for development and demonstration application of first batch of new materials granted by Economy and Information Technology Department of Dangtu County	880,000.00	Other income	880,000.00
Construction policies for 2022 large manufacturing province by Management Committee of Ma'anshan Economic and Technological Development Zone	800,000.00	Other income	800,000.00
Position stabilization subsidies	722,360.93	Other income	722,360.93
Fund for technological innovative enterprises granted by Management Committee of Ma'anshan Economic and Technological Development Zone in 2020	660,000.00	Other income	660,000.00
Bus operation subsidies granted by Management Committee of Ma'anshan Economic and Technological Development Zone	639,008.00	Other income	639,008.00
Award for small and micro enterprises with high growth rate recognized by the province	500,000.00	Other income	500,000.00

granted by Economy and Information Technology Department of Dangtu County			
Comprehensive subsidies for Longma project	500,000.00	Other income	500,000.00
Supporting policy fund subsidies for municipal-level industries granted by Economy and Information Technology Department of Dangtu County in 2020	479,430.00	Other income	479,430.00
Special award granted by Shunde Finance and Taxation Bureau	414,163.07	Other income	414,163.07
Payment of funds for modern service industry policies	186,560.00	Other income	186,560.00
Other projects	5,917,443.14	Other income	5,917,443.14
Total	48,333,234.43		48,333,234.43

2. Information of government grant refund

☐Applicable ☒Not applicable

85. Others

☐Applicable ☒Not applicable

VIII. Changes in the scope of combination

1. Business combinations involving enterprises under different control

☐Applicable ☒Not applicable

2. Business combinations involving enterprises under common control

☐Applicable ☒Not applicable

3. Counter purchase

☐Applicable ☒Not applicable

4. Disposal of subsidiaries

Whether there is any circumstance in which single disposal of investment in a subsidiary will result in loss of control over the subsidiary

☒Applicable ☐Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Name of subsidiary	Equity disposal price	Proportion of equity disposal (%)	Equity disposal approach	Point in time of loss of control	Basis for determination of loss of control	Difference between the disposal price and the net assets of the subsidiary entitled to the investment corresponds to	Proportion of remaining equity on the date of loss of control (%)	Book value of remaining equity on the date of loss of control	Fair value of remaining equity on the date of loss of control	The remeasurement of the gain or loss from the equity at fair value	Methods for determination of major assumptions of the fair value of the remaining	Amount of other comprehensive income relating to the equity investment of the original subsidiary transferred
--------------------	-----------------------	-----------------------------------	--------------------------	----------------------------------	--	--	---	---	---	---	---	---

						the consolidated financial statements					g equity into on the investment date of profit or loss of control
Henan Tailong Metallurgy Technology Co., Ltd.	188.00	100.00	disposal	31 May 2022	The date of the transfer of actual controlling right	-83.70					
Chuzhou KEDA Smart Energy Technology Co., Ltd.	22.95	100.00	disposal	31 May 2022	The date of the transfer of actual controlling right	0.13					

Other description:

☐Applicable ☒Not applicable**5. Changes in the scope of merger for other reasons**

Specify the changes in the scope of merger resulting from other reasons (such as newly established subsidiaries and liquidated subsidiaries) and related conditions:

☒Applicable ☐Not applicable

Name	Method of acquisition
Keda (Shaoguan) Machinery Manufacturing Co., Ltd.	New establishment
Kami Material Co., Ltd.	New establishment
Kunshan Boyue New Energy Technology Co., Ltd.	New establishment
Maanshan City Zhengpu Port New District Taixin New Energy Technology Co., Ltd.	New establishment
Dangtu Keda New Energy Technology Co., Ltd.	New establishment
Anhui Keda Lithium Battery Equipment Co., Ltd.	New establishment

6. Others☐Applicable ☒Not applicable

IX. Interests in Other Entities

1. Interests in subsidiaries

(1). Composition of enterprise group

√Applicable □Not applicable

Name of subsidiary	Principal business place	Registration place	Business nature	Proportion of shareholding (%)		Method of acquisition
				Direct	Indirect	
Anhui Keda Industrial Co., Ltd	Ma'anshan Economic and Technological Development Zone, Anhui Province	Ma'anshan Economic and Technological Development Zone, Anhui Province	Manufacturing	80.00		Establishment
Anhui Keda New Materials Co., Ltd.	Dangtu Economic Development Zone, Ma'anshan City, Anhui Province	Dangtu Economic Development Zone, Ma'anshan City, Anhui Province	Manufacturing	49.00	51.00	Establishment
Fujian Keda New Energy Technology Co., Ltd.,	Luofeng Industrial Park, Taihua Town, Datian County, Sanming City, Fujian Province	Luofeng Industrial Park, Taihua Town, Datian County, Sanming City, Fujian Province	Manufacturing	53.96		Establishment
Anhui KEDA Platinum Platform Energy Technology Co., Ltd.	Dangtu Economic Development Zone, Ma'anshan City, Anhui Province	Dangtu Economic Development Zone, Ma'anshan City, Anhui Province	Manufacturing		51.00	Combination not under common control
Anhui KEDA Purui Energy Technology Co., Ltd.	Dangtu Economic Development Zone, Ma'anshan City, Anhui Province	Dangtu Economic Development Zone, Ma'anshan City, Anhui Province	Manufacturing		51.00	Combination not under common control
Sichuan KEDA Clean Energy New Material Co., Ltd.	Chengdu High-tech Zone of China (Sichuan) Free Trade Pilot Zone	Chengdu High-tech Zone of China (Sichuan) Free Trade Pilot Zone	Manufacturing		100.00	Establishment
KEDA (Anhui) New Energy Automobile Sales Co., Ltd.	Ma'anshan Economic and Technological Development Zone, Anhui Province	Ma'anshan Economic and Technological Development Zone, Anhui Province	Business service		100.00	Establishment
KEDA (Anhui) Huadong New Energy Automobile Travel Service Co., Ltd.	Ma'anshan Economic and Technological Development Zone, Anhui Province	Ma'anshan Economic and Technological Development Zone, Anhui Province	Business service		51.00	Establishment
Anhui KEDA Smart Energy Technology Co., Ltd.	Ma'anshan Economic and Technological Development Zone, Anhui Province	Ma'anshan Economic and Technological Development Zone, Anhui Province	Business service		53.00	Establishment
Jiangsu KEDA Electric Power Co., Ltd.	Jiangning District, Nanjing City, Jiangsu Province	Jiangning District, Nanjing City, Jiangsu Province	Business service		80.00	Establishment
Changzhou KEDA Electricity Selling Co., Ltd.	Changzhou Zhonglou Economic Development Zone	Changzhou Zhonglou Economic Development Zone	Business service		100.00	Establishment

Anhui KEDA Keneng Electricity Selling Co., Ltd.	Xuanzhou District, Xuancheng City, Anhui Province	Xuanzhou District, Xuancheng City, Anhui Province	Business service		100.00	Establishment
Anhui Kean Electric Power Engineering Co., Ltd.	Ma'anshan Economic and Technological Development Zone, Anhui Province	Ma'anshan Economic and Technological Development Zone, Anhui Province	Business service		100.00	Combination not under common control
Sixian KEDA New Energy Technology Co., Ltd.	Sixian, Suzhou City, Anhui Province	Sixian, Suzhou City, Anhui Province	Business service		51.00	Establishment
Maanshan Kehan New Energy Technology Co., Ltd	Hanshan Industrial Park, Lintou Town, Hanshan County, Maanshan City, Anhui Province	Hanshan Industrial Park, Lintou Town, Hanshan County, Ma'anshan City, Anhui Province	Business service		60.00	Establishment
Wuhu KEDA SureMaker Industrial Co., Ltd.	Wanzhi District, Wuhu City	Wanzhi District, Wuhu City	Manufacturing		100.00	Combination not under common control
KEDA (Shenyang) Clean Energy Gas Co., Ltd.	Liaoning Faku Economic Development Zone	Liaoning Faku Economic Development Zone	Manufacturing	93.00		Establishment
Guangdong KEDA Smart Energy Technology Co., Ltd.	Shunde District, Foshan City	Shunde District, Foshan City	Business service		95.00	Establishment
KEDA (Anhui) Clean Energy Co., Ltd.	Ma'anshan Economic and Technological Development Zone, Anhui Province	Ma'anshan Economic and Technological Development Zone, Anhui Province	Manufacturing	97.37		Establishment
Guangdong KEDA Hydraulic Technology Co., Ltd.	Shunde District, Foshan City	Shunde District, Foshan City	Manufacturing	53.69	3.01	Establishment
Foshan HLT Machinery Co., Ltd.	Sanshui Central Science Technology Park of Foshan City	Sanshui Central Science Technology Park of Foshan City	Manufacturing	100.00		Combination not under common control
Foshan DLT Technology Co., Ltd.	Sanshui Central Science Technology Park of Foshan City	Sanshui Central Science Technology Park of Foshan City	Manufacturing		100.00	Establishment
Foshan Zhuolitai Machinery Co., Ltd.	Sanshui District, Foshan City	Sanshui District, Foshan City	Manufacturing		100.00	Combination not under common control
Anhui KEDA Investment Co., Ltd.	Ma'anshan Economic and Technological Development Zone	Ma'anshan Economic and Technological Development Zone	Business service	100.00		Establishment
Henan KDNEU International Engineering Co., Ltd.	Commercial Outer Ring Road, Zhengzhou Area (Zhengdong) of Henan Pilot Free Trade Zone	Commercial Outer Ring Road, Zhengzhou Area (Zhengdong) of Henan Pilot Free Trade Zone	Manufacturing		100.00	Combination not under common control
Jiangsu Kehang Environmental Protection Co., Ltd.	Environmental Protection Industry Park, Yancheng, Jiangsu	Environmental Protection Industry Park, Yancheng, Jiangsu	Manufacturing	100.00		Combination not under common control
Ningxia Kehang Environmental	Pingluo, Ningxia	Pingluo, Ningxia	Manufacturing		100.00	Combination not under common control

Protection Engineering Co., Ltd.						
Anhui Keqing Environmental Engineering Co., Ltd.	Ma'anshan Economic and Technological Development Zone	Ma'anshan Economic and Technological Development Zone	Manufacturing		100.00	Establishment
Qinghai Weili New Energy Material Co., Ltd.	Dongchuan Industrial Zone, Xining, Qinghai Province	Dongchuan Industrial Zone, Xining, Qinghai Province	Manufacturing	53.62		Combination not under common control
Qinghai KEDA Lithium Industry Co., Ltd.	Xining Economic and Technological Development Zone	Xining Economic and Technological Development Zone	Manufacturing	100.00		Combination not under common control
KEDA Foshan Industrial Co., Ltd.	Shunde District, Foshan City	Shunde District, Foshan City	Manufacturing	100.00		Establishment
Foshan KEDA Ceramic Technology Co., Ltd.	Shunde District, Foshan City	Shunde District, Foshan City	Import and export trade	100.00		Establishment
KEDA Industrial (Hong Kong) Limited	Hong Kong	Hong Kong	Import and export trade	100.00		Establishment
Kami Colourcera Private Limited	India	India	Manufacturing		72.00	Establishment
Keda Industrial (India) Limited	India	India	Manufacturing		90.00	Establishment
Keda Turkey Makine Ticaret Limited Sirketi	Turkey	Turkey	Import and export trade		100.00	Establishment
Keda International Company S.a.r.l.	Luxembourg	Luxembourg	Business service		100.00	Establishment
Keda Europe S.r.l.	Italy	Italy	Business service		100.00	Establishment
I.C.F.& Welko S.P.A.	Italy	Italy	Manufacturing		100.00	Combination not under common control
Wibe S.L.	Spain	Spain	Manufacturing		100.00	Combination not under common control
Xincheng International (Hong Kong) Co., Ltd.	Hong Kong	Hong Kong	Import and export trade		100.00	Establishment
Guangdong Xincheng Financing Leasing Co., Ltd.	Shunde District, Foshan City	Shunde District, Foshan City	Business service		100.00	Establishment
Anhui Xincheng Financing Leasing Co., Ltd.	Ma'anshan Economic and Technological Development Zone, Anhui Province	Ma'anshan Economic and Technological Development Zone, Anhui Province	Business service		100.00	Establishment
Keda Holding (Mauritius) Limited	Mauritius	Mauritius	Business service	100.00		Establishment
Brightstar Investment Limited	Mauritius	Mauritius	Business service		51.00	Combination not under common control
Keda (Kenya) Ceramics Company Limited	Kenya	Kenya	Manufacturing		51.00	Combination not under common control
Keda (Ghana) Ceramics Company Limited	Ghana	Ghana	Manufacturing		51.00	Combination not under common control
Keda (Tanzania) Ceramics Company Limited	Tanzania	Tanzania	Manufacturing		51.00	Combination not under common control

Kdea SN Ceramics Company Limited	Senegal	Senegal	Manufacturing		51.00	Establishment
Keda Zambia Ceramics Company Limited	Zambia	Zambia	Manufacturing		51.00	Establishment
Forwell International (Hong Kong) Co., Ltd.	Hong Kong	Hong Kong	Import and export trade	100.00		Establishment
Guangzhou Artget Technology Limited Company	Panyu District, Guangzhou City	Panyu District, Guangzhou City	Manufacturing		60.00	Combination not under common control
Maanshan Huadong Travel Passenger Transportation Co., Ltd.	Ma'anshan Economic and Technological Development Zone	Ma'anshan Economic and Technological Development Zone	Business service		100.00	Combination not under common control
Suzhou KEDA Smart Energy Technology Co., Ltd.	Suzhou City, Anhui Province	Suzhou City, Anhui Province	Business service		51.00	Establishment
Wuhu KEDA Smart New Energy Technology Co., Ltd.	Wuhu City, Anhui Province	Wuhu City, Anhui Province	Business service		100.00	Establishment
Hefei Binhu KEDA Smart Energy Co., Ltd.	Hefei Baohe Economic Development Zone	Hefei Baohe Economic Development Zone	Business service		100.00	Establishment
Tilemaster Investment Limited	Mauritius	Mauritius	Business service		51.00	Establishment
Anhui Hengwang Smart Energy Technology Co., Ltd	Bowang District, Ma'anshan City, Anhui Province	Bowang District, Ma'anshan City, Anhui Province	Business service		51.00	Establishment
Maanshan Kean New Energy Technology Co., Ltd.	Yushan District, Ma'anshan City, Anhui Province	Yushan District, Ma'anshan City, Anhui Province	Business service		100.00	Establishment
Wuhu Kean Energy Technology Co., Ltd	Jiujiang District, Wuhu City, Anhui Province	Jiujiang District, Wuhu City, Anhui Province	Business service		100.00	Establishment
Foshan Keda Equipment Manufacturing Co., Ltd.	Sanshui District, Foshan City, Guangdong Province	Sanshui District, Foshan City, Guangdong Province	Manufacturing	100.00		Combination not under common control
Toyo Hydraulic Technology (Dalian) Co., Ltd.	Jinzhou District, Dalian City, Liaoning Province	Jinzhou District, Dalian City, Liaoning Province	Manufacturing		62.24	Establishment
Keda Ceramics Interational Company Limited	Kenya	Kenya	Manufacturing		51.00	Establishment
Keda Cameroon Ceramics Limited	Cameroon	Cameroon	Manufacturing		51.00	Establishment
Foshan HLT Technology Co., Ltd.	Sanshui District, Foshan City, Guangdong Province	Sanshui District, Foshan City, Guangdong Province	Manufacturing		100.00	Establishment
Foshan Kean New Energy Technology Co., Ltd.	Shunde District, Foshan City, Guangdong Province	Shunde District, Foshan City, Guangdong Province	Business service		100.00	Establishment
Dangtu Kean New Energy Technology Co., Ltd.	Dangtu County, Ma'anshan City, Anhui Province	Dangtu County, Ma'anshan City, Anhui Province	Business service		100.00	Establishment

Guangde Kean Photovoltaic Electricity Co., Ltd.	Guangde, Xuancheng City, Anhui Province	Guangde, Xuancheng City, Anhui Province	Business service		100.00	Establishment
Kunshan Boyue New Energy Technology Co., Ltd.	Kunshan, Suzhou City, Jiangsu Province	Kunshan, Suzhou City, Jiangsu Province	Business service		100.00	Establishment
Keda (Shaoguan) Machinery Manufacturing Co., Ltd.	Zhengjiang District, Shaoguan City, Guangdong Province	Zhengjiang District, Shaoguan City, Guangdong Province	Manufacturing	70.00		Establishment
Anhui Keda Lithium Battery Equipment Co., Ltd.	Yushan District, Ma'anshan City, Anhui Province	Yushan District, Ma'anshan City, Anhui Province	Manufacturing		100.00	Establishment
Maanshan City Zhengpu Port New District Taixin New Energy Technology Co., Ltd.	Yushan District, Ma'anshan City, Anhui Province	Yushan District, Ma'anshan City, Anhui Province	Business service		100.00	Establishment
Kami Material Co., Ltd.	Hong Kong	Hong Kong	Import and export trade		51.00	Establishment
Dangtu Keda New Energy Technology Co., Ltd.	Dangtu County, Ma'anshan City, Anhui Province	Dangtu County, Ma'anshan City, Anhui Province	Business service		100.00	Establishment

(2). Major non wholly-owned subsidiaries

√Applicable □Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Name of subsidiary	Proportion of shareholding of non-controlling shareholders (%)	Profit or loss attributable to minority shareholders for the Period	Dividend declared to minority shareholders for the Period	Closing balance of minority shareholders' equity interests
Qinghai Weili New Energy Material Co., Ltd.	46.38	18,422.60	0.00	31,235.32

Description of the difference between the proportion of shareholding and voting rights of minority shareholders of the subsidiaries:

□Applicable √Not applicable

Other description:

□Applicable √Not applicable

(3). Key financial information of major non wholly-owned subsidiaries

√Applicable □Not applicable

Unit: Ten Thousand Yuan Currency: RMB

	Closing balance	Opening balance
--	-----------------	-----------------

Name of subsidiary	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Qinghai Weili New Energy Material Co., Ltd.	6,353.61	61,523.50	67,877.11	530.57	0.00	530.57	56.05	29,298.88	29,354.93	1,768.26	0.00	1,768.26

Name of subsidiary	Amount incurred during the period				Amount incurred last period			
	Operating revenue	Net profit	Total comprehensive income	Cash flow from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flow from operating activities
Qinghai Weili New Energy Material Co., Ltd.		39,721.00	39,721.00	-7,538.40		2,521.31	2,521.31	0.59

(4). Major restrictions on use of assets and settlement of debts of the enterprise group:

☐Applicable ☒Not applicable

(5). Financial or other supports provided to structured entities included in the consolidated financial statements:

☐Applicable ☒Not applicable

Other description:

☐Applicable ☒Not applicable

2. Transactions involving changes in share of owners' equity in subsidiaries which are still under control

☒Applicable ☐Not applicable

(1). Description of the change in share of owners' equity in subsidiaries

☒Applicable ☐Not applicable

① In January 2022, Anhui KEDA Investment, our subsidiary, purchased the 6.21% equity of Jiangsu Kehang held by non-controlling shareholders with the amount of RMB12,030 thousand. Following the completion of equity transfer, the shareholding proportion of the Company to Jiangsu Kehang changed from 93.79% to 100%.

② In March 2022, the Company increased its capital to Fujian Keda New Energy with the amount of RMB117,691.6 thousand. Following the completion of capital increase, the

shareholding proportion of the Company to Fujian Keda New Energy changed from 54.00% to 55.01%.

- ③ In March 2022, the Company transferred the 51.00% equity of Anhui New Material it held to its subsidiary Fujian Keda New Energy with the amount of RMB159,018.5 thousand. Following the completion of equity transfer, the indirect shareholding proportion changed from 100.00% to 77.06%.
- ④ In June 2022, the Company transferred the 2.85% equity of Fujian Keda New Energy it held with the amount of RMB9,740.5 thousand. Following the completion of equity transfer, the shareholding proportion of the Company to Fujian Keda New Energy changed from 55.01% to 52.16%.

(2). Effects of transaction on the interests of minority shareholders and equity interests attributed to the owners of parent company

√Applicable □Not applicable

Unit: Ten Thousand Yuan Currency: RMB

	Purchase of the non-controlling equity of subsidiary	Disposal of certain equity of subsidiary
Purchase cost/disposal consideration	12,972.16	8,128.26
--Cash	12,972.16	8,128.26
--Fair value of non-cash assets		
Total purchase cost/disposal consideration	12,972.16	8,128.26
Less: Share of net assets of the subsidiary calculated based on the equity interest acquired/disposed of	9,540.67	8,007.37
Difference	3,431.49	120.89
Including: Adjustment to capital reserves	-3,431.49	120.89
Adjustment to surplus reserves		
Adjustment to undistributed profits		

Other description:

□Applicable √Not applicable

3. Interests in joint ventures or associates

√Applicable □Not applicable

(1). Major joint ventures or associates

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Name of joint venture or associate	Principal place of business	Registration place	Business nature	Proportion of shareholding (%)		Accounting method of investment in joint venture or associate
				Direct	Indirect	
Qinghai Salt Lake Lanke Lithium Industry Co., Ltd.	Golmud, Qinghai	Golmud, Qinghai	Manufacturing		43.58	Equity method

Description of difference between the proportion of shareholding and voting rights of joint ventures or associates:

The Company holds 100% of the equity interests in Qinghai Keda Lithium Industry, through which it holds 37.80% of the equity interests in Lanke Lithium Industry; the Company holds 53.62% of the equity interests in Qinghai Weili, through which it holds 10.78% of the equity interests in Lanke Lithium Industry. Therefore, the Company owns 48.58% of the voting rights of Lanke Lithium Industry, and indirectly holds 43.58% of the shares of Lanke Lithium Industry.

(2). Key financial information of major joint ventures

☐Applicable ☒Not applicable

(3). Key financial information of major associates

☒Applicable ☐Not applicable

Unit: Ten Thousand Yuan Currency: RMB

	Closing balance/ Amount incurred during the Period		Opening balance/ Amount incurred last period	
	Qinghai Salt Lake Lanke Lithium Industry Co., Ltd.	Qinghai Salt Lake Lanke Lithium Industry Co., Ltd.	Qinghai Salt Lake Lanke Lithium Industry Co., Ltd.	Qinghai Salt Lake Lanke Lithium Industry Co., Ltd.
Current assets	474,231.13		87,569.30	
Non-current assets	247,160.80		249,666.86	
Total assets	721,391.93		337,236.16	
Current liabilities	145,816.62		61,115.10	
Non-current liabilities	4,858.57		4,314.78	
Total liabilities	150,675.19		65,429.88	
Equity of non-controlling shareholders				
Equity attributable to shareholders of parent company				

Shares of net assets calculated based on the proportion of shareholding	248,718.36		118,453.18	
Adjustments	80,543.03		65,594.08	
--Goodwill	52,366.92		52,366.92	
--Unrealized profits of internal transactions				
--Others	28,176.11		13,227.16	
Book value of equity investments in associates	329,261.39		184,047.26	
Fair value of equity investments in associates with public quotation				
Operating revenue		525,781.43		50,726.62
Net profit		368,475.94		23,397.16
Net profit of discontinued operations				
Other comprehensive income				
Total comprehensive income		368,475.94		23,397.16
Dividend received from associates for the Year				

(4). Combined financial information of insignificant joint ventures and associates

☐Applicable ☒Not applicable

(5). Description of the major restrictions on capability of transferring capital from joint ventures or associates to the Company

☐Applicable ☒Not applicable

(6). Excessive losses incurred by joint ventures or associates

☐Applicable ☒Not applicable

(7). Unrecognized commitments relating to investments of joint ventures

☐Applicable ☒Not applicable

(8). Contingent liabilities relating to investments of joint ventures or associates

☐Applicable ☒Not applicable

4. Material joint operation

☐Applicable ☒Not applicable

5. Equity in structured entities not included in the consolidated financial statements

Relevant descriptions of structured entities not included in the combined financial statements:

☐Applicable ☒Not applicable

6. Others

☐Applicable ☒Not applicable

X. Risks associated with financial instruments

☒ **Applicable** ☐ **Not applicable**

(I) Main contents and policies of risk management

The main financial instruments of the Company include trading financial assets, receivables, payables and bank loans. The risks associated with these financial instruments and the risk management policies adopted by the Company to mitigate these risks are described below. The management of the Company manages and monitors these risk exposures to ensure that these risks are controlled within the limited scope.

1. Market risk

(1) Interest rate risk — the risk of changes in fair value. The Company is exposed to the risk of changes in the fair value of financial instruments attributable to changes in interest rates which mainly comes from short-term loans with fixed interest rates. As fixed interest rate borrowings are mainly short-term loans, the Company considers that the fair interest rate risk is insignificant. The Company currently does not have an interest rate hedging policy.

(2) Interest rate risk — the risk of changes in cash flow. The Company is exposed to the risk of changes in cash flow of financial instruments attributable to changes in interest rates which is mainly related to short-term loans and long-term loans with floating interest rates. It is the Company's policy to maintain floating interest rates on these loans to eliminate the risk of changes in the fair value of interest rates.

(3) Foreign exchange risk — the risk of loss arising from changes in exchange rates. The substantial growth of the Company's overseas business in recent years will bring greater foreign exchange risk. The Company minimizes foreign exchange risk by entering into forward foreign exchange transactions and controlling the size of foreign currency assets and liabilities in line with the changes in market exchange rates.

2. Credit risk

The maximum credit risk exposure that may cause the Company's financial losses

mainly comes from the losses of the Company's financial assets caused by the failure of the other party to perform its obligations.

The financial assets in the Company's consolidated statements are mainly receivables. In order to reduce credit risk, the Company established a team responsible for determining credit limits, conducting credit approvals and implementing other monitoring procedures to ensure that necessary measures are taken to recover overdue claims. In addition, the Company reviews the recovery of each individual receivables on each balance sheet date to ensure that adequate provision is made for non-collectable amounts.

3. Cash flow risk

The Company's management keeps monitoring its cash and cash equivalents on timely basis so as to meet the Company's operational needs and reduce the impact of cash flow fluctuations.

The Company's treasury management department, on an on-going basis, monitors the Company's short-term and long-term funding requirements so as to ensure that adequate cash reserve is maintained, and the compliance with loan agreements in order to obtain adequate credit facility from major financial institutions for the purpose of meeting its short-term and long-term funding requirements.

To sum up, the Company's management believes that the cash flow risk exposed by the Company has been significantly reduced and will not have material effect on the Company's operations and financial statements which have been prepared on a going concern basis.

As of 30 June 2022, the Company's financial assets and financial liabilities are presented at undiscounted contractual cash flows by maturity date as follows:

Item	30 June 2022				
	Book value	Total value	Within 1 year	1-3 years	More than 3 years
Monetary funds	2,403,934,861.90	2,403,934,861.90	2,403,934,861.90		
Notes receivable	18,434,004.14	18,434,004.14	18,434,004.14		
Accounts receivable	1,628,899,383.27	1,628,899,383.27	1,401,405,946.84	220,705,521.88	6,787,914.55
Receivables financing	153,286,962.59	153,286,962.59	153,286,962.59		
Other receivables	140,208,923.08	140,208,923.08	124,398,510.18	12,195,237.61	3,615,175.29
Non-current assets due within one year	585,147,039.11	585,147,039.11	585,147,039.11		
Other current assets	10,075,859.08	10,075,859.08	10,075,859.08		
Long-term receivables	178,710,211.46	178,710,211.46		178,710,211.46	

Other non-current financial assets	5,000,000.00	5,000,000.00		5,000,000.00	
Subtotal	5,123,697,244.63	5,123,697,244.63	4,696,683,183.84	416,610,970.95	10,403,089.84
Bank loan	3,371,941,574.84	3,371,941,574.84	2,085,253,508.50	1,286,688,066.34	
Trading financial liabilities	5,977,359.97	5,977,359.97	5,977,359.97		
Notes payable	912,318,825.99	912,318,825.99	912,318,825.99		
Accounts payable	1,728,928,294.55	1,728,928,294.55	1,480,521,095.03	146,528,654.51	101,878,545.01
Other accounts payable	132,404,187.66	132,404,187.66	84,563,537.06	37,862,247.49	9,978,403.11
Subtotal	6,151,570,243.01	6,151,570,243.01	4,568,634,326.55	1,471,078,968.34	111,856,948.12

Continued

Item	31 December 2021				
	Book value	Total value	Within 1 year	1-3 years	More than 3 years
Monetary funds	1,960,658,820.77	1,960,658,820.77	1,960,658,820.77		
Trading financial assets	58,233,994.24	58,233,994.24	58,233,994.24		
Notes receivable	17,980,730.39	17,980,730.39	17,980,730.39		
Accounts receivable	1,441,531,780.34	1,441,531,780.34	1,236,543,713.56	197,975,683.33	7,012,383.45
Receivables financing	230,376,142.57	230,376,142.57	230,376,142.57		
Other receivables	107,980,971.15	107,980,971.15	90,773,470.48	14,543,128.95	2,664,371.72
Non-current assets due within one year	641,167,056.20	641,167,056.20	641,167,056.20		
Other current assets	8,280,090.00	8,280,090.00	8,280,090.00		
Long-term receivables	192,964,094.63	192,964,094.63		192,964,094.63	
Other non-current financial assets	5,000,000.00	5,000,000.00		5,000,000.00	
Subtotal	4,664,173,680.29	4,664,173,680.29	424,4014,018.21	410,482,906.91	9,676,755.17
Bank loan	2,957,071,474.17	2,957,071,474.17	1,422,272,839.75	1,534,798,634.42	
Trading financial liabilities	2,139,425.27	2,139,425.27	2,139,425.27		
Notes payable	745,183,013.84	745,183,013.84	745,183,013.84		
Accounts payable	1,911,355,898.11	1,911,355,898.11	1,603,445,341.23	209,006,696.29	98,903,860.59
Other accounts payable	135,707,186.60	135,707,186.60	87,606,372.64	29,340,014.82	18,760,799.14
Subtotal	5,751,456,997.99	5,751,456,997.99	3,860,646,992.73	1,773,145,345.53	117,664,659.73

XI. Disclosure of fair value**1. Ending fair value of assets and liabilities measured at fair value**

√ Applicable □ Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Item	Closing fair value			
	The first level of fair value measurement	The second level of fair value measurement	The third level of fair value measurement	Total
I. Continuous fair value measurement				
(I) Trading financial assets			500.00	500.00
1. Financial assets at fair value through profit or loss			500.00	500.00
(1) Debt instrument investment			500.00	500.00
(2) Equity instrument investment				
(3) Derivative financial assets				
2. Financial assets designated as at fair value through profit or loss				
(1) Debt instrument investment				
(2) Equity instrument investment				
(II) Other debt investments				
(III) Other equity instrument investments			858.46	858.46
(IV) Investment Property				
1. land use rights for lease				
2. buildings for lease				
3. <i>land use rights held and ready to be transferred after appreciation</i>				
(V) Biological assets				
1. consumable biological assets				
2. productive biological assets				
(VI) Receivables financing			15,328.70	15,328.70
Total assets continuously measured at fair value			16,687.16	16,687.16
(VI) Trading financial liabilities	366.48	231.26		597.74
1. Financial liabilities at fair value through profit or loss	366.48	231.26		597.74
Including: tradable bonds issued				
Derivative financial liabilities	366.48	231.26		597.74
Others				
2. Financial liabilities designated at fair value through profit or loss				
Total liabilities continuously measured at fair value	366.48	231.26		597.74
II. Non-continuous fair value measurement				
(I) Assets held for sale				
Total assets not continuously measured at fair value.				
Total liabilities not continuously measured at fair value				

2. The basis for determining the market price of continuous and non-continuous first-level fair value measurement items

√ Applicable ☐ Not applicable

For determination of the fair value of the futures contracts as hedging instruments, the first level input value is used. The settlement prices of the corresponding futures contracts on the balance sheet date on Shanghai Futures Exchange are used as an important reference for evaluating their fair values.

3. For continuous and non-continuous second-level fair value measurement items, valuation techniques adopted and qualitative and quantitative information on important parameters

√ Applicable ☐ Not applicable

For determination of the fair value of forward foreign exchange instruments for settlement and hedging purposes, the second level input value is used. The exchange rate provided by the bank for hedging purposes is used as an important reference for evaluating their fair values.

For determination of the fair value of bank wealth management products, the second level input value is used. The net share values provided by the bank are used as an important reference for evaluating their fair values.

For determination of the fair value of the asset management plan fund, the second level input value is used. The net share value of the asset management plan provided by the issuer is used as an important reference for evaluating its fair value.

4. For continuous and non-continuous third-level fair value measurement items, valuation techniques adopted and qualitative and quantitative information on important parameters

√ Applicable ☐ Not applicable

For determination of the fair value of the investment in other equity instruments, the third level input value is used. The net asset value of the investee at the end of the period is used as an important reference for evaluating its fair value. In the event that the net asset value of the investee can substantially reflect its fair value at the end of the period, its net asset value will be used as the base for evaluating the fair value.

Receivable financing represents bank acceptance bill receivables, and its management mode is essentially not only collecting contractual cash flow but also endorsement of transfer or discounting. The Company thus will use the book values of the bank acceptance bill receivables held for undetermined purposes for fair value measures.

For determination of the fair value of other non-current financial assets, the third level input value is used. The Company uses all information available on the performance and operation of the investee after the initial recognition date, and the progress of the investment projects and the net asset value provided by the investee as an important reference for evaluating their fair value.

5. For continuous third-level fair value measurement items, adjusted information for the book values between the beginning and the end of the period and sensitivity analysis on the unobservable parameters

☐ Applicable ☒ Not applicable

6. For continuous fair value measurement items, reasons for the transfer and the policy for determining the point of time for the transfer if transfers occur between the levels during the current period

☐ Applicable ☒ Not applicable

7. Changes in valuation techniques and the reasons for the changes during the current period

☐ Applicable ☒ Not applicable

8. Fair value of financial assets and financial liabilities not measured at fair value

☐ Applicable ☒ Not applicable

9. Others

☐ Applicable ☒ Not applicable

XII. RELATED PARTIES AND RELATED TRANSACTIONS

1. Parent Company of the Company

☐ Applicable ☒ Not applicable

2. Subsidiaries of the Company

Please refer to the notes for details of the subsidiaries of the Company

☒ Applicable ☐ Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Full name of subsidiary	Enterprise type	Registered address	Legal representative	Business nature	Registered capital	Proportion of shareholding (%)	Percentage of voting rights (%)	Unified social credit code
Anhui KEDA Industrial Co., Ltd.	Limited Liability Company	Ma'anshan Economic and Technological Development Zone, Anhui Province	Chen Xinjiang	Manufacturing industry	10,000.00	80.00	80.00	9134050067589409XX
Anhui KEDA New Material Co., Ltd.	Limited Liability Company	Dangtu Economic Development Zone, Ma'anshan City, Anhui Province	Dai Tao	Manufacturing industry	40,000.00	76.52	76.52	91340521355187820D
Fujian Keda New Energy Technology Co., Ltd.	Limited Liability Company	Luofeng Industrial Park, Taihua Town, Datian County, Sanming City, Fujian Province	Wang Xueqiang	Manufacturing industry	24,550.00	53.96	53.96	91350425MA2YNNXG0K
Anhui KEDA Platinum Platform Energy Technology Co., Ltd.	Limited Liability Company	Dangtu Economic Development Zone, Ma'anshan City, Anhui Province	Zhang Shaobo	Manufacturing industry	800.00	51.00	51.00	91340521MA2N1EB218
Anhui KEDA Purui Energy Technology Co., Ltd.	Limited Liability Company	Dangtu Economic Development Zone, Maanshan City, Anhui Province	Zhang Shaobo	Manufacturing industry	5,200.00	51.00	51.00	91340521MA2RJLKP8P
Sichuan KEDA Clean Energy New Material Co., Ltd.	Limited Liability Company	Chengdu High-tech Zone of China (Sichuan) Free Trade Pilot Zone	Xu Jianshe	Manufacturing industry	5,000.00	100.00	100.00	91510100MA6AFBR19Y
Anhui KEDA Electric Vehicle Trading Co., Ltd.	Limited Liability Company	Maanshan Economic and Technological Development Zone, Anhui Province	Zhang Feng	Business service industry	1,000.00	100.00	100.00	91340500MA2MTEPE07
Anhui KEDA Huadong Electric Vehicle Travel Service Co., Ltd.	Limited Liability Company	Ma'anshan Economic and Technological Development Zone, Anhui Province	Zhu Hongjun	Business service industry	1,000.00	51.00	51.00	91340500MA2MUTTP26
Anhui KEDA Smart Energy	Limited Liability	Ma'anshan Economic and	Zhang Feng	Business service	20,001.00	53.00	53.00	91340500MA2MT7G34

Technology Co., Ltd.	Company	Technological Development Zone, Anhui Province		industry				X
Jiangsu KEDA Electric Power Co., Ltd.	Limited Liability Company	Jiangning District, Nanjing City, Jiangsu Province	Zhang Feng	Business service industry	20,100.00	80.00	80.00	91320115MA1P1QC122
Changzhou KEDA Electricity Selling Co., Ltd.	Limited Liability Company	Changzhou Zhonglou Economic Development Zone	Liang Yaoxing	Business service industry	100.00	100.00	100.00	91320411MA1R8ME22R
Anhui KEDA Keneng Electricity Selling Co., Ltd.	Limited Liability Company	Xuanzhou District, Xuancheng City, Anhui Province	Zhang Feng	Business service industry	2,100.00	100.00	100.00	91340100MA2MXP9E0B
Anhui Kean Electric Power Engineering Co., Ltd.	Limited Liability Company	Ma'anshan Economic and Technological Development Zone, Anhui Province	Zhang Feng	Business service industry	3,000.00	100.00	100.00	91340500066503989D
Sixian KEDA New Energy Technology Co., Ltd.	Limited Liability Company	Sixian, Suzhou City, Anhui Province	Liang Yaoxing	Business service industry	1,000.00	51.00	51.00	91341324MA2TGB741R
Maanshan Kehan New Energy Technology Co., Ltd.	Limited Liability Company	Hanshan Industrial Park, Lintou Town, Hanshan County, Ma'anshan City, Anhui Province	Li Quan	Business service industry	2,000.00	60.00	60.00	91341202MA2NR4H91F
Wuhu KEDA SureMaker Industrial Co., Ltd.	Limited Liability Company	Wanzhi District, Wuhu City	Zhou Peng	Manufacturing industry	5,000.00	100.00	100.00	9134022166624276X0
Shenyang KEDA Clean Energy Gas Co., Ltd.	Limited Liability Company	Liaoning Faku Economic Development Zone	Ma Liang	Manufacturing industry	100,000.00	93.00	93.00	91210124550792268N
Guangdong KEDA Smart Energy Technology Co., Ltd.	Limited Liability Company	Shunde District, Foshan City	Zhang Feng	Business service industry	20,001.00	95.00	95.00	91440606MA53N01N91
Anhui Keda Clean Energy Co., Ltd.	Joint-stock company with limited liabilities	Ma'anshan Economic and Technological Development Zone, Anhui Province	Li Ting	Manufacturing industry	4,460.00	97.37	97.37	91340500661503967A
Guangdong KEDA Hydraulic Technology Co., Ltd.	Limited Liability Company	Shunde District, Foshan City	Yang Jun	Manufacturing industry	3,850.00	53.69	53.69	91440606568290581X
Foshan HLT Industry Co., Ltd.	Limited Liability Company	Sanshui Central Science Technology Park of Foshan City	Yang Xuexian	Manufacturing industry	14,060.00	100.00	100.00	91440600712393666R
Foshan DLT Technology Co., Ltd.	Limited Liability Company	Sanshui Central Science Technology Park of Foshan City	Chen Tian	Manufacturing industry	10,000.00	100.00	100.00	91440607MA4UNRGA45

Foshan ZLT Machinery Co., Ltd.	Limited Liability Company	Sanshui District, Foshan City	Lin Yibin	Manufacturing industry	1,796.00	100.00	100.00	91440607664966596M
Anhui KEDA Investment Co., Ltd.	Limited Liability Company	Ma'anshan Economic and Technological Development Zone, Anhui Province	Zeng Fei	Business service industry	25,000.00	100.00	100.00	913405006986740300
Henan KDNEU International Engineering Co., Ltd.	Limited Liability Company	Commercial Outer Ring Road, Zhengzhou Area (Zhengdong) of Henan Pilot Free Trade Zone	Zhao Pengxi	Manufacturing industry	5,000.00	100.00	100.00	914101007067856557
Jiangsu Kehang Environmental Protection Co., Ltd.	Joint-stock company with limited liabilities	Environmental Protection Industry Park, Yancheng, Jiangsu	Long Yuzhou	Manufacturing industry	38,636.36	100.00	100.00	913209026086112210
Ningxia Kehang Environmental Protection Engineering Co., Ltd.	Limited Liability Company	Pingluo, Ningxia	Long Yuzhou	Manufacturing industry	5,000.00	100.00	100.00	91640221574868431X
Anhui Keqing Environmental Engineering Co., Ltd.	Limited Liability Company	Ma'anshan Economic and Technological Development Zone	Wei Senmao	Manufacturing industry	5,000.00	100.00	100.00	91340500MA2TN7CAXR
Qinghai Weili New Energy Material Co., Ltd.	Limited Liability Company	Dongchuan Industrial Zone, Xining City, Qinghai Province	Zeng Fei	Manufacturing industry	8,681.76	53.62	53.62	91632900679184650E
Qinghai KEDA Lithium Industry Co., Ltd.	Limited Liability Company	Xining Economic and Technological Development Zone	Zeng Fei	Manufacturing industry	100,000.00	100.00	100.00	916300006791880023
Foshan KEDA Electromechanical Co., Ltd.	Limited Liability Company	Shunde District, Foshan City	He Weidong	Manufacturing industry	27,334.00	100.00	100.00	91440606MA51BFQE8A
Foshan KEDA Ceramic Technology Co., Ltd.	Limited Liability Company	Shunde District, Foshan City	Qiu Hongying	Manufacturing industry	500.00	100.00	100.00	91440606MA534JQK1E
Guangzhou Agate Technology Co., LTD.	Limited Liability Company	Panyu District, Guangzhou City	Zhang Heping	Manufacturing industry	750.00	60.00	60.00	914401137219513328
Maanshan Huadong Travel Passenger Transportation Co., Ltd.	Limited Liability Company	Ma'anshan Economic and Technological Development Zone	Zhu Hongjun	Business service industry	1,000.00	100.00	100.00	91340500680813282J
Suzhou KEDA Smart Energy Technology Co., Ltd.	Limited Liability Company	Suzhou City, Anhui Province	Xiang Jing	Business service industry	500.00	51.00	51.00	91341302MA2W4MYLX8
Wuhu KEDA Smart Energy	Limited Liability	Wuhu City, Anhui Province	Liang Yaoxing	Business service	1,200.00	100.00	100.00	91340222MA2W7K7P1

Technology Co., Ltd.	Company			industry				8
Hefei Binhu KEDA Smart Energy Co., Ltd.	Limited Liability Company	Baohe Economic Development Zone of Hefei	Liang Yaoxing	Business service industry	1,000.00	100.00	100.00	91340111MA2WBGD22X
Anhui Hengwang Smart Energy Technology Co., Ltd.	Limited Liability Company	Bowang District, Ma'anshan City, Anhui Province	Zhu Hongjun	Business service industry	1,000.00	51.00	51.00	91340506MA2WMGLG8H
Maanshan Kean New Energy Technology Co., Ltd.	Limited Liability Company	Yushan District, Ma'anshan City, Anhui Province	Liang Yaoxing	Business service industry	100.00	100.00	100.00	91340500MA2XK3E90X
Wuhu Kean Energy Technology Co., Ltd	Limited Liability Company	Jiujiang District, Wuhu City, Anhui Province	Liang Yaoxing	Business service industry	100.00	100.00	100.00	91340207MA2WEEXX40
Foshan Keda Equipment Manufacturing Co., Ltd.	Limited Liability Company	Sanshui District, Foshan City, Guangdong Province	Zhou Guosheng	Manufacturing industry	50,000.00	100.00	100.00	91440607MA56FY8T46
Toyo Hydraulic Technology (Dalian) Co., Ltd.	Limited Liability Company	Jinzhou District, Dalian City, Liaoning Province	Zhang Heping	Manufacturing industry	588.00	62.24	62.24	91210242MA110D46XT
Foshan HLT Technology Co., Ltd.	Limited Liability Company	Sanshui District, Foshan City, Guangdong Province	Yang Xuexian	Manufacturing industry	10,000.00	100.00	100.00	91440607MA578CG434
Foshan Kean New Energy Technology Co., Ltd.	Limited Liability Company	Shunde District, Foshan City, Guangdong Province	Liang Yaoxing	Business service industry	100.00	100.00	100.00	91440606MA56DX766W
Dangtu Kean New Energy Technology Co., Ltd.	Limited Liability Company	Dangtu County, Ma'anshan City, Anhui Province	Liang Yaoxing	Business service industry	100.00	100.00	100.00	91340521MA8MYRYQX4
Guangde Kean Photovoltaic Power Generation Co., Ltd.	Limited Liability Company	Guangde City, Xuancheng City, Anhui Province	Liang Yaoxing	Business service industry	100.00	100.00	100.00	91341822MA8N02WA38
Kunshan Boyue New Energy Technology Co., Ltd.	Limited Liability Company	Kunshan City, Suzhou City, Jiangsu Province	Liang Yaoxing	Business service industry	100.00	100.00	100.00	91320583MA26UQCT4R
Shaoguan Keda Machinery Manufadaturing Co., Ltd.	Limited Liability Company	Zhenjiang District, Shaoguan City, Guangdong Province	Zeng Pingli	Manufacturing industry	6,000.00	70.00	70.00	91440204MA58C6H03U
Anhui Keda Lithium Battery Equipment Co., Ltd.	Limited Liability Company	Yushan District, Ma'anshan City, Anhui Province	Li Ting	Manufacturing industry	2,000.00	100.00	100.00	91340500MA8NDDRN9J
Ma'anshan Zhengpugang New District	Limited Liability Company	Yushan District, Ma'anshan City, Anhui Province	Liang Yaoxing	Business service industry	100.00	100.00	100.00	91340500MA2WT0TTXB

Taixin New Energy Technology Co., Ltd.								
Dangtu Keda New Energy Technology Co., Ltd.	<i>Limited Liability Company</i>	Dangtu County, Ma'anshan City, Anhui Province	Liang Yaoxing	Business service industry	100.00	100.00	100.00	91340521M A8N13RC67

Unit: Ten Thousand Dollar Currency: HKD

Full name of subsidiary	Enterprise type	Registered address	Legal representative	Business nature	Registered capital	Proportion of shareholding(%)	Percentage of voting rights (%)
Kami Materials Co., Ltd.	<i>Limited Liability Company</i>	Hong Kong	Li Yuejin	Import and export trading	1.00	51.00	51.00

Unit: Ten Thousand Dollar Currency: USD

Full name of subsidiary	Enterprise type	Registered address	Legal representative	Business nature	Registered capital	Proportion Of shareholding(%)	Percentage of voting rights (%)
Forwell International (HK) Co., Limited	<i>Limited Liability Company</i>	Hong Kong	Li Qing	Import and export trading	2,000.00	100.00	100.00
KEDA Industrial (Hong Kong) Limited	<i>Limited Liability Company</i>	Hong Kong	Li Qing	Import and export trading	5,870.48	100.00	100.00
Xincheng International (Hong Kong) Co., Ltd.	<i>Limited Liability Company</i>	Hong Kong	Li Qing	Import and export trading	2,000.00	100.00	100.00
Guangdong Xincheng Financing Leasing Co.,Ltd.	<i>Limited Liability Company</i>	Shunde District, Foshan City	Wang Gang	Business service industry	2,700.00	100.00	100.00
Anhui Xincheng Financing Leasing Co., Ltd.	<i>Limited Liability Company</i>	Ma'anshan Economic and Technological Development Zone	Wang Gang	Business service industry	3,500.00	100.00	100.00
Keda Holding (Mauritius) Limited	<i>Limited Liability Company</i>	Mauritius	/	Business service industry	5,371.33	100.00	100.00
Brightstar Investment Limited	<i>Limited Liability Company</i>	Mauritius	/	Business service industry	5,369.20	51.00	51.00
Tilemaster Investment Limited	<i>Limited Liability Company</i>	Mauritius	/	Business service industry	9,763.20	51.00	51.00
Keda (Kenya) Ceramics Company Limited	<i>Limited Liability Company</i>	Kenya	/	Manufacturing industry	100.00	51.00	51.00
Keda (Ghana) Ceramics Company Limited	<i>Limited Liability Company</i>	Ghana	/	Manufacturing industry	100.00	51.00	51.00
Keda (Tanzania) Ceramics Company Limited	<i>Limited Liability Company</i>	Tanzania	/	Manufacturing industry	100.00	51.00	51.00
Keda (SN) Ceramics Limited	<i>Limited Liability Company</i>	Senegal	/	Manufacturing industry	100.00	51.00	51.00
Kami Colourcera Private Limited	<i>Limited Liability Company</i>	India	SAMEERDIGGIKER	Manufacturing industry	160.00	72.00	72.00

Keda Ceramics International Company Limited	Limited Liability Company	Kenya	/	Manufacturing industry	1,000.00	51.00	51.00
---	---------------------------	-------	---	------------------------	----------	-------	-------

Unit: Ten Thousand Euro Currency: EUR

Full name of subsidiary	Enterprise type	Registered address	Legal representative	Business nature	Registered capital	Proportion Of shareholding(%)	Percentage of voting rights (%)
Keda International Company S.a.r.l.	Limited Liability Company	Luxembourg	Liu Xiaodong	Business service industry	1.20	100.00	100.00
Keda Europe S.r.l.	Limited Liability Company	Italy	Yang Xuexian	Business service industry	100.00	100.00	100.00
I.C.F.& Welko S.P.A.	Joint stock company with limited liabilities	Italy	Yang Xuexian	Manufacturing industry	400.00	100.00	100.00
Wibe S.L.	Limited Liability Company	Spain	Zheng Jiang	Manufacturing industry	120.20	100.00	100.00

Unit: Ten Thousand Rupee Currency: INR Rupee

Full name of subsidiary	Enterprise type	Registered address	Legal representative	Business nature	Registered capital	Proportion Of shareholding(%)	Percentage of voting rights (%)
Keda Industrial (India) Limited	Limited Liability Company	India	Ashwath	Manufacturing industry	6,500.00	90.00	90.00

Unit: Ten Thousand Ngwee Currency: ZMW

Full name of subsidiary	Enterprise type	Registered address	Legal representative	Business nature	Registered capital	Proportion of shareholding(%)	Percentage of voting rights (%)
Keda Zambia Ceramics Company Limited	Limited Liability Company	Zambia	/	Manufacturing industry	1.50	51.00	51.00

Unit: Ten Thousand Turkish Lira Currency: TRY

Full name of subsidiary	Enterprise type	Registered address	Legal representative	Business nature	Registered capital	Proportion of shareholding(%)	Percentage of voting rights (%)
Keda Turkey Makine Ticaret Limited Sirketi	Limited Liability Company	Turkey	Zeng Fei	Import and export trading	1,058.55	100.00	100.00

Unit: Ten Thousand CFA franc Currency: XAF

Full name of subsidiary	Enterprise type	Registered address	Legal representative	Business nature	Registered capital	Proportion of shareholding(%)	Percentage of voting rights (%)
Keda Cameroon Ceramics Limited	Limited Liability Company	Cameroon	/	Manufacturing industry	100.00	51.00	51.00

3.Details of joint ventures and associated companies of the Company

Please refer to the note for details of the major joint ventures and associated companies

√ Applicable □ Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Name of investee	Enterprise type	Registered address	Legal representative	Business nature	Registered capital	Proportion of shareholding of the Company (%)	Proportion of voting rights of the Company at the investee (%)	Unified social credit code
Associated companies								
Jiangsu Zhongchuang Qingyuan Technology Co., Ltd.	Limited Liability Company	Yancheng City, Jiangsu Province	Li Bing	Manufacturing industry	2,600.00	30.00	30.00	91320902MA1T55U237
Sichuan Guangxing Lithium Battery Technology Co., Ltd.	Limited Liability Company	Aba Prefecture, Sichuan Province	Feng Yu	Manufacturing industry	5,000.00	20.00	20.00	915132003145597129
Qinghai Salt Lake Lanke Lithium Industry Co., Ltd.	Joint-stock company with limited liabilities	Golmud, Qinghai	He Yongping	Manufacturing industry	51,797.06	43.58	48.58	91630000781439859F
Ma'anshan Qingshan Electricity Selling Co., Ltd.	Limited Liability Company	Dangtu Economic Development Zone, Anhui Province	Han Hongdeng	Business service industry	1,960.00	26.02	26.02	91340521MA2RU8N74T
Anhui Ganghua Keda Smart Energy Co., Ltd.	Limited Liability Company	Ma'anshan Economic and Technological Development Zone, Anhui Province	Wu Gang	Business service industry	20,001.00	40.00	40.00	91340500MA2U6ERHX4
Foshan KEDA Ceramic Technology Co., Ltd.	Limited Liability Company	Shunde District, Foshan City	He Guangxiong	Manufacturing industry	10,000.00	49.00	49.00	91440606MA4UWAC43
Anhui KEDA Yuli Automobile Technology Co., Ltd.	Limited Liability Company	Ma'anshan Economic and Technological Development Zone, Anhui Province	Zhang Jianyu	Retail trade	1,000.00	49.00	49.00	91340500MA2T7RCY3U
Zhangzhou Juming Graphite Material Co., Ltd.	Limited Liability Company	Nanjing County, Fujian Province	Wang Xueqiang	Manufacturing industry	5,000.00	49.00	49.00	91350627717396444C

Other joint ventures or associated companies that entered into related party transactions with transaction balance with the Company during the current period or in the previous period are as follows

☐ Applicable ☒ Not applicable

4. Other related parties

☒ Applicable ☐ Not applicable

Name of other related parties	Relationship between other related parties and the Company
Sunda Group Co., Ltd.	Others
Guangdong Hongyu Group Co., Ltd.	Others
Macrolink Holding Co., Ltd.	Others

Other description

1)As Mr. Shen Yanchang, a director of the Company, is the de facto controller of Guangzhou Sunda and Sunda Group, while Sunda Group is an important strategic partner of the Company's overseas building ceramics business and a non-controlling shareholder of the Company's African joint ventures Keda Kenya, Keda Ghana, Keda Tanzania and Keda Senegal. Under Article 4 of the "Accounting Standards for Business Enterprises No. 36 — Disclosure of Related Parties", Guangzhou Sunda, Sunda Group and its wholly-owned subsidiaries are treated as related parties of the Company.

2)As Mr. Liang Tongcan is the largest shareholder of the Company, Guangdong Hongyu Group Co., Ltd. and its subsidiaries controlled by Mr. Liang Tongcan and the enterprises controlled by his relatives are treated as related parties of the Company under Article 4 of the "Accounting Standards for Business Enterprises No. 36 — Disclosure of Related Parties" and Rule 6.3.3 of "the Rules Governing the Listing of Stocks on Shanghai Stock Exchange".

3)As Macrolink Holdings Co., Ltd. is a shareholder holding more than 5% interests of the Company, Macrolink Holdings Co., Ltd. and its subsidiaries are treated as related parties of the Company under Article 4 of the "Accounting Standards for Business Enterprises No. 36 — Disclosure of Related Parties".

In the table above, Sunda Group Co., Ltd. consists of Sunda Group Co., Ltd., Guangzhou Sunda International Trading Co., Ltd. and its wholly-owned subsidiaries. Guangdong Hongyu Group Co., Ltd. consists of Guangdong Hongyu Group Co., Ltd. and its subsidiaries. Macrolink Holdings Co., Ltd. consists of Macrolink Holdings Co., Ltd. and its subsidiaries.

5. Related transactions

(1). Related transactions involving the purchase and sale of goods and the provision and acceptance of services

List of goods purchased/services received

√Applicable ☐Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Related party	Related transaction content	Amount during the current period	Amount during the previous period
Sunda Group Co., Ltd.	Raw material, labor	48,194.80	22,155.51
Qinghai Salt Lake Lanke Lithium Industry Co., Ltd.	Lithium carbonate	33,557.54	
Sichuan Guangxing Lithium Battery Technology Co., Ltd.	Processing fee and raw material	43.96	9.07
Anhui Hudu Keda Fluid Machinery Co., Ltd.	Equipment and processing fee		1.88
Anhui Ganghua Keda Smart Energy Co., Ltd.	Services	5.39	55.31
Guangdong Hongyu Group Co., Ltd	Tile and raw material	1.80	7.47
Zhangzhou Juming Graphite Material Co., Ltd.	Processing fee and raw material	1,025.57	731.79
Suqian Weidao New Energy Technology Co., Ltd.	Raw material		149.84
Jiangsu Zhongchuang Qingyuan Technology Co., Ltd.	Raw material	104.20	
Anhui Keda Yuli Automobile Technology Co., Ltd.	Auto and services	42.74	
Ma'anshan Qingshan Electricity Selling Co., Ltd. company	Services	2.16	

List of goods sold/services provided

√Applicable ☐Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Related party	Related transaction content	Amount during the current period	Amount during the previous period
Sunda Group Co., Ltd.	Ceramic, raw material, and equipment	20,389.50	11,554.56
Guangdong Hongyu Group Co., Ltd	Ceramic machinery and equipment	11,887.52	4,221.62
Foshan Sanshui Hongyuan Ceramics Enterprise Co., Ltd.	Ceramic machinery and equipment	1.29	446.13
Anhui Hudu Keda Fluid Machinery Co., Ltd.	Equipment, raw material, processing and others		142.50
Zhangzhou Juming Graphite Material Co., Ltd.	Calcined coke, processing fee and others	2,091.13	922.37
Anhui KEDA Yuli Automobile Technology Co., Ltd.	Automobile and services	15.20	8.52

Jiangsu Zhongchuang Qingyuan Technology Co., Ltd.	Denitrification equipment	169.97	
Ma'anshan Qingshan Electricity Selling Co., Ltd.	Services	7.00	
Hunan Hualian Porcelain Industry Co., Ltd.	Ceramic machinery and equipment	63.80	4.11
Macrolink Insurance Broker Co., Ltd.	Services		25.20
Hunan Hualian Torch Porcelain Insulator & Electrical Apparatus Co., Ltd.	Ceramic machinery and equipment		260.00

Description of related transactions involving the purchase and sale of goods and the provision and acceptance of services

☒Applicable ☐Not applicable

The above mentioned Sunda Group Co., Ltd. consists of Sunda Group Co., Ltd., Guangzhou Sunda International Trading Co., Ltd. and its wholly-owned subsidiaries, and Guangdong Hongyu Group Co., Ltd. consists of Guangdong Hongyu Group Co., Ltd. and its subsidiaries.

(2). Related management on commission/contract and commissioned management/sub-contract

List of management on commission/contract of the Company:

☐ Applicable ☒Not applicable

Description of related management on commission/contract

☐ Applicable ☒Not applicable

List of commissioned management/sub-contract of the Company:

☐ Applicable ☒Not applicable

Description of related management/sub-contract

☐ Applicable ☒Not applicable

(3). Related-party leases

The Company as a lessor:

☒Applicable ☐Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Name of lessee	Types of leased assets	Rental income recognized in the current period	Rental income recognized in the previous period
Anhui Hudu Keda Fluid Machinery Co., Ltd.	Vehicles		0.45
Anhui KEDA Yuli Automobile Technology Co., Ltd.	Sites	5.06	31.00

The Company as a lessee:

√Applicable "□Not applicable"

Unit: Ten Thousand Yuan Currency: RMB

Name of lessor	Types of leased assets	Rental expense for short-term leases and low-value asset leases with simplified approach (if applicable)		Variable lease payments not included in the measurement of the lease liability (if applicable)		Rent paid		Assume interest expense on lease liability		Increased right-of-use assets	
		Amount during the current period	Amount during the previous period	Amount during the current period	Amount during the previous period	Amount during the current period	Amount during the previous period	Amount during the current period	Amount during the previous period	Amount during the current period	Amount during the previous period
Guangdong Hongyu Group Co., Ltd	Buildings					9.57	11.86				
Foshan KEDA Ceramic Technology Co., Ltd.	Buildings					240.00	240.00				

Description of related-party leases

√Applicable □Not applicable

The above-mentioned Guangdong Hongyu Group Co., Ltd. consists of Guangdong Hongyu Group Co., Ltd. and its subsidiaries.

(4). Related guarantee

The Company as a guarantor

√Applicable □Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Guaranteed party	Amount of guarantee	Beginning date of guarantee	Expiring date of guarantee	Whether the guarantee has been finished
Anhui Xincheng Financing Leasing Co., Ltd.	26,114.16	2019-07-26	2024-04-02	No
Guangdong Xincheng Financing Leasing Co., Ltd.	4,089.35	2021-03-24	2024-05-07	No
Anhui KEDA Industrial Co., Ltd.	2,000.00	2022-06-13	2023-06-12	No
Anhui KEDA Industrial Co., Ltd.	1,647.07	2022-03-03	2022-12-28	No
Anhui KEDA Industrial Co., Ltd.	105.00	2021-11-24	2022-11-24	No
Anhui Keda Clean Energy Co., Ltd.	2,900.00	2022-03-10	2023-05-27	No
Anhui Keda Clean Energy Co., Ltd.	2,069.01	2022-01-21	2022-12-01	No
Anhui Keda Clean Energy Co., Ltd.	1,363.53	2021-05-14	2023-08-31	No
Foshan DLT Technology Co., Ltd.	1,847.20	2022-01-21	2022-12-21	No
Foshan KEDA Electromechanical Co., Ltd.	5,935.03	2022-01-14	2022-12-21	No
Henan KDNEU International Engineering Co., Ltd.	1,872.15	2022-01-04	2022-12-24	No
Anhui KEDA Huadong Electric Vehicle Travel Service Co., Ltd.	1,000.00	2021-11-08	2022-11-08	No
Fujian Keda New Energy Technology Co., Ltd.,	11,495.08	2021-08-21	2023-05-26	No
Fujian Keda New Energy Technology Co., Ltd.,	499.91	2022-03-16	2022-10-11	No
Anhui KEDA New Material Co., Ltd	9,000.00	2021-11-12	2022-10-18	No
Xincheng International (Hong Kong) Co., Ltd.	EUR36.00	2021-12-24	2022-12-24	No
Xincheng International (Hong Kong) Co., Ltd.	USD600.00	2021-10-15	2022-10-14	No
Forwell International (HK) Co., Limited	USD1,415.46	2022-05-13	2024-05-03	No
Forwell International (HK) Co., Limited	EUR475.60	2022-06-17	2023-06-16	No
Keda (Ghana) Ceramics Company Limited	USD2,500.00	2020-12-03	2027-12-15	No
Keda (Ghana) Ceramics Company Limited	EUR 1,041.00	2021-07-21	2025-06-25	No

Keda (Tanzania) Ceramics Company Limited	USD 433.33	2018-07-06	2023-07-06	No
Keda (Kenya) Ceramics Company Limited	USD 119.75	2022-03-03	2022-09-30	No
Keda (SN) Ceramics Company Limited	EUR 2,443.08	2019-07-22	2028-06-15	No
Keda Zambia Ceramics Company Limited	EUR 2,638.85	2021-11-22	2028-06-15	No

The Company as a guaranteed party

☐ Applicable ☒ Not applicable

Description of related guarantee

☐ Applicable ☒ Not applicable

(5). Loans from and to related parties

☐ Applicable ☒ Not applicable

(6). Asset transfer and debt restructuring of related parties

☐ Applicable ☒ Not applicable

(7). Remuneration of key management personnel

☒ Applicable ☐ Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Item	Amount during the current period	Amount during the previous period
Remuneration of key management personnel	473.75	248.98

(8). Other related transactions

☒ Applicable ☐ Not applicable

1. In order to fully mobilize the enthusiasm of the employees of the Company and its holding subsidiaries and promote the common growth and development of the employees and the Company, 142 employees, including key management personnel and key employees of the Company and its subsidiaries, proposed to increase the capital of Fujian Keda New Energy by RMB41,409,300 through 4 jointly invested and established limited partnerships. Gongqingcheng Kexin Investment Partnership (Limited Partnership), one of the employee shareholding platforms established, consists of some directors, supervisors and key management personnel (directors Yang Xuexian and Zhang Zhonghua, supervisor Peng Hengxiang and senior management Zeng Fei, Zhou Peng and Li Yuejin) of the Company as its limited partners. According to the Rules Governing the Listing of Stocks on Shanghai

Stock Exchange and other relevant regulations, this capital increase constitutes a related transaction.

142 natural persons (with 6 directors, supervisors and senior management of the Company), including key management personnel and key employees of the Company and its subsidiaries, participated in the capital increase of Fujian Keda New Energy through the employee shareholding platform. The details of the capital contribution of directors, supervisors and senior management to the employee shareholding platform are as follows:

No.	Name	Title	Amount of investment (ten thousand yuan)
1	Yang Xuexian	Director, General Manager	201
2	Zhang Zhonghua	Director	402
3	Zeng Fei	Vice President, Financial Director	80.4
4	Zhou Peng	Vice President	80.4
5	Li Yuejin	Board Secretary, Strategic Investment Director	120.6
6	Peng Hengxiang	Chairman of the Supervisory Committee and Director of Audit Supervision	40.2

- In order to further improve the long-term incentive mechanism and benefit sharing mechanism of the Company and facilitate the growth and development of management together with the Company, based on the net assets per share of Fujian Keda New Energy as of 31 March 2022, the Company will transfer the 2.85% of equity interest it held in Fujian Keda New Energy (corresponding capital contribution amounted to RMB7,000,000 of registered capital) to the employee shareholding platform Kexin Partnership at RMB9,740,500. Meanwhile, Yang Xuexian and Zhang Zhonghua, directors of the Company, and Li Yuejin, a senior management, made capital contribution to Kexin Partnership as the payment of transfer of the equity interest of Fujian Keda New Energy. The amount of capital contributed included the transfer of equity interest amounted to RMB9,740,500 and related transaction levies.

6. Accounts receivable and payable by related parties

(1). Receivables

☒Applicable ☐Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Name of items	Related party	Closing balance	Opening balance
---------------	---------------	-----------------	-----------------

		Book balance	Bad debt provisions	Book balance	Bad debt provisions
Accounts receivable	Sunda Group Co., Ltd.	10,996.61	59.31	2,556.75	2.33
Accounts receivable	Hunan Hualian Porcelain Industry Co., Ltd.	110.83	1.24	104.63	1.17
Accounts receivable	Hunan Hualian Torch Electric Porcelain Electric Appliance Co., Ltd.	16.25	0.18	16.25	0.18
Accounts receivable	Jiangsu Zhongchuang Qingyuan Technology Co., Ltd.	25.44	1.31	51.97	2.68
Accounts receivable	Ma'anshan Qingshan Electricity Selling Co., Ltd.	7.00	0.01	72.52	0.02
Accounts receivable	Guangdong Hongyu Group Co., Ltd.	2,644.56	134.50		
Accounts receivable	Anhui Hudu Keda Fluid Machinery Co., Ltd.			2.20	0.01
Accounts receivable	Anhui KEDA Yuli Automobile Technology Co., Ltd.	25.33	0.34	18.83	0.08
Accounts receivable	Zhangzhou Juming Graphite Material Co., Ltd.	123.56	1.87		
Other receivables	Zhangzhou Juming Graphite Material Co., Ltd.			562.90	1.35
Other receivables	Anhui KEDA Yuli Automobile Technology Co., Ltd.	227.08	0.20	300.36	0.08
Other receivables	Guangdong Hongyu Group Co., Ltd.	16.52	0.02	7.09	
Advance payments	Jiangsu Zhongchuang Qingyuan Technology Co., Ltd.			78.76	
Advance payments	Qinghai Salt Lake Lanke Lithium Industry Co., Ltd.	2,851.89			
Advance payments	Guangdong Hongyu Group Co., Ltd.	3.99			

(2). Payables

√Applicable □Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Name of items	Related party	Closing book balance	Opening book balance
Accounts payable	Zhangzhou Juming Graphite Material Co., Ltd.	228.59	664.62
Accounts payable	Jiangsu Zhongchuang Qingyuan Technology Co., Ltd.	25.44	2.50
Accounts payable	Anhui KEDA Yuli Automobile Technology Co., Ltd.	6.22	
Other accounts payable	Zhangzhou Juming Graphite Material Co., Ltd.	347.30	

Other accounts payable	Foshan KEDA Ceramic Technology Co., Ltd.	3,074.50	2,834.50
Notes payable	Zhangzhou Juming Graphite Material Co., Ltd.	500.00	
Notes payable	Qinghai Salt Lake Lanke Lithium Industry Co., Ltd.	22,041.60	

Remark: The above mentioned Sunda Group Co., Ltd. consists of Sunda Group Co., Ltd., Guangzhou Sunda International Trading Co., Ltd. and its wholly-owned subsidiaries, and Guangdong Hongyu Group Co., Ltd. consists of Guangdong Hongyu Group Co., Ltd. and its subsidiaries.

7. Undertakings of related party

☒Applicable ☐Not applicable

For undertakings of shareholders, who hold more than 5% shares of the Company, please refer to "I. Performance of undertakings" in "Section VI Important Issues".

8. Others

☐ Applicable ☒Not applicable

XIII. Share-based payments

1. General situation of share-based payments

☒Applicable ☐Not applicable

1. 2020 Employee Stock Ownership Plan

The Company held the 32nd Meeting of the 7th session of the Board of Directors and the 2020 Third Extraordinary General Meeting on 13 November 2020 and 30 November 2020, respectively, in which considered and passed the "2020 Employee Stock Ownership Plan (Draft) and Abstract" and other related proposals. On 9 February 2021, the Company transferred 43,113,440 shares to the special securities account of the Company's 2020 Employee Stock Ownership Plan through non-trading transfer. The proportion of transferred shares accounts for 2.28% of the total share capital of the Company, and the transfer price is RMB2/share. According to the relevant regulations of the 2020 Employee Stock Ownership Plan of the Company, the duration of the current Employee Stock Ownership Plan is 36 months, and it will be released in two phases after 12 months from the date when Employee Stock Ownership Plan (Draft) is reviewed and approved at the general meeting of the Company and the Company announces that the last subject shares are transferred under the

Employee Stock Ownership Plan, the interval of each phase is 12 months, and the proportion of unlocking is 50% and 50%.

2. Employee shareholding platforms of Fujian Keda New Energy

In order to fully mobilize the enthusiasm of the employees of the Company and its holding subsidiaries and promote the common growth and development of the employees and the Company, 142 employees, including key management personnel and key employees of the Company and its subsidiaries, increased the capital of Fujian Keda New Energy by RMB41,409,300 at a price of RMB1.0648 per registered capital through 4 jointly invested and established limited partnerships.

2. Equity-settled share-based payments

☒Applicable ☐Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Method for determining the fair value of the equity instrument on the grant date	Market price approach, Valuation method
Basis for determining the number of exercisable equity instruments	The best estimate of the number of options to be exercised by the grantees
Reasons for the significant difference between the estimates of the current period and the estimates of the previous period	
Accumulated amount of equity-settled share-based expense included in capital reserves	4,824.84
Total amount of expenses recognized by equity-settled share-based expense in the current period	4,824.84

3. Cash-settled share-based payments

☐Applicable ☒Not applicable

4. Modification and termination of share-based payments

☐Applicable ☒Not applicable

5. Others

☐Applicable ☒Not applicable

XIV. Commitments and contingences

1、Important commitments

☐Applicable ☒Not applicable

2、Contingences

(1). Significant contingencies existing on the balance sheet date

☐Applicable ☒Not applicable

(2). The Company has no important contingencies that need to be disclosed, and should also explain:

☐ Applicable ☒ Not applicable

3、 Others

☒ Applicable ☐ Not applicable

1. [(2019) Su 01 Min Chu No. 2893] Jiangsu New Century Jiangnan Environmental Protection Co., Ltd. sued the Company and its subsidiaries Jiangsu Kehang, KEDA (Anhui) Clean Energy and other related parties for infringement of technical secrets

On 22 December 2020, the Nanjing Intermediate People's Court of Jiangsu Province issued the "Civil Judgment" [(2019) Su 01 Min Chu No. 2893], which ruled that the Company and the related parties should compensate Jiangnan Environmental Protection for economic losses of RMB95,000,000 and the reasonable expenses of RMB1,000,000 incurred to stop the infringement, and bear the case acceptance fee of RMB521,800.

Dissatisfied with the first-instance judgment, the Company, Jiangsu Kehang and the relevant parties appealed to the Supreme People's Court on 4 January 2021. On 21 June 2021, the Company received the "Notice of Acceptance of Appeal Cases from the Supreme People's Court of the People's Republic of China" and the "Notice of Proof of Evidence from the Supreme People's Court of the People's Republic of China" [(2021) Supreme Court Zhi Min Zhong No. 21031]. On 22 July 2022, the trial was held in the Supreme People's Court, and the judgment is still pending.

2. [(2021) Su 01 Min Chu No. 920, 941, 942, 943)] Jiangsu New Century Jiangnan Environmental Protection Co., Ltd. sued the Company and its subsidiaries Jiangsu Kehang, KEDA (Anhui) Clean Energy and other related parties for infringement of technical secrets.

From 25 March to 26 March 2021, the Company and its holding subsidiary received 4 separate copies of "Notice on Filing of Lawsuit" [(2021) Su 01 Min Chu No. 920, 941, 942, 943], sent by Nanjing Intermediate People's Court of Jiangsu Province, through which, Jiangsu New Century Jiangnan Environmental Protection Co., Ltd. filed 4 lawsuit to the court for the infringement of technical secrets by the Company and its subsidiaries Jiangsu Kehang, Anhui Clean Energy and other related parties, with a claim amount of RMB295,293,900. The case has not yet been heard.

3. [(2021) Yue 06 Min Chu No. 119] Feng Jun requested the Company and its subsidiary Qinghai KEDA Lithium Industry for payment of patent technical consultancy fees.

On 29 June 2021, Keda Group received the “Notice on Filing of Lawsuit”, the “Notice of Proof” [(2021) Yue 06 Min Chu No. 119) and the “Civil Complaint” from the Foshan Intermediate People's Court of Guangdong Province in relation to a lawsuit filed by Feng Jun for Qinghai KEDA Lithium Industry’s non-performance of the patent technical consultancy fees as agreed in the joint venture contract entered into by the relevant parties when Qinghai KEDA Lithium Industry was established. The lawsuit requested Qinghai KEDA Lithium Industry to pay the plaintiff technical consultancy fees of US\$13,000,000 in total; and the two defendants should bear all the litigation costs and preservation costs of the case, and requested Keda Group to be jointly and severally liable for the above payment obligations.

On 15 September 2021, the Company received a notice from the Court stating that Feng Jun had applied for a change in the payment of technical consultancy fee of his first litigation request from US\$13,000,000 to RMB90,571,000; and added a new litigation request for KEDA Lithium Industry to pay him a provisional amount of RMB380,600 for the use of funds in possession.

On 27 June 2022, the Company received the “Civil Judgment” [(2021) Yue 06 Min Chu No. 119] from the Foshan Intermediate People's Court of Guangdong Province, in which the court made its first instance judgment that the defendant Qinghai KEDA Lithium Industry shall pay RMB90,571,000 to the plaintiff Feng Jun within ten days from the date when the judgment took legal effect, and the defendant Keda Group should be jointly and severally liable for the debt. Other litigation request from the plaintiff Feng Jun were rejected.

Dissatisfied with the first-instance judgment, Qinghai KEDA Lithium Industry and the Company filed an appeal to the Higher People’s Court of Guangdong Province on 11 July 2022. The case has not yet been heard in court.

XV Matters after balance sheet date

1. Important non-adjustment matters

☐ Applicable ☒ Not applicable

2. Profit distribution

☐ Applicable ☒ Not applicable

3. Sales return

☐ Applicable ☒ Not applicable

4. Description of Matters after the Balance Sheet Date

√Applicable □Not applicable

On 7 April 2022, the Company held the 8th Meeting of the 8th session of the Board of Directors to review and approve the resolutions such as the “Resolution in relation to the Company’s Offering and Listing of GDR on the SIX Swiss Exchange and Conversion into an Overseas Offering Company with Limited Liability” and the “Resolution in relation to the Company’s Proposal on Offering and Listing of GDR on the SIX Swiss Exchange”, which agreed the Company’s application of listing on the SIX Swiss Exchange (hereinafter as the “Offering and Listing”).

On 20 April 2022, the “Resolution in relation to the Company’s Offering and Listing of GDR on the SIX Swiss Exchange and Conversion into an Overseas Offering Company with Limited Liability” was reviewed and approved at the shareholders’ meeting. On 23 June 2022, the Company received the “Reply on Approval of the Initial Public Offering and Listing of Global Depository Receipts on the SIX Swiss Exchange of Keda Industrial Group Co., Ltd.” (Zhengjianxuke No.[2022]1279) recently issued by the China Securities Regulatory Commission.

On 20 July 2022, the Company received a conditional approval from the SIX Exchange Regulation AG on the Company’s overseas offering and listing of depository receipts, or GDR, on the SIX Swiss Exchange. The SIX Exchange Regulation AG agreed the listing of the Company’s GDR on the SIX Swiss Exchange upon fulfillment of customary conditions and after related regulations took effect.

On 22 July 2022, the Company received an approval from the Prospectus Office of the SIX Exchange Regulation AG on the Company’s overseas offering and listing of depository receipts on the SIX Swiss Exchange.

On 28 July 2022 (Swiss time), the depository receipts issued by the Company were listed on the SIX Swiss Exchange (Full name of the securities: Keda Industrial Group Co., Ltd.; GDR code: KEDA). Under this offering, a total of 12,000,000 GDRs were issued, equivalent to 60,000,000 A shares of the Company. For particulars, please refer to the relevant announcements of the Company.

XVI. Other key matters

1. Correction of accounting errors of prior periods

(1). Retrospective restatement method

☐Applicable ☒Not applicable

(2). Prospective application method

☐Applicable ☒Not applicable

2. Debt restructuring

☐Applicable ☒Not applicable

3. Asset replacement

(1). Exchange of non-monetary assets

☐Applicable ☒Not applicable

(2). Other asset replacement

☐Applicable ☒Not applicable

4. Annuity plan

☐Applicable ☒Not applicable

5. Discontinued operation

☒Applicable ☐Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Item	Income	Expenses	Total profit	Income tax expense	Net profit	Profit of discontinued operation attributable to parent company's owner
Clean energy services		-8,632.56	8,632.56		8,632.56	8,632.56
Total		-8,632.56	8,632.56		8,632.56	8,632.56

6. Segment information

(1). Determination basis and accounting policies for reportable segments

☐Applicable ☒Not applicable

(2). Financial information of reportable segments

☐Applicable ☒Not applicable

(3). Where there is no reportable segment or the total assets and liabilities of each reportable segment are not disclosable, reasons should be provided

☐Applicable ☒Not applicable

(4). Other description

☐Applicable ☒Not applicable

7. Other key transactions and matters influencing the decisions of investors

☐Applicable ☒Not applicable

8. Others

☒Applicable ☐Not applicable

[(2021) Liao 0124 Min Chu No. 2225] Shenyang Gas Co., Ltd. sued its subsidiary Shenyang KEDA Clean Energy for a dispute over the resolution of the shareholders' meeting

On 29 July 2021, Shenyang KEDA Clean Energy, a controlling subsidiary of Keda Group, received the "Summons", the "Notice on Filing of Lawsuit" ((2021) Liao 0124 Min Chu No. 2225) and the "Civil Complaint" sent by the People's Court of Faku County, in which Shenyang Gas Co., Ltd. (the "Gas Company") filed a lawsuit with the court due to the dispute over the resolution of the shareholders' meeting of Shenyang KEDA Clean Energy, requesting that the resolution of the shareholders' meeting made by the defendant on 12 May 2021 be revoked in accordance with the law, requesting that the defendant be ordered to apply to the Company's registration authority to revoke the business change registration on 13 May 2021 in accordance with the law, and requesting that the costs of this lawsuit be borne by the defendant.

On 14 January 2022, Shenyang KEDA Clean Energy, a controlling subsidiary of the Company, received the "Civil Judgment" ((2021) Liao 0124 Min Chu No. 2225) issued by the People's Court of Faku County, Liaoning Province, in which the People's Court of Faku County, Liaoning Province, made a first instance judgment regarding the case mentioned above and rejected the litigation requests of the Gas Company, the plaintiff.

On 7 February 2022, Shenyang KEDA Clean Energy, a controlling subsidiary of the Company, received the "Civil Appeal" from the Gas Company issued by the People's Court of Faku County, Liaoning Province, in which the Gas Company filed an appeal with the Intermediate People's Court of Shenyang City, Liaoning Province, due to its dissatisfaction with the first instance judgment.

On 23 May 2022, Shenyang KEDA Clean Energy, a controlling subsidiary of the Company, received the "Civil Judgment" ((2022) Liao 01 Min Zhong No. 3466) issued by the Intermediate People's Court of Shenyang City, Liaoning Province, in which the Intermediate People's Court of Shenyang City, Liaoning Province, expressed its view that the reasons for appeal by the appellant were not substantiated and that the facts presented at the first instance judgment were clear and the laws applied were appropriate, and hence made the final judgment of "rejecting the appeal and upholding the original judgment".

XVII. Notes to the main items of the financial statements of the parent company

1. Accounts receivable

(1). Aging disclosure

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Aging	Closing balance of book value
Subtotal within 1 year	510,381,022.47
1 to 2 years	72,934,104.90
2 to 3 years	6,129,745.82
More than 3 years	10,938,026.11
Total	600,382,899.30

(2). Disclosure by classification for methods of bad debt provision

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Balance of book value		Bad debt provision		Book value	Balance of book value		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Provision ratio (%)		Amount	Proportion (%)	Amount	Accrual ratio (%)	
Bad debt provision made on an individual basis	9,904,392.34	1.65	9,904,392.34	100.00		11,216,555.54	2.00	11,216,555.54	100.00	
Including:										
Single amount (significant)	5,415,762.90	0.90	5,415,762.90	100.00		9,959,183.15	1.78	9,959,183.15	100.00	
Single amount (insignificant)	4,488,629.44	0.75	4,488,629.44	100.00		1,257,372.39	0.22	1,257,372.39	100.00	
Bad debt provision made on a portfolio basis	590,478,506.96	98.35	20,330,094.86	3.44	570,148,412.10	550,289,851.88	98.00	17,654,357.54	3.21	532,635,494.34
Including:										
Accounts receivable with bad debt provision made on a credit-risk portfolio basis	438,468,926.41	73.03	20,330,094.86	4.64	418,138,831.55	400,026,963.69	71.24	17,654,357.54	4.41	382,372,606.15
Payment for goods from subsidiaries	152,009,580.55	25.32			152,009,580.55	150,262,888.19	26.76			150,262,888.19
Total	600,382,899.30	/	30,234,487.20	/	570,148,412.10	561,506,407.42	/	28,870,913.08	/	532,635,494.34

Bad debt provision made on an individual basis:

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Name	Closing balance			
	Balance of book value	Bad debt provision	Provision ratio (%)	Reasons for provision
Customer 19	5,415,762.90	5,415,762.90	100.00	Expected to be irrecoverable
Others	4,488,629.44	4,488,629.44	100.00	
Total	9,904,392.34	9,904,392.34	100.00	/

Description of bad debt provision made on an individual basis:

☐Applicable ☒Not applicable

Bad debt provision made on a portfolio basis:

☒Applicable ☐Not applicable

Items under provision made on a portfolio basis: Accounts receivable with bad debt provision made on a credit-risk portfolio basis

Unit: Yuan Currency: RMB

Name	Closing balance		
	Accounts receivable	Bad debt provision	Provision ratio (%)
Within 1 year	354,740,534.11	4,061,600.91	1.14
1 to 2 years	68,457,069.81	5,716,684.66	8.35
2 to 3 years	5,940,668.77	1,866,735.92	31.42
3 to 5 years	5,351,926.03	4,706,345.68	87.94
More than 5 years	3,978,727.69	3,978,727.69	100.00
Total	438,468,926.41	20,330,094.86	4.64

Recognition criteria and description of bad debt provision made on a portfolio basis:

☐Applicable ☒Not applicable

Where bad debts provision is made based on a general model of expected credit losses, please refer to disclosure of other receivables:

☐Applicable ☒Not applicable

(3). Bad debt provision

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Amount changed in the current period				Closing balance
		Provision	Recovery or reversal	Transfer or write-off	Other changes	

Bad debt provision	28,870,913.08	1,461,702.92		98,128.80		30,234,487.20
Total	28,870,913.08	1,461,702.92		98,128.80		30,234,487.20

Where there was substantial amount of bad debt provision recovered or reversed in the current period:

☐Applicable ☒Not applicable

(4). Accounts receivable with actual write-off in the current period

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Amount subject to write-off
Accounts receivable with actual write-off	98,128.80

Where there was substantial amount of accounts receivable subject to write-off

☐Applicable ☒Not applicable

Description of accounts receivable subject to write-off :

☐Applicable ☒Not applicable

(5). Top five accounts receivable according to the closing balance by debtor

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Unit name	Closing balance	Percentage of the aggregate closing balance of the accounts receivable (%)	Closing balance of bad debt provision
Forwell International (HK) Co., Limited	71,341,430.32	11.88	
Customer 7	70,441,038.80	11.73	786,826.41
Xincheng International (Hong Kong) Co., Ltd.	40,123,174.03	6.68	
Customer 20	21,634,674.91	3.60	526,515.43
Keda Industrial (india) Limited	19,635,238.58	3.27	
Total	223,175,556.64	37.17	1,313,341.84

(6). Accounts receivable derecognized due to transfer of financial assets

☐Applicable ☒Not applicable

(7). Amount of assets and liabilities arising from transfer of accounts receivable and continuous involvement

☐Applicable ☒Not applicable

Other description:

☐Applicable ☒Not applicable

2. Other receivables

Listing of items

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest receivables		
Dividend receivables		
Other receivables	853,803,845.15	929,586,253.03
Total	853,803,845.15	929,586,253.03

Other description:

☐Applicable ☒Not applicable

Interest receivables

(1). Classification of interest receivables

☐Applicable ☒Not applicable

(2). Substantial amount of interest overdue

☐Applicable ☒Not applicable

(3). Bad debt provision

☐Applicable ☒Not applicable

Other description:

☐Applicable ☒Not applicable

Dividend receivables

(1). Dividend receivables

☐Applicable ☒Not applicable

(2). Substantial amount of dividend receivables aged more than 1 year

☐Applicable ☒Not applicable

(3). Bad debt provision

☐Applicable ☒Not applicable

Other description:

☐Applicable ☒Not applicable

Other receivables**(1). Aging disclosure**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Aging	Closing balance of book value
Subtotal within 1 year	424,425,846.78
1 to 2 years	358,645,440.79
2 to 3 years	3,119,974.52
More than 3 years	286,702,700.00
Total	1,072,893,962.09

(2). Classification by nature of payment

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Nature of payment	Closing balance of book value	Opening balance of book value
Current company accounts	1,034,260,876.75	915,436,751.49
Other current accounts	28,572,822.56	5,502,198.29
Export tax rebate	10,050,262.78	8,637,303.25
Security deposit	10,000.00	10,000.00
Total	1,072,893,962.09	929,586,253.03

(3). Bad debt provision

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Bad debt provision	First stage	Second stage	Third stage	Total
	Expected credit losses of coming 12 months	Lifetime expected credit losses (without credit impairment)	Lifetime expected credit losses (with credit impairment)	
Balance as of 1 January 2022	119,472.24		218,742,650.61	218,862,122.85
Balance as of 1 January 2022 in the current period	119,472.24		218,742,650.61	218,862,122.85
-- transferred to the second stage				
-- transferred to the third stage				
-- reversed to the second stage				
-- reversed to the first stage				
Provision in the current period	85,638.53		142,355.56	227,994.09

Reversal in the current period				
Transfer in the current period				
Write-off in the current period				
Other changes				
Balance as at 30 June 2022	205,110.77		218,885,006.17	219,090,116.94

Explanation of significant changes in the balance of book value of other receivables with changes in loss provision in the current period:

☐Applicable ☒Not applicable

The amount of bad debt provision and the basis for evaluating whether the credit risks of the financial instruments have been increased significantly in the current period:

☐Applicable ☒Not applicable

(4). Bad debt provision

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Amount changed in the current period				Closing balance
		Accrual	Recovery or reversal	Transfer or write-off	Other changes	
Bad debt provision	218,862,122.85	227,994.09				219,090,116.94
Total	218,862,122.85	227,994.09				219,090,116.94

Where there was substantial amount of bad debt provision reversed or recovered in the current period:

☐Applicable ☒Not applicable

(5). Other receivables with actual write-off in the current period

☐Applicable ☒Not applicable

Explanation of write-off of other receivables:

☐Applicable ☒Not applicable

(6). Top five other receivables according to the closing balance by debtors

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Unit name	Nature of payment	Closing balance	Aging	Proportion of total closing balance of other accounts receivable (%)	Closing balance of bad debt provision
-----------	-------------------	-----------------	-------	--	---------------------------------------

Anhui KEDA Investment Co., Ltd.	Current accounts	392,000,000.00	Within 2 years	36.54	
Shenyang KEDA Clean Energy Gas Co., Ltd.	Current accounts	294,080,000.00	Within 6 years	27.41	218,742,650.61
Jiangsu Kehang Environmental Protection Co., Ltd.	Current accounts	200,466,947.72	Within 2 years	18.68	
Foshan Keda Equipment Manufacturing Co., Ltd.	Current accounts	73,472,440.00	Within 2 years	6.85	
Sichuan KEDA Clean Energy New Material Co., Ltd.	Current accounts	31,500,000.00	Within 1 year	2.94	
Total	/	991,519,387.72	/	92.42	218,742,650.61

(7). Receivables involving government subsidies

☐Applicable ☒Not applicable

(8). Other receivables derecognized due to transfer of financial assets

☐Applicable ☒Not applicable

(9). Amount of assets and liabilities arising from transfer of other receivables and continuous involvement

☐Applicable ☒Not applicable

Other description:

☐Applicable ☒Not applicable

3. Long-term equity investments

☐Applicable ☒Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Balance of book value	Impairment provision	Book value	Balance of book value	Impairment provision	Book value
Investment in subsidiaries	6,558,004,723.36	600,000,000.00	5,958,004,723.36	6,504,070,446.03	600,000,000.00	5,904,070,446.03
Investment in associates and joint ventures	176,692,300.36		176,692,300.36	171,990,348.33		171,990,348.33
Total	6,734,697,023.72	600,000,000.00	6,134,697,023.72	6,676,060,794.36	600,000,000.00	6,076,060,794.36

(1) Investment in subsidiaries

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Investee	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Provision for impairment in the	Closing balance of provision for impairment
----------	-----------------	--------------------------------	--------------------------------	-----------------	---------------------------------	---

					current period	
Qinghai KEDA Lithium Industry Co., Ltd.	1,403,868,020.85			1,403,868,020.85		
Foshan HLT Industry Co., Ltd.	797,954,365.00			797,954,365.00		
Anhui KEDA Clean Energy Co., Ltd.	624,323,378.00			624,323,378.00		
Jiangsu Kehang Environmental Protection Co., Ltd.	539,600,000.00			539,600,000.00		
Keda Industrial (Hong Kong) Limited	402,876,588.44			402,876,588.44		
Anhui Keda New Materials Co., Ltd.	401,998,000.00		204,000,000.00	197,998,000.00		
Foshan Keda Equipment Manufacturing Co., Ltd.	375,000,000.00			375,000,000.00		
Keda Holding (mauritius) Limited	364,531,849.66			364,531,849.66		
Anhui KEDA Investment Co., Ltd.	265,954,830.85			265,954,830.85		
Foshan KEDA Electromechanical Co., Ltd.	204,587,500.00			204,587,500.00		
Qinghai Weili New Energy Material Co., Ltd.	200,143,733.26			200,143,733.26		
Anhui KEDA Industrial Co., Ltd.	153,496,500.00			153,496,500.00		
Forwell International (HK) Co., Limited	45,000,000.00	80,000,000.00		125,000,000.00		
Guangdong KEDA Hydraulic Technology Co., Ltd.	28,293,578.97			28,293,578.97		
Foshan KEDA Ceramic Technology Co., Ltd.	5,000,000.00			5,000,000.00		
Fujian Keda New Energy Technology Co., Ltd.	89,943,600.00	167,691,600.00	10,757,322.67	246,877,877.33		

Anhui Keda Smart Energy Technology Co., Ltd.	1,498,500.00			1,498,500.00		
Shenyang KEDA Clean Energy Gas Co., Ltd.	600,000,001.00			600,000,001.00		600,000,000.00
Shaoguan Keda Machinery Manufacturing Co., Ltd.		21,000,000.00		21,000,000.00		
Total	6,504,070,446.03	268,691,600.00	214,757,322.67	6,558,004,723.36	-	600,000,000.00

(2) Investment in associates and joint ventures

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Investor	Opening balance	Increase/decrease in the current period								Closing balance	Closing balance of provision for impairment
		Investment increased	Investment decreased	Gains and losses on investments recognized under the equity method	Adjustments to other comprehensive income	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others		
I. Joint ventures											
Subtotal											
II. Associates											
Foshan KEDA Ceramic Technology Co., Ltd.	155,440,477.24			-205,567.97						155,234,909.27	
Sichuan Guangxing Lithium Battery Technology Co., Ltd.	16,549,871.09			4,351,520.00		556,000.00				21,457,391.09	
Subtotal	171,990,348.33			4,145,952.03		556,000.00				176,692,300.36	
Total	171,990,348.33			4,145,952.03		556,000.00				176,692,300.36	

Other description:

□Applicable √Not applicable

4. Operating revenue and operating expense**(1). Details of operating income and operating costs**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period		Amount incurred last period	
	Operating revenue	Operating expenses	Operating revenue	Operating expenses
Principal operations	1,209,200,897.46	968,289,870.24	1,474,735,242.05	1,255,172,459.92
Other operations	4,482,770.24	1,062,953.62	3,853,557.77	2,071,870.44
Total	1,213,683,667.70	969,352,823.86	1,478,588,799.82	1,257,244,330.36

(2). The status of revenue generated by the contract

□Applicable √Not applicable

(3). Description of performance obligations

□Applicable √Not applicable

(4). Description of allocation to remaining performance obligations

□Applicable √Not applicable

5. Investment income

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred last period
Income from long-term equity investments accounted for under the cost method	248,680,000.00	128,979,600.00
Income from long-term equity investments accounted for under the equity method	4,145,952.03	-3,310,507.18
Investment income from disposal of long-term equity investments	-45,998,302.67	
Investment income from financial assets held-for-trading during the holding period		
Dividend income received from investment in other equity instruments during the holding period		
Interest income received from debt investments during the holding period		
Interest income received from other debt investments during the holding period		
Investment income received from disposal of financial assets held-for-trading	595,452.07	
Investment income received from disposal of investment in other equity instruments		
Investment income received from disposal of debt investment		

Investment income received from disposal of other debt investment		
Income from debt restructuring		
Total	207,423,101.43	125,669,092.82

Other description:

(1) Investment income from long-term equity investments

accounted for under the cost method:

Item	Amount incurred in the current period	Amount incurred last period
KEDA HOLDING (MAURITIUS) LIMITED		96,979,600.00
Anhui KEDA Industrial Co., Ltd.		32,000,000.00
Qinghai KEDA Lithium Industry Co., Ltd.	248,680,000.00	
Total	248,680,000.00	128,979,600.00

(2) Income from long-term equity investments accounted for under the equity method:

Item	Amount incurred in the current period	Amount incurred last period
Sichuan Guangxing Lithium Battery Technology Co., Ltd.	4,351,520.00	9,264.52
Foshan KEDA Ceramic Technology Co., Ltd.	-205,567.97	-193,723.39
Anhui Hudu KEDA Fluid Machinery Co., Ltd.		-3,126,048.31
Total	4,145,952.03	-3,310,507.18

(3) Investment income from disposal of long-term equity investments:

Item	Amount incurred in the current period	Amount incurred last period
Anhui Keda New Materials Co., Ltd.	-45,998,302.67	
Total	-45,998,302.67	

(4) Investment income from disposal of financial assets held-for-trading:

Item	Amount incurred in the current period	Amount incurred last period
Financial assets held-for-trading	595,452.07	
Total	595,452.07	

6. Others

☐Applicable ☒Not applicable

XVIII. Supplementary information

1. Breakdown of non-recurring profit or loss in the current period

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Item	Amount	Note
Profit or loss from disposal of non-current assets	-5,056,313.13	
Government grants charged to current profit or loss, other than those closely related to the Company's normal business operations that were granted on an ongoing basis at a fixed standard amount or quantity in accordance with certain national policies and regulations	37,633,299.71	
share-based payment expense	-48,248,414.48	
Profit or loss on debt restructuring	-1,687,548.66	
Profit or loss on changes in fair value from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities, and investment income from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities, other debt investment, except for effective hedging transactions that are closely related to the Company's normal operation	595,452.07	
Investment income from disposal of long-term equity investments	-835,750.86	
Reversal provision for impairment of other current assets	92,012,305.74	
Reversal of provision for impairment of receivables and contract assets which are tested individually for impairment losses	5,759,970.70	
Other non-operating income and expenses other than those mentioned above	-85,292,189.88	
Less: Income tax effect	6,656,560.43	
Effect of minority interest (after tax)	-12,474,666.65	
Total	698,917.43	

Where there are non-recurring profit or loss items defined under the No. 1 Explanatory Notice on Information Disclosure by Companies Offering Securities to the Public-Non-recurring Profit or Loss, and that the non-recurring profit or loss items listed under the No. 1 Explanatory Notice on Information Disclosure by Companies Offering Securities to the Public-Non-recurring Profit or Loss are defined as recurring profit or loss items by the Company, reasons shall be provided.

☐Applicable ☒Not applicable

2. Return on net assets and earnings per share

☒Applicable ☐Not applicable

Profit for the reporting period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	27.25	1.123	1.123
Net profit attributable to ordinary shareholders of the Company after	27.24	1.123	1.123

deducting non-recurring profit or loss			
--	--	--	--

3. Differences in accounting data between domestic and overseas accounting standards

☐Applicable ☒Not applicable

4. Others

☐Applicable ☒Not applicable

Chairman: Bian Cheng

Date of approval by the Board for submission: 12 August 2022

Revision on information

☐Applicable ☒Not applicable