Stock Code: 600499 Company Name: Keda Group

Keda Industrial Group Co., Ltd.

2022 Annual Report

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 Annual 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. ZHONGXI CPAS (SPECIAL GENERAL PARTNERSHIP) has issued a standard unqualified auditor's report for the Company.

IV. Bian Cheng, president of the Company, and Zeng Fei, CFO and head of accounting organization hereby declare and warrant that the financial report in the Annual Report is authentic, accurate and complete.

V. The profit distribution plan or the plan of share capital increase through conversion of reservesin the reporting period passed in the board resolutions.

The 2022 profit distribution plan of the Company: Based on the total number of shares of the Company entitled to the profit distribution of 1,917,856,391 shares (the total share capital of 1,948,419,929 shares less 30,563,538 shares in the special securities account for the repurchase of shares of the Company), it is proposed to distribute cash dividends of RMB 6.8 (tax inclusive) for every 10 shares to all shareholders, with the total cash dividends of RMB1,304,142,345.88(tax inclusive).The plan shall be valid only after being approved by the general meeting of shareholders.

VI. Disclaimer related to forward-looking statements

√ Applicable □ Not applicable

The forward-looking statements such as future plans involved in the Annual Report do not be considered as substantial commitments of the Company to investors. Therefore, investors are kindly reminded to pay attention to possible investment risks.

VII. Whether there is any non-operating capital occupation by the controlling shareholder and its related parties

No

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

No

IX. Whether there is such a case that more than half of the directors who cannot guarantee the authenticity, accuracy and completeness of the Annual Report disclosed by the Company

No

X. Significant risk warning

In this Annual Report, the Company has described in detail the risks that the Company may face. Please refer to the contents corresponding to the "Potential Risks" of the "Discussion and Analysis on the Future Development of the Company" in Section III " Management Discussion and Analysis" of this Annual Report.

XI. Others

□Applicable √Not Applicable

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Documents Available for Inspection	Financial statements signed and sealed by the responsible officer of the Company, Accounting Director, and person in charge of accounting department;
	The original audit report sealed by the accounting firm with the signature and seal of the certified public accountant;
	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 the Report, unless otherwise designated literally, the following terms shall have the following meanings:

Definitions of common terms	
Company, the Company, Keda Group	Keda Industrial Group Co., Ltd.
Anhui KEDA Industrial	Anhui KEDA Industrial Co., Ltd.
KEDA (Anhui) Clean Energy	KEDA (Anhui) Clean Energy Co., Ltd.
HLT	Foshan HLT Industry Co., Ltd.
SureMaker	KEDA-SUREMAKER (WUHU) INDUSTRIAL CO., LTD
KEDA Hydraulic	Guangdong KEDA Hydraulic Technology Co., Ltd.
Anhui KEDA Investment	Anhui KEDA Investment Co., Ltd.
Guangdong KEDA Smart Energy	Guangdong KEDA Smart Energy Technology Co., Ltd.
Anhui Xincheng Financing	Anhui Xincheng Financing Lease Co., Ltd.
KDNEU	Henan KDNEU International Engineering Co., Ltd.
KEDA (Shenyang) Clean Energy	KEDA (Shenyang) 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.
Wuhu Kean	Wuhu Kean Energy Technology Co., Ltd
DLT	Foshan DLT Technology Co., Ltd.
Guangzhou Sunda	Guangzhou Sunda International Trading Co., Ltd.
Sunda Group	Sunda Group Co., Ltd
Guangdong KEDA Lithium Industry	Guangdong KEDA Lithium Industry Co., Ltd., formerly known as 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.
KEDA Foshan Industrial	KEDA Foshan Industrial 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	Foshan Keda Equipment Manufacturing Co., Ltd., formerly known as Foshan Kejin Ceramics Co., Ltd
HLT Technology	Foshan HLT Technology Co., Ltd.
Shaoguan Keda	Shaoguan Keda Machinery Manufacturing Co., Ltd.
Maanshan Kean	Maanshan Kean New Energy Technology Co., Ltd.
Dangtu Kean	Dangtu Kean New Energy Technology Co., Ltd.
Hefei Kemao	Hefei Kemao New Energy Co., Ltd.
Maanshan Keci	Maanshan Keci New Energy Technology Co., Ltd.
Maanshan Taixin	Maanshan Zhengpugang New District Taixin New Energy Technology Co., Ltd.
Derui Investment	Foshan Derui Investment Co., Ltd.
Salt Lake Industry Equity	Jiaxing Keda Jinhong Salt Lake Industry Equity Investment Partnership

Jinda Yingfei	Guangzhou Jinda Yingfei Venture Capital Fund Partnership (Limited Partnership)
Keda Nanyue	Guangdong Keda Nanyue New Energy Venture Capital Partnership (Limited Partnership)
Keda Holding	Keda Holding (Mauritius) Limited
Tilemaster	Tilemaster Investment Limited
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 Limited
Keda Zambia	Keda Zambia Ceramics Company Limited
Keda Kisumu	Keda Ceramics International Company Limited
Welko	I. C. F. &Welko S. P. A.
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 Profile and Main Financial Indicators

I. Company Information

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

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

IV. Information Disclosure and Archiving Location

Name and website of the media for disclosure of the Company's Annual Report	China Securities Journal, Securities Times, Shanghai Securities News
Website of the stock exchange for disclosure of the Company's Annual Report	www. sse. com. cn
Archiving location of the Annual Report	The Company, Shanghai Stock Exchange

V. Stock Overview of the Company

Stock Overview				
Type of Stock	Stock Exchange for Its Listing	Abbreviated stock name	Stock code	Abbreviated Stock Name 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

Accounting firm engaged by the Company (domestic)	Name	ZHONGXI CPAS (SPECIAL GENERAL PARTNERSHIP)
	Business address	Room 1101, Floor 11, No. 11 Chongwenmenwai Street, Dongcheng District, Beijing
	Name of signatory accountant	Wang Huishuan, Song Zhigang

VII. Main Accounting Data and Financial Indicators for Last Three Years

(I) Key accounting data

Unit: Ten Thousand Yuan
Currency: RMB

Key accounting data	2022	2021	Year-on-year increase or decrease (%)	2020
Operating revenue	1,115,719.66	979,667.97	13.89	729,762.11
Net profit attributable to shareholders of the listed company	425,093.18	100,575.73	322.66	26,150.92
Net profit attributable to shareholders of the listed company after deducting non-recurring profit and loss	421,286.85	95,215.03	342.46	1,001.70
Net cash flows from operating activities	99,741.06	128,761.70	-22.54	118,358.24
	End of 2022	End of 2021	Increase or decrease at the end of the current period over the end of the same period of the previous year (%)	End of 2020
Net assets attributable to shareholders of the listed company	1,138,847.95	685,171.89	66.21	588,082.86
Total assets	2,115,242.31	1,612,334.43	31.19	1,352,363.84

(II) Key financial indicators

Key financial indicators	2022	2021	Year-on-year increase or decrease(%)	2020
Basic earnings per share (RMB per Share)	2.229	0.534	317.42	0.152
Diluted earnings per share (RMB per Share)	2.229	0.534	317.42	0.152
Basic earnings per share after deducting non-recurring profit and loss (RMB per Share)	2.209	0.505	337.43	0.006
Weighted average ROE (%)	46.73	15.80	Increase 30.93%	4.87

Weighted average ROE after deducting non-recurring profit and loss (%)	46.31	14.96	Increase 31.35%	0.19

Description of key accounting data and financial indicators of the Company during the past there years

□Applicable √Not applicable

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

(i) Differences between net profit and net assets attributable to shareholders of listed companies in financial reports disclosed in accordance with both international accounting standards and Chinese accounting standards

□ Applicable √Not applicable

(ii) Differences in net profit and net assets attributable to shareholders of the listed company in the financial reports disclosed in accordance with both overseas accounting standards and Chinese accounting standards

□ Applicable √Not applicable

(iii) Description of the differences between domestic and foreign accounting standards:

□ Applicable √Not applicable

IX. 2022 Key Financial Data by Quarter

Unit: Ten Thousand Yuan
Currency: RMB

	The first quarter (January-March)	The second quarter (April-June)	The third quarter (July-September)	The fourth quarter (October-December)
Operating revenue	254,254.44	310,858.80	288,161.02	262,445.40
Net profit attributable to shareholders of the listed company	90,131.05	121,941.47	148,039.51	64,981.15
Net profit attributable to shareholders of the listed company after deducting non-recurring profit and loss.	82,437.41	129,565.22	143,460.94	65,823.28
Net cash flows from operating activities	-15,114.07	50,300.91	34,507.84	30,046.38

Explanation of differences between quarterly data and disclosed regular report data

□Applicable √Not applicable

X. Non-recurring profit or loss items and amounts

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Non-recurring profit or loss items	2022	Notes (if applicable)	2021	2020
Profit or loss from disposal of non-current assets	-21,206,525.15		-23,135,252.26	-15,085,741.38
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	77,317,024.04		98,231,883.07	99,490,054.63
Profit or loss on debt restructuring	-1,269,156.84		-137,139.00	
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	3,604,644.57		8,762,804.70	2,543,874.87
Reversal of provision for impairment of receivables and contract assets which are tested individually for impairment losses	26,684,251.16		3,025,456.83	4,402,841.07
Share-based payment expenses	-55,116,844.18		-31,784,575.00	
Investment income from disposal of long-term equity investments	6,179,906.70		9,197,114.74	
Investment income from disposal of subsidiaries				319,719,366.42
Reversal of provision for impairment of other current assets	92,012,305.74			
Other non-operating income and expenses apart from the aforementioned items	-86,097,108.87		8,865,176.21	-87,300,138.70
Less: Income tax effect	10,628,499.52		16,832,720.91	61,276,735.90

Effect of minority interests (after tax)	-6,583,273.72		2,585,752.86	11,001,318.49
Total	38,063,271.37		53,606,995.52	251,492,202.52

In terms of non-recurring profit and loss items defined by the Company in accordance with the "Information Disclosure of Companies Offering Securities to the Public No. 1 - Non-Recurring Profit and Loss", 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

XI. Items measured at fair value

√Applicable □Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Item name	Opening Balance	Ending balance	Current change	Impact on profit for the current period
Financial assets held for trading	5,823.40	39,796.24	33,972.84	1,079.65
Receivables financing	23,037.61	26,615.45	3,577.84	
Investments in other equity instruments	858.46	591.74	-266.72	
Other non-current financial assets	500.00	500.00		
Financial liabilities held-for-trading	213.94		−213.94	12.42
Total	30,433.41	67,503.43	37,070.02	1,092.07

XII. Others

□Applicable √Not applicable

Section III Discussion and Analysis of the Company's Management

I. Discussion and Analysis on Operation

In 2022, the real estate sector was under pressure due to the escalation of global geopolitical conflicts, energy shortages in certain regions, and the slowdown of domestic economic growth. In the face of the increasingly complex domestic and international macro environment, during the Reporting Period, the Company adhered to the “globalization” development stratgey, actively explored the overseas market of ceramic machinery business by increasing the proportion of overseas orders, strengthening the localisation of overseas building materials business in Africa, and initiating research on other overseas markets such as South America for building materials. The proportion of annual revenue from overseas business has increased from 47% in 2021 to 56%. In addition, in response to China’s "Carbon Peak & Carbon Neutrality" strategy and the global climate change, the Company focuses on high-end manufacturing as its core business and accelerates the development path towards green and low-carbon industry. The Company has developed zero-carbon combustion

technology in the field of ceramic machinery and constantly iterated new energy-saving and environmental protection equipment to help downstream industries save energy and reduce emissions. As for the ceramics factories in Africa, the Company keeps improving the usage of natural gas and clean energy to reduce carbon emissions. In the field of lithium battery materials and equipment, the Company has increased the proportion of green electricity consumption in the Fujian base, with a view to conduct product research and development through more advanced equipment automation and lower energy consumption so as to support the development of new energy industry.

In recent years, the Company has committed to deepening the reform, and implemented operation plans for every segment embracing its core business. In 2022, the Company achieved an annual operating income of RMB11.157 billion, representing a year-on-year increase of 13.89%; net profit attributable to shareholders of listed company was RMB4.251 billion, representing a year-on-year increase of 322.66%, and both core business and investment income achieved historical good results. In 2022, the Company's key work review is as follows:

(I) Ceramic machinery

- **Seizing overseas development opportunities and achieving breakthroughs in emerging markets**

In 2022, the urbanization of overseas developing countries accelerated, against the backdrop of large amount of demand from infrastructure drove the sales of upstream ceramic machinery, coupled with a decline in international container shipping rates, the Company firmly adhered to the "globalization" strategy, grasped development opportunities, maintained hot markets and seized the blank market through multiple dimensions, as a result, the overseas orders and shipments of the Company's ceramic machinery maintained a better growth, and the proportion of orders from overseas markets exceeded 55% for the first time; among them, the orders from Indonesia, the representing country from the sales region of Indonesia, Malaysia and Thailand, recorded a growth of over 130%, the orders from the Middle East and North African market recorded a growth of over 50%, and the orders from African market (excluding Northern Africa) recorded a growth of over 60%, contributing to the development of overseas business.

In the Indonesian market, benefiting from the transformation and upgrading of the ceramic market and the demand from new entrants from different sector, the Company continued to explore potential customers and gained more than 50% of the local market share during the Reporting Period, with a record high performance in recent years. In particular, the Company undertook the construction of ceramic equipment or production lines for enterprises including MULIA Group in Indonesia, one of the largest domestic tile enterprises in Indonesia, and Blescon Group in Indonesia, which entered the ceramic industry from another industry, and RKI Group in Indonesia. In the Algeria market in North Africa, the Company captured the customers' demand for transforming from Italian equipment to Chinese equipment and won the first order for the production line of white body and glazed bricks. In the Zambia market in Central and South Africa, in addition to the demand from the production line of the Company's joint venture ceramic plant, the Company also achieved the cooperation for orders with the most comprehensive supply and the highest degree of automation for the full production line with Chinese specification of Keda in Africa. Going forward, the Company will continue to further implement the "globalization" strategy, actively expand the blank market with high-quality products and services, and resonate with overseas and high-end markets.

- **Initiating zero-carbon combustion technology and facilitating digital upgrading for customers**

In 2022, domestic downstream ceramic customers faced challenges such as a downturn in the real estate market, shrinking market demand, the “dual-carbon” policy, and rising costs, such challenges faced by these customers have brought certain pressure on the Company’s domestic ceramic machinery business. At the same time, the shutdown of some backward production capacity also brought about the demand for upgrading and transformation of production lines, the Company rose to the challenges amid the crisis, and maintained the stable development of the domestic ceramic machinery business.

During the reporting period, the Company grasped the energy-saving needs of customers’ production. The Joint Innovation and Research Centre for Advanced Zero Carbon Emission Technology jointly founded by one of our subsidiaries DLT successfully launched the world's first green manufacture tiles fired with zero-carbon ammonia fuel, reducing carbon emissions to zero during the tile firing process and opening up a new energy technology path for the ceramics industry and even the whole building materials industry to achieve " carbon peak and neutrality ". In the same period, DLT developed the world's longest and most productive green manufacture double-deck kiln for sintered slab, setting a new benchmark for "energy saving and environmental protection" of double-deck sintered stone kilns in the industry. In addition, the Company grasped the customers’ needs for intelligent management and control of ceramic plants, and independently developed a digital ceramic factory platform to bring customers a highly automated, intelligent and digital management production model, this meets the needs of transformation for backward production capacity, and help enterprises carry out digital upgrading and transformation.

- **Accelerating the strategy of popularization for ceramic machinery and enhancing the operation of accessories and consumables**

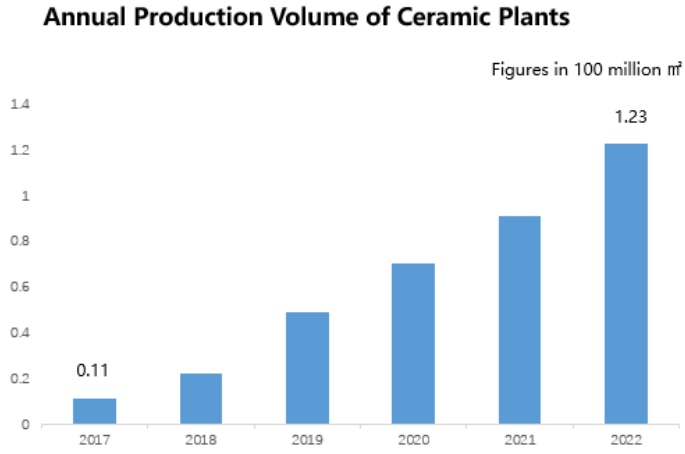
While consolidating the main business, every operating unit of ceramic machinery also made use of technological advantages and experience accumulated to carry out horizontal cross-sector product exploration. During the Reporting Period, the Company commenced the construction of the production bases of HLT Phase III, Foshan Keda Equipment and Shaoguan Keda, promoted the establishment of production capacity for aluminium extrusion machine and kilns for lithium-ion battery materiallithium-ion battery, improving the integration capability of the supply chain. For press equipment products, HLT continued to expand new types of press equipment, such as the automatic hydraulic presses for refractory bricks, the aluminium extrusion machine, and the automatic hydraulic presses for saggar bricks. Contracts for total of 66 aluminium extrusion machines were signed in 2022, with a total contract amountof over RMB300 million. In terms of kiln products, DLT, a subsidiary of the Company, has researched and developed energy-saving and efficient special kiln for sanitary ceramics and foamed ceramics, and has reached cooperation on kiln products in the fields of tableware, sanitary wareand refractory materials; KEDA Foshan Industrial pioneered high-temperature Heat-treatment Fumace for aluminum, filling the gap in the domestic technology.

In terms of accessories and consumables, the Company currently has a full range of accessories products forpolishingmachine, press, kiln, and grinding tools consumables, and is equipped with services such as the contracting of polishinglines and the maintenance and renovation of old equipment. In recent years, the Company has also carried out consumables business such as ink and colour glaze through self-operation or joint venture. During the Reporting Period, the Company achieved better growth in markets such as Indonesia, India, Turkey.

(II) Overseas building materials

- **Accelerating the implementation of new production capacity and achieving continuous growth in results**

With the steady increase in the urbanization rate in African countries, the demand for tiles from local municipal and residents is also on the rise. During the Reporting Period, the Company seized the opportunities and continued to promote the construction and release of production capacity of various production lines. The first phase of the Company's Kenya Kisumu ceramics project and the fourth phase of Ghana building ceramics production project were completed and commissioned, adding a daily capacity of approximately 80,000 square metres. At the same time, Keda Senegal, Keda Tanzania and Keda Zambia carried out technical transformation of production lines, which further improved their production efficiency. By the end of 2022, the Company has operated six ceramic plants in five countries, namely Kenya, Ghana, Tanzania, Senegal and Zambia, and built 14 production lines, with a total building ceramic production capacity of 0.123 billion square metres.



- **Improving the layout of "Large Building Materials Group" in Africa and entering the sanitary ware and glass categories**

Since the Company's building ceramics business has achieved a certain scale, during the Reporting Period, the Company successively launched the second phase of the Senegal building ceramics production project, the fifth phase of the Ghana building ceramics production project, the second phase of the Zambia building ceramics production project and the first phase of the Cameroon building ceramics production project to further meet the local building ceramics market demand and improve the production capacity layout of African building ceramics. At the same time, the Company also actively grasped the demand for other building materials from the urbanization of Africa. During the Reporting Period, the Company launched the establishment of sanitary ware projects in Kisumu, Kenya and Ghana. In March 2023, the Company commenced the establishment of the Tanzania glass project, entered the sanitary ware and architectural glass market, and gradually improved the strategic layout of "Large Building Materials Group" in Africa.

(3) Lithium-ion battery materials and machinery business

- **The layout of anode materials began to show scale, and lithium-ion battery material machinery officially launched**

In terms of anode materials, since 2021 the Company focus on the promotion of the construction of an integrated factory for anode materials for its subsidiaries in Fujian. During the Reporting Period, the "40,000 tons/year graphitization" production capacity of the subsidiary Fujian Keda New Energy Phase I project has been built and put into operation, and the graphitization production capacity has been gradually released. The 10,000 tons/year artificial graphite production line has been built in the first quarter of 2023. At the same time, the Company commenced the preparation for the second-phase 50,000-tonnes/year anode materials integration project inFujian, and the third-phase 50,000-tonnes/year anode materials project in Chongqing, the construction of these two projects are expected to be completed in 2023.

In terms of lithium-ion battery machinery, leveraging on 30 years of technology and experience in equipment manufacturing and 8 years of exploration and experience in the lithium-ion battery materials industry, the Company officially established the Institute of Lithium-ion Battery Machinery in 2022 to strategically start the lithium-ion battery materials and machinerybusiness. In the future, the Company will centre around the sintering equipment to further improve the front and back end product lines, and produce the automated production line. During the Reporting Period, the Company's lithium-ion battery materials equipment business achieved sales of tunnelkilns, agglomeration kiln, carbon coating carbonization roller kiln, graphitization foamed kiln, automatic crucible loading system, with contract amount of approximately RMB 300 million.

- **Funding the strategic exploration with investment income and exploring the development potential of synergistic businesses**

During the Reporting Period, the 20,000 tonnes/year battery-grade lithium carbonate project of our joint-stock company Lanke Lithium Industry was completed. It also completed the establishment of production capacity of 10,000 + 20,000 tonnes/year lithium carbonate. With the surge in the market price of lithium carbonate products and the release of new production capacity of Lanke Lithium Industry, Lanke Lithium Industry achieved a total lithium carbonate production volume of approximately 31,000 tonnes, sales volume of approximately 30,300 tonnes, inventory of 4,200 tonnes, and achieved operating income of RMB 11.495 billion and net profit of RMB 7.916 billion. The impact on the Company's net profit attributable to the parent company was RMB 3.45 billion, and the Company received dividendsapproximately RMB 3 billion from Lanke Lithium for the whole year, and the Company's strategic investment business began to provide returns.

At the same time, the Company invested RMB 150 million in the establishment of Keda Nanyue during the Reporting Period, and mainly invested in the capital increase project of GAC AION in the form of equity investment, in an attempt to facilitating the future synergy for the Company's anode materials business; at the same time, the Company invested RMB 1.3 billion to participate in the establishment of Salt Lake Industry Equity, and ultimately invested in 0.93% shares of QingHai Salt Lake Industry Co.,Ltd., which strengthened the stickiness with the controlling shareholder of Lanke Lithium Industry, and jointly promote the long-term development of Lanke Lithium Industry. In addition, with a focus on the African market, the Company started the exploration of lithium and graphite ore at the end of 2022, actively investigated and demonstrated the potential direction and feasibility of the Company's lithium-ion battery segment in the future.

(4) Strengthening lean and informationalize construction to empower refined operation for its businesses

- **Optimising the lean management system and build a world-leading factory**

During the Reporting Period, the Company continued to promote the "Keda Ceramic Machinery Lean Management Project", and with the vision of "Building Keda Lean Management System and Building a World-leading Factory", the Company hired professional personnel to work in pilot department, and upon it the lean management project has been promoted from the initial 3 pilot business units to all business units of Keda Ceramic Machinery, including forming, packaging, intelligent warehousing, cubicle, accessories and stone machinery. We spread the concept of "lean" through lean training camps and lean lectures, and listened extensively to the proposals and feedback on lean improvement from employees of elementary level. During the year, a total of 922 effective proposals were received. With the help of lean methods and tools, the Company improved the competitiveness on order delivery and on-site management, and generated financial benefits of over RMB 20 million.

At the same time, African ceramics factories continue to work on cost reduction and efficiency improvement, technological innovation, utilization of local raw material, safety management, etc., and 223 operation and improvement proposals have been proposed by all employees, over RMB 10 millions of income from improvement is realized. In terms of technology, the Company's team continued to improve the formula of glaze materials forceramic. The high-priced imported materials used by Keda Senegal decreased by 4%. The glazing method of Keda Zambia has been changed from spraying to glaze pouring, which reduced the consumption of glaze by 4%. At the same time, the ceramic factories actively explored local raw materials, replaced or increased the application of local materials formula, and promoted the cost reduction of raw materials.

- **Empowering operation with digitalalization, improving quality and efficiency to facilitate development**

According to the informatization development concept of "internal and external collaboration, innovation-driven", the Company first launched informatization and digitalization upgrading in Guangdong base in 2021, since then the Company has basically established an integrated management platform for core business and on finance front, and is continuously deepening the application and optimizing the business models, such practice can gradually cover more subsidiaries at home and abroad. During the Reporting Period, the "Keda Group MES system construction project", "Keda Group PLM upgrade project", "Keda Group digitalized financial platform construction project" and "EHR system" were officially launched to optimise the planning and mobilization, monitoring, resource allocation and production process of short-term production operations respectively, providing a series of solutions to support the creation, management, distribution and application of the information during the whole life cycle of the products, and facilitate the establishment of an electronic file system, creating integration with external systems, solving the problem of segregated audit on financial front, and raising human resource management level. The digitalization projects above symbolize that the Company's digital exploration has reached the "deep-water zone" of corporate operation and management, and has entered the stage of comprehensive "digital" transformation.

II.Industry Situation in the Reporting Period

(1) Building ceramic machinery market

In 2022, with the continuous tightening of national energy consumption restrictions and dual-carbon policies, coupled with the rising costs of energy, raw materials and manpower, as well as the difficulties faced by the real estate economy, the Company's downstream building ceramics industry faced multiple challenges. Against this backdrop, the industry is still firmly

on the path of high-quality development, the industry concentration has been further increased, and the pace of equipment update and iteration has accelerated, showing stronger resilience in the industry.

With the continuous promotion of green, environmental protection, energy conservation and emission reduction policies, building ceramics enterprises will accelerate the promotion and application of energy-saving and carbon-reducing technology and equipment in the direction of “carbon peak and carbon neutrality”, treating high-quality development as its focus, accelerate the adjustment of industrial structure, and optimise the competition pattern of the industry. In 2022, the state and local governments successively issued new policies and regulations related to the ceramic industry, which put forward new requirements for the ceramic industry. With the implementation of multiple dual-carbon policies, building ceramics enterprises accelerated their transformation, upgraded their equipment by using high-end ceramic machinery, deployed intelligent production lines, and replaced backward production capacity with large-scale advanced production capacity, which in turn drove the iteration of the upstream building ceramics machinery in directions of continuously upgrading the production capacity of single machine, technological transformation, energy conservation and intelligence.

Issuing department	Policy	Content
NDRC, Ministry of Industry and Information Technology, Ministry of Ecology and Environment, National Energy Administration	“Implementation Guidelines of Energy Conservation and Carbon Reduction Transformation and Upgrading in Building and Sanitary Ceramic Industries” of “Guidelines for the Implementation of Energy Conservation and Carbon Reduction Transformation and Upgrading in Key Areas of High Energy Consumption Industries”	By 2025, 30% of production capacity of building ceramicand sanitary wareindustry must beabove the energy efficiency benchmark level of the industry, and the production capacity below the energy efficiency benchmark level shall be basically eliminated.
Five departments including the Ministry of Industry and Information Technology, the Ministry of Ecology and Environment and the State Administration for Market Regulation	Guiding Opinions of Five Departments on Promoting High-quality Development of Light Industry	The building materials industry needs to accelerate the research and development and industrialization of energy-saving and low-carbon technologies and equipment, promote the digital development of the ceramic industry, encourage the development of thinner ceramic tiles, encourage the application of energy-saving and consumption-reducing technologies in industrial kilns, and promote the dry milling process and equipment.
Ministry of Industry and Information Technology	Implementation Plan for Carbon Peak of Building Materials Industry	
Six departments including the Ministry of Industry and Information Technology and the State Administration for Market Regulation	Notice of Six Departments on Launching the 2022 Green Building Materials Going to the Countryside	Accelerating the production, certification, promotion and application of green building materials, promoting green consumption, and helping build a beautiful countryside

In addition, 2022 is a planning and pilot year for the Green Building Materials to Countryside event. Six government departments issued a notice on the Green Building Materials to Countryside event to accelerate the production, certification, promotion and application of green building materials and promote green consumption. Since the six government departments first deployed green building materials to the countryside in March 2022, it has achieved remarkable results and initially formed a good environment that arose the concern

over green building materials by the whole society, and served a highlight and a new driving force for the development of the building materials industry.

On overseas markets, Italy and Spain are the origins of ceramic machinery, and their levels of craftmanship and design are relatively outstanding. Although they are also facing the challenges of increasing energy and raw material costs, they still maintain a steady growth trend. According to the data from MECS-Acimac, the turnover of the ceramic machinery and equipment industry in Italy in 2022 was approximately EUR 2.16 billion, representing an increase of 5.2% as compared with 2021; the export value increased to EUR 1.618 billion, representing an increase of 5% as compared with last year and accounting for 75% of the total turnover. As of December 2022, the production of the orders received by the Italian ceramic machinery industry have been scheduled to April 2023. As such, we can see there is a gradual recovering in the ceramic industry in Italy and the world, and the enthusiasm for new construction or technological transformation is also increasing.

Currently, the global ceramic machinery industry has shown a trend that the market share is concerntrated at the top leading enterprises, while there is a fragmented market share for other non top leading enterprises, and there is a stable market competition. With the further implementation of the Company's "globalization" strategy, the Company's ceramic machinery business continued to make efforts to catch up， whilethe overall market size is second to Italian competitors, and its comprehensive strength ranks first in Asia and second in the world.

(2) Overseas Building Materials Market

In recent years, the huge demographic dividend and urbanization in Africa have accelerated the development of the building materials industry in Africa. The economic development has limited the per capita consumption of building materials such as ceramic tiles, sanitary ware and architectural glass in Africa to a level lower than the global average, and it mainly relies on imports and lacks local production capacity. The contradiction between the rapidly growing demand for building materials and the lack of local building materials manufacturing capacity has become increasingly prominent, and Africa has become one of the major regions for the import of building materials products in the world. With the support of China's "Going Out" initiative, the potential of the African consumer market and the abundant local mineral resources, more and more Chinese enterprises have invested in African markets and setting up their plants there, expanding the local market in Africa and continuously exporting building materials and products to surrounding countries as well.

At present, Africa is still in the early stage of development, the infrastructure investment and real estate consumption are in the introduction stage. According to statistics from the relevant research reports on the ceramic industry, the per capita ceramic usage area in Africa is approximately 0.9 m^2, representing a large difference compared to the world's per capita consumption level of 2.1 m^2. With a conservative assumption that the per capita tile consumption in Africa will increase to 1.3 m^2 in 2025, the annual consumption of tile in Africa is expected to increase to 2 billionsquare meters. According to the relevant market research reports on sanitary ware, the annual consumption of sanitary ware in Ghana, Kenya and surrounding countries in 2021 was approximately 4.3988 millionpieces, and there are only few sanitary ware manufacturers, in which their production volume could only satisfied less than a quarter of the demand, resulting in a large difference berween supply and demand. Therefore, the Company's expansion and establishment of sanitary ware and glass production lines is beneficial to achieving a state of substituting imported goods and to be forerunner in capturing market opportunities.

Against this backdrop, the Company's subsidiaries in Africa seized the market opportunities and actively making arrangements, in order to rapidly increase the market share of thebuilding ceramics business, and achieve the stable growth for this business. The Company's original building ceramics business has been expanded into the building materials business in Africa, and from the perspective of product strategy the "ceramic + sanitary ware + glass" structure is built. While continuously improving the layout in the African ceramics industry, the Company also planned to promote the formation of projects for other categories, and we have made appropriate expansion on our development area, which is expanded from Africa to South America and Asia markets, and we implemented the important deployment of "overseas large building materials group" to achieve the sustainable development of the building materials business in Africa.

(3) Lithium-ion battery materials and machinery market

Under the global macro background of carbon peak and carbon neutrality, there are unprecedented development opportunities ahead for the new energy battery industry, an important part of the green industry. In 2022, China issued a series of documents such as the "Implementation Plan for the Development of New Energy Storage Under 14th Five-Year Plan", the "Implementation Plan for Supporting Carbon Peak Emissions and Carbon Neutrality Through Science and Technology (2022-2030)" and the "Announcement on Continuing the Policy of Exemption from Vehicle Purchase Tax for New Energy Vehicles", providing a favourable policy environment for the development of new energy and energy storage industry. According to statistics from the Electronic Information Division of the Ministry of Industry and Information Technology of China, with the accelerated popularization of lithium-ion batteries in the field of new energy vehicles, wind and solar energy storage, communication energy storage and other energy storage fields, and with a period of growth ahead, the installed capacity of new energy vehicle power batteries in China in 2022 is approximately 295GWh, and the cumulative installed capacity of energy storage lithium-ion batteries has increased by more than 130%; national lithium-ion battery exports totaled RMB 34.265 billion, representing a year-on-year increase of 86.7%; According to industry standard announcements on enterprise information, and the calculation and statistics of the Research Institute, The production volume of anode materials and cathode materials were approximately 1.85 million tonnes and 1.4 milliontonnes, respectively, representing a year-on-year increase of over 60%. According to statistics from the Lithium Industry Branch of the China Nonferrous Metals Industry Association, China's lithium carbonate production volume will be 0.395 million tonnes in 2022, representing a year-on-year increase of approximately 32.5%.

China's new energy vehicle and lithium-ion battery energy storage markets are highly inter-related, driving the growth in the demand of lithium-ion battery materials as well as the increase and expansion of the lithium-ion battery material industry. According to the incomplete statistics of GGII, in 2022, the planned investment amount of the four main materials of lithium-ion battery in China exceeded RMB 500 billion and the number of expansion projects was 156, of which the total investment amount of anode materials exceeded RMB 160 billion, representing a year-on-year increase of over 200%. In terms of price, the price of artificial graphite showed a trend of "rise first and fall later" in 2021, with the price of graphite dropped due to the increase of supply in the third quarter. The annual average selling price remained at a better level than that in the previous years.

The rapid development of emerging industries represented by new energy vehicles and energy storage, leads to an increase in demand for lithium-ion battery products such as anode materials and lithium carbonate, providing huge market space and development opportunities for the upstream and downstream industries. During the Reporting Period, the Company

continued to pay attention to the lithium-ion battery materials market, improved the integrated layout of anode materials, supported the technological transformation and production upgrading of Lanke Lithium Industry, and strategically launched the comprehensive adaptation application of core mechanical equipment in the lithium-ion battery industry based on its manufacturing advantages, focusing on the commencement of lithium-ion battery machinerybusiness. In the future, the Company will continue to improve the business layout of lithium-ion battery materials andmachinery, and strengthen its core competitiveness and profitability.

III.Main Operations during the Reporting Period

The Company business mainly covers the production and sales of building ceramic machinery, overseas building materials, lithium-ion battery materials andmachinery, and having a strategic investment in the lithium-ion battery business with Lanke Lithium Industry as the main entity.

(1) Ceramic machinery business

1. Business and product description: The building materials machinery business of the Company mainly focuses on building ceramic machinery. The core products includepress, kilns, grinding equipment, etc., mainly providing manufacturing equipment for the production of tiles for downstream building ceramic manufacturers. In recent years, the Company also provided ancillary services such as accessories and consumables, equipment maintenance and transformation, and digital upgrading for downstream ceramic manufacturers, based on our development concept that centre around services.

Our traditional and dominant ceramic machinery business is further developed, and we serve it as a foundation to actively explored the cross-industry/field application of mechanical equipment. At present, the application of the Company’s press has been extended to the fields of cookware pressing production, wheel pressing and forming, metal forging, aluminium extrusion machine and other industries. The kiln equipment has been applied to the refractory materials and lithium-ion battery industries.

2. Product market position and competitive advantages:

(1) Brand advantages: Keda Group is the largest in Asia and the second largest supplier of building ceramic machinery in the world. Starting from ceramic machinery, it has achieved the historical goals of "localising ceramics machinery" and "becoming a world leader in the building materials machinery industry" growing into a leader in the ceramics machinery industry in China and the world. It has three well-known brands, namely “KEDA”,

"HLT/DLT" and "Welko", and has a better brand power in the building ceramic machinery market.

(2) Advantage on supplying ancillary services: At present, the Company is the only company in Asia that has the capacity to produce and supply the whole building ceramic plant. With the in-depth expansion of the Company's "globalization" strategy, the Company set up subsidiaries in India, Turkey and Italy, with business covering more than 60 countries and regions such as India, Bangladesh, Pakistan, Southeast Asia, Africa, Europe, South and North America, and has better global supply and service capabilities.

(3) Advantages in product structure: By leveraging on the technology and craftsmanship of subsidiaries in China and Italy,, the Company has gradually improved its product structure, which can meet the needs of customers in different markets and have better product supporting capabilities.

3. Business model: The Company's building ceramic machinery business has 10 production and manufacturing bases in Foshan, China and Italy, and the products are sold domestically and to overseas regions. Through domestic direct sales and the sales models such as "direct sales + agency" and "setting up plant under joint venture + whole line of sales" in foreign regions, and adopting the production and operation model of "sales-oriented production", our own financial leasing companies can provide ancillary financial services. At the same time, through its subsidiaries in Turkey and India, the Company provides spare parts, consumables and maintenance and transformation services domestically and to surrounding countries, in order to respond to the needs of overseas customers in a timely manner.

For developing countries with relatively mature development in the building materials industry, the Company has set up subsidiaries to carry out localised operations, services such as the supply of accessories, consumables and maintenance are brought forward to such subsidiaries thus rising the overall marginal contribution; for overseas high-end markets such as Europe and the U.S., through means such as acquisition, the Company promoted its core products to the high-end market by leveraging the channels of high-end brands. Through the setting up of plants for the production of samples, a whole line investment that possesses ultra-high cost effectiveness, and the subsequent accessories maintenance services solution, the influence of the Company's ceramic machinery in Europe and U.S. markets is enhanced, and thus exploring the sales growth market.

4. Major performance drivers: For the domestic ceramic machinery business, the main considerations for the Company to launch businesses are the equipment demand brought by the iteration of new end products in the domestic downstream ceramic tile industry, and the existing demand for green and intelligent upgrading of the production lines of ceramic plants. In 2022, affected by the downstream real estate market, the domestic ceramic machinery business experienced a year-on-year decline. Driven by the incremental demand from the urbanization development in a large number of overseas countries, orders from overseas ceramic machinery industry accounted for more than 55% of the Company's orders for the first time, among which developing countries and regions such as Southeast Asia, Middle East and Africa have brought good support.

(2) Overseas Building Materials Business

1. Business and Product Description: Since 2016, in line with the national "Going Out" initiative and the development strategy of "International Cooperation on Production Capacity", the Company has seized the market opportunities arising from the relatively backward economy in developing countries and the urgent need for improvement in

infrastructure construction, and actively extended its business to the downstream building ceramics field in Africa, an overseas emerging market. Based on the good operation results of the building ceramics projects from previous stages, as well as the urbanization progress and demographic dividend in Africa, the Company is currently positioned as a large building materials group in Africa. On the foundation of production and sales of building ceramics in Africa, the Company is gradually establishing and planning projects in other building materials industries such as sanitary ware and building glass.

As of 2022, the Company and its strategic partners have established and operated six ceramic plants in five countries in Africa, namely Kenya, Ghana, Tanzania, Senegal and Zambia. In 2022, the annual production volume of building ceramics amounted to 0.123 billion m^2, and such building ceramics are exported to a number of countries such as Uganda, Rwanda, Malawi in East Africa and Togo, Benin, Burkina Faso and Cote d' Ivoire in West Africa. During the Reporting Period, the Company commenced the second phase of the Building Ceramic Production Project in Senegeal, the fifth phase of the Building Ceramic Production Project in Ghana, the second phase of the Building Ceramic Production Project in Zambia and the first phase of the Building Ceramic Production Project in Cameroon. While expanding the production capacity of building ceramics, the Company timely expanded its product categories. During the Reporting Period, the Company initiated the formation of the Kisumu sanitary ware project in Kenya and the sanitary ware project in Ghana, and the buildingbuilding glass project in Tanzania is in preparation stage. In the future, the Company will set up its production lines centre around the "big building materials" strategy, and strategically expand the region to the Middle East, Asia, South America and other regions.

Production Line of Overseas Building Materials Business of Keda Group			
Category	Country	Production volume in 2022 (billion m2)	Capacity utilisation rate
Building Ceramics Business	Kenya	0.287	121%
	Ghana	0.467	106%
	Tanzania	0.137	117%
	Senegal	0.238	149%
	Zambia	0.102	108%
	Cameroon	In preparation	-
	Cote d' Ivoire	In preparation	-
	total	1.231	118%
Sanitary Ware Business	Kenya	In preparation	-
	Ghana		
	total		
Glass Business	Tanzania		

2. Product market position and competitive advantages: As the companion of urbanization in Africa, the Company has become a leading supplier of building ceramics in Africa.

(1) Advantages in ceramic manufacturing: The building ceramics production line of the joint venture in Africa is provided by the Company. Keda Group has 30 years of experience and technology in the production and manufacturing of ceramic machinery, and is able to provide ceramic machinery products and building ceramics manufacturing craftmanship that suit the specific region.

(2) Extensive channel advantages: Sunda Group, the strategic partner of the Company's overseas building materials business, is one of the earliest international trading enterprises in China entering into overseas markets such as Africa and South America. It has been ranked among the top 100 enterprises exporting goods to Africa for many years and has a complete industrial chain in many countries and regions in Africa. Therefore, the joint venture project in Africa can obtain lower raw material costs and quickly build sales channels in the early stage of project operation by leveraging on the advantages of channels.

(3) Capital cost advantage: as building materials industry is a capital-intensive industry, both the Company and Sunda Group possess better financial resources and can provide funds and creditability support for new projects. The Company's overseas building materials business has reached a certain scale, and since 2020 it has been able to utilizing the local surplus funds to invest in new projects gradually. At the same time, in recognition of the Company's overseas building materials business, IFC, a financial institution under the World Bank, signed a long-term loan agreement with the Company in 2020 to provide a 7-year low-interest loan for projects in Africa. Compared with high-interest rate bank loans in Africa, our overseas buildingbuilding materials business has a better advantage in capital and financial costs.

3. Business model: The Company and the strategic partner, Sunda Group, set up a joint venture to carry out the building materials business in Africa, of which 51% of the joint venture is held by Keda Group, and 49% is held by Sunda Group. The two parties jointly deployed the production capacity to the eastern and western African countries and the key countries in central and southern Africa, jointly set up factories and operate ceramics, sanitary ware and building glass businesses, which then form a "China Modal" building material production model with small investment, large production volume, low cost and high return. Through the extensive marketing network of the joint venture, it will gradually replace the market share originally possessed by imported tiles, sanitary ware and building glass in African countries, and it is planned to form an extensive coverage of the building material market in the region south of the Sahara Desert.

4. Major performance drivers: The Company's overseas building materials business is expected to cover the building materials demand of the population living in the region south of the Sahara Desert through the layout along the eastern, western and southern Africa. With a population of over 1 billion people, the production capacity in building ceramics in Africa was very limited around 2015, and the corresponding demand was mainly satisfied by tiles imported from China, India and other countries. According to the data from MECS/Acimac Research Centre, by 2021, the production capacity of building ceramics in Africa is 888 million square meters, and the demand is 1,148 million square meters. Compared with the current production volume of more than 7 billion square meters of tiles in China, Africa is still a sales growth market, and the growth potential of tile production volume and consumer demand are relatively large. In 2022, the revenue of the Company's overseas building materials business increased by 40.09%, mainly due to the release of new production capacity, and the change in performance is in line with the development of local industries.

(3) Lithium-ion battery materials and equipment

1. Business and product description: In 2015, the Company started to enter the field of anode materials for lithium batteries, mainly engaged in the processing of graphitization, as well as the research and development, production and sales of anodeproducts such as artificial graphite and new anode material, which are used in lithium-ion batteries.

The operating main entities of the Company's lithium-ion battery materials business are Fujian Keda New Energy and Anhui New Materials, and mainly focus on the application of energy storage batteries. At present, the Company has build an integrated industrial chain layout of "calcined coke - graphitisation - artificial graphite - new anode material. In 2022, the first-phase project of Fujian Keda New Energy is completed, together with the production situation of the Company's Anhui Dangtu factory, the Company will have a production capacity of 40,000 tonnes/year for graphitization processing, 20,000 tonnes/year for artificial graphite products and 1000 tonnes/year new anode material by thentonnestonnestonnes Meanwhile, Fujian Keda New Energy Phase II and Chongqing Phase III, which in aggregate has 100,000 tonnes of artificial graphite production capacity, are under construction. With the release of production capacity in the future, the performance will gradually increase.

In 2017, based on the existing anode materials related business, the Company invested in Lanke Lithium Industry to enter lithium carbonate deep processing and trade related business. In June 2022, the 20,000 tonnes/year battery-grade lithium carbonate project of Lanke Lithium Industry was completed, with output of 10,000+20,000 tonnes of lithium carbonate, and is an important force for lithium extraction in China's salt lake. In 2022, Lanke Lithium Industry achieved a lithium carbonate production volume of 31,000 tonnes and a sales volume of 30,300 tonnes. With the increase in both production and sales volume, it achieved better benefits during the Reporting Period. In addition, during the Reporting Period, the Company began the adaptability applications of core equipment in lithium-ion battery industry, with its focus on the research and development of lithium-ion battery recycling equipment, which is currently under testing.

2. Product market position and competitive advantages: At present, the Company's lithium-ion battery materials and machinery business is in the growing stage. In terms of anode materials, relying on deeply rooted experience in equipment manufacturing,, the Company continuously optimises anode materials products, allowing them to possess certain advantages such as low cost, good performance and stable quality; at the same time, the close proximity of the Company's factory to its downstream customers provides suitable ancillary service on production capacity to the customers and timely feedback and adjustment, thus providing technical support services for customers in a better way; through equity connections with some of our core customers, the Company is also able to establish closer and highly efficient relationships with our customers. On the lithium-ion battery materials machinery business, a cross fields application for the sintering equipment of the ceramic machinery is possible, which can be applied to the production and manufacturing process of the lithium-ion battery materials industry. Leveraging on the Company's 30 years of research and development technology and experience in ceramic machinery equipment, the Company has a good R&D and manufacturing advantage at the initial stage of the development of relevant equipment in China.

3. Business model: At present, the production and manufacture of the Company's lithium-ion battery materials and machinerybusiness are carried out in China, and facing the domestic market. Among them, the anode materials business mainly adopts the research, production and marketing coordination mechanism which is sales-oriented, protection with R&D and quality, and supported by technology, and adopts the business model based on sales determining production, and generally purchases from qualified suppliers through price comparison; the business model of the machinery business is consistent with that of the building ceramic machinery business.

4. Major performance drivers: The Company's anode materials focus on the mid-to-high-end sectors and are mainly applied in the downstream energy storage battery sector. Against the backdrop of the current boom in the new energy industry and energy storage industry, the

Company, based on its own core equipment, brought process optimisation and cost reduction. At the same time, the Company built an industrial ecosystem, actively introduced industrial investors, strengthened mutual stickiness and business synergy, and expanded production and product iterations relying on the business planning of downstream customers and its own experience and technology accumulation. At the same time, the development of the new energy industry has brought about increasing demand for related lithium-ion battery materials, which also drives the demand for middle-stream manufacturing equipment.

IV.ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD

√Applicable □Not Applicable

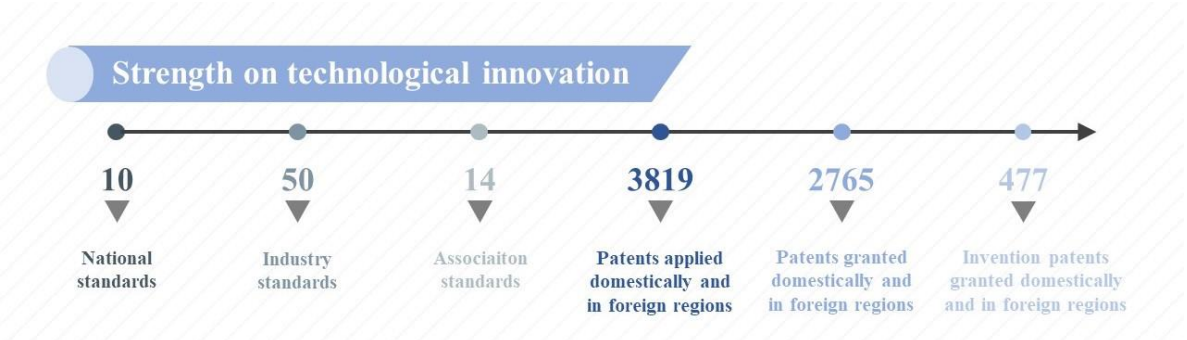
In order to adapt to the complex and ever-changing market environment and meet the requirements of the era of high-quality development, the Company actively implements the major national strategy of building a strong country of manufacturing, unswervingly implements the new development concept, continuously strengthens its core competitiveness, and create a new chapter of high-quality development.

(1) Adhere to innovation and development, cultivate R&D advantages, and create a protection for its technology

Innovation is the primary driving force for high-quality development of the manufacturing industry. Since its establishment, with the core business philosophy of " innovation is never-ending ", KEDA Group adheres to the path of "promoting business prosperity through technological progress", practices the development strategy of "leading products and technology",, attaches great importance to the technologies with forward-looking and sustainability, as well as the research and development. Innovation has always been the most important core competitiveness of the Company.

As an industry leader, the Company has built a multi-level R&D and industry-academic-research cooperation platform to give full play to the driving role of R&D in improving product competitiveness. At the same time, the Company attaches great importance to the protection of technology and patents, and actively participates in the formulation of national

and industry standards. It has won the China Patent Excellence Award, the Guangdong Intellectual Property Pilot Unit, the Guangdong Intellectual Property Protection Key Enterprise, the National Enterprise Intellectual Property Pilot Unit, the National Intellectual Property Demonstration Enterprise and other honours, and was selected into the "2022 Foshan Equipment Manufacturing Enterprises Patent Wealth List" by the Foshan Intellectual Property Association.



During the reporting period, with its strong innovation strength and the increased effort in intelligent manufacturing layout, the Company and its subsidiaries won a number of awards. DLT was recognised as the "2022 Guangdong Intellectual Property Demonstration Enterprise", Anhui New Materials was recognised as the "2022 Maanshan Intelligent Factory", and Anhui New Materials' "Anhui High-performance New Energy Battery Anode Material Engineering Research Centre" has passed the 2022 Acceptance and Recognition of Anhui Engineering Research Center by the Anhui Provincial Development and Reform Commission. It is the first battery cathode material engineering research centre in Anhui Province; HLT's "A dynamic speed-controlling beam for oil circuit structure of hydraulic press" won the China Patent Excellence Award. The "R&D and Industrialization of Intelligent Key Technology of Building Ceramic Polishing Line" project independently developed by Keda Group won the first prize of the 2022 Guangdong Mechanical Engineering Society/Guangdong Machinery Industry Science and Technology Award, and the "R&D and Industrialization of Tile Intelligent Storage and Transportation System" project won the second prize.

The processing project of Keda Ceramics Machinery won the second prize of Foshan High and New Technology Advancement Prize

Keda Group won the "Top 10 Intelligent Manufacturing" at The China Ceramic Brand Conference"

HLT was awarded The China Outstanding Patent Award

Project of KEDA Foshan Industrial won the second prize of Foshan High and New Technology Advancement Prize

HLT won "2022 China Ceramic and Technology Innovation Enterprise" at The China Ceramic Brand Conference

HLT's LT6800 automatic hydraulic press won "Gold Award of Annual Product"

Technology project of DLT won the third prize of Foshan High and New Technology Advancement Prize

The full set of roll forming equipment of Keda won the "Annual Product Award - Excellent Product of Machinery and Chemical Engineering"

DLT's carboneutral high efficiency and energy conservation double-layer sintered stone plates kiln won the "Gold Award of Annual Product"

(2) Adhering to green development, creating energy efficiency advantages, and helping the industry to save energy and reduce carbon emissions

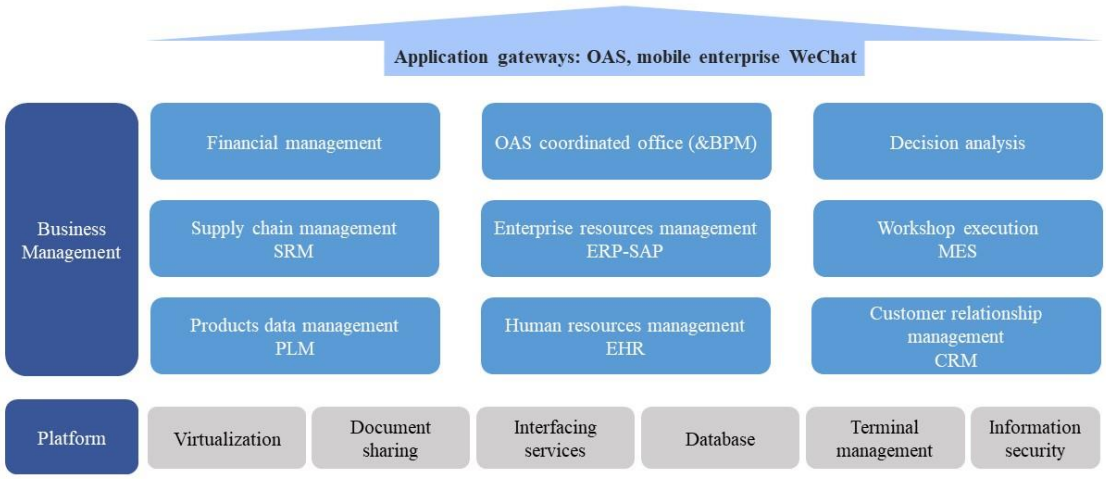
The concept of green is the common thinking of high-quality development that deeply-embedded in the manufacturing industry. In line with the development trend of green and low-carbon, the Company takes energy conservation and consumption reduction, efficiency improvement and intelligent control as the main direction of innovation, innovates the concept of low-carbon, energy conservation, green and environmental protection and integrates it into process development, leads green development with green technology innovation, and facilitates the energy conservation and carbon reduction transformation and upgrading of the building ceramics industry.

During the Reporting Period, the full set of automatic raw material preparation system developed by HLT was successfully commissioned. ConTinuB continuous pulp production system solved the technical problems such as low production volume, high energy consumption and large pollution of ball mills; The FaST series powder producing system at spray tower is equipped with a number of patented technologies such as high-efficiency and energy-saving temperature control system and multi-point chain control, which can effectively improve the precision of temperature control, saving a large quantity of electric power, greatly reduce the discharge of useful powder materials, and increase the harvest rate of mud powder by 2-3%, which is in line with the industry consensus of energy conservation and consumption reduction, quality and quantity improvement and staff reduction and efficiency enhancement. At the same time, the Joint Innovation and Research Centre for Advanced Zero Carbon Emission Technology jointly founded by one of our subsidiaries DLT successfully launched the world's first green manufacture tiles fired with zero-carbon ammonia fuel in December 2022, successfully controlling nitrogen oxide emissions within the national standards, reducing carbon emissions to zero during the tile firing process, and the performance of finished tiles was higher than the national standards. The innovation achievements from this project have applied for more than 30 national patents. In the future, the R&D Centre will continue to focus on the key technology of zero-carbon combustion in ceramic kilns. The application achievements from the test production would be further expand to the actual application of large-scale production of the industry, we strive to achieve continuously breakthrough and optimisation on new technologies capable for large-scale production, achieve the goal of “dual carbon” for the building ceramics industry and even the building materials industry, and continue to create a technical path first in the world from scratch.

(3) Adhere to the development of informatization, give full play to the advantages of efficiency, and implement the path of lean management

Under the background of digital transformation of the manufacturing industry, as a discrete heavy equipment manufacturing enterprise, Keda Group follows the development concept of "internal and external coordination, innovation-driven", which built a flexible and automatic production line internally, setting up a unified information management platform, and optimise the production and manufacturing management mode of the enterprise. At present, the Company has completed the application and construction of OA collaborative office, HR human resources management, PLM full life cycle management, ERP enterprise resource management, MES production management, SRM procurement management, CAD/CAE simulation design, SCADA equipment management, EMS energy management, BI business intelligence, etc. internally, which has realised the informatization and automation of core business and internal coordination to a certain extent. Externally, we are able to implement real-time online inspection and control of customer equipment energy consumption based on IoT technology, on-site data collection, process monitoring, equipment operation and

maintenance and product quality tracking, optimisation control and intensive production. Digital technology is utilized to empower the collaboration and transformation of the industrial chain, focusing on the Internet connection and interaction of the Company's main ceramic equipment, which can provide information services such as on-site data collection, online monitoring of production, energy and production volume analysis, production control optimisation, and equipment failure early warning for ceramic enterprises, and realise the strategic transformation of Keda from an equipment manufacturer to an industrial service provider providing comprehensive solutions. During the Reporting Period, the Company's "Keda Group MES System Upgrade Project", "Keda GroupPLM Upgrade Project" and "Keda Group Financial Digital Platform Construction Project" were officially commenced and launched in batches, marking the Company's informatization construction to the "deep-water zone" of corporate operation and management, and is prepared to enter the stage of "digital" transformation.



At the same time, the Company introduced the concept of lean manufacturing, actively promoted the implementation of lean work, promoted the development of production and sales coordination, lean supply chain, lean R&D and lean management, and achieved cost optimisation and strategicsynergy. Through the overall lean layout planning of the factory and the promotion of on-site 5S and visualised management, the Company realised on-site standardised operation and formed operation standards, and the production efficiency of the pilot business division increased by more than 30%; in terms of planned delivery and inventory improvement, the weekly completion rate of individual pilot business units increased to over 95%, and the production cycle was significantly shortened; numerous of elementary level employees participated in lean improvement, and more than 1,200 improvement proposals were received throughout the year, among them more than 900 proposals were valid, achieving cost reduction and efficiency improvement of more than RMB 20 million and improvement in quality, safety, environment and efficiency which are difficult to quantify. Going forward, the Company will continue to apply "lean" throughout the process of design, production and management to form a comprehensive system of lean.

(4) Adhere to globalization development, consolidate brand advantages, and demonstrate China's manufacturing to the world

As a leader in the ceramic machinery industry, the Company owns well-known brands such as KEDA, HLT/DLT and Welko. Over the years, with outstanding technical research and innovation capabilities, excellent product performance, mature sales network, stable quality and cost control capabilities and comprehensive service support, the Company has rapidly expanded its business to more than 60 countries and regions around the world and established a good reputation, accumulated a wide customer base and established an excellent brand image. During the reporting period, the Company ranked second in the global ceramic equipment and materials enterprise list by virtue of its strong comprehensive strength, and was awarded the "2022 Top 100 Global Building Materials Industry Listed Companies", "Hurun China 500 Most Valuable Private Companies 2022", "2022 ESG Excellent Enterprise", "Top 500 Guangdong Enterprises", "2022 Top 100 Guangdong Manufacturing Enterprises", "Top 100 Foshan Enterprises" and "Guangdong Excellent Service and Trade Case". With the Company's continuous efforts in the European and American markets, the Company's global advantage in ceramic machinery will continue to be strengthened.

On overseas building materials business front, under the new historical opportunity of "Going Out" initiative, the Company seized the opportunity of urbanization in Africa and extended its business in Africa to the downstream building ceramics business. At present, the Company's ceramic brand "Twyford" has become a well-known brand in Africa. During the Reporting Period, the Company's African ceramic business ranked 26th among the top 30 global ceramic enterprises on the "Top 100 World Ceramic Sanitary Ware Statistics". On lithium-ion battery materials front, the Company has established a relatively mature sales network, a good brand reputation and a stable customer relationship based on the better-quality supply, production capacity improvement and new business region layout. The Company has also further strengthened customer loyalty through equity relations, reached equity cooperation with industry leaders and upstream and downstream companies along the industry chain, strengthened upstream and downstream cooperation, and built an industry ecosystem.

At the same time, with the in-depth development of the Company's globalization strategy, in order to expand overseas financing channels, promote the diversification of shareholder structure, and enhance the brand influence in the international market, since the CSRC issued the new GDR regulations in February 2022, the Company has actively responded to the call for interconnection, successfully completed the issuance of GDR and was listed on the SIX Swiss Exchange on July 28, becoming one of the first Chinese enterprises listed on the Swiss capital market under the "China-Swiss Connect" mechanism, which demonstrated the recognition of international capital for the Company, marking the beginning of a new chapter of the Company's globalization process.

V. Main Operations During the Reporting Period

During the reporting period, the Company realized operating revenue of RMB 1,115,719.66 ten thousands, a year-on-year increase of 13.89%, of which, an overseas income of RMB 620,008.96 ten thousand, a year-on-year increase of 34.31%; realized a net profit of RMB

520,219.25 ten thousand, a year-on-year increase of 255.58%; a net profit of RMB 425,093.18 ten thousand attributable to the listed company, a year-on-year increase of 322.66%; and a net profit of RMB 421,286.85ten thousand attributable to the shareholders of the listed company after deducting non-recurring profit and loss, a year-on-year increase of 342.46%.

(I) Main business analysis

1. Analysis statement of changes in the subjects related to the income statement and cash flow statement

Unit: Ten Thousand Yuan
Currency: RMB

Subject	Balance of the current period	Balance of the same period in the previous year	Proportion of change (%)
Operating revenue	1,115,719.66	979,667.97	13.89
Operating expenses	787,159.01	725,242.07	8.54
Selling expenses	55,241.71	50,747.16	8.86
Administration expenses	79,683.21	64,727.76	23.11
R&D expenses	32,613.97	30,163.80	8.12
Financial expenses	5,249.28	9,699.96	-45.88
Net cash flows from operating activities	99,741.06	128,761.70	-22.54
Net cash flow generated from investing activities	78,598.81	-118,277.61	166.45
Net cash flow generated from financing activities	21,504.55	38,949.72	-44.79

Explanation of reasons for changes in operating revenue: Finance costs decreased by 45.88% in the current period as compared with the corresponding period of the previous year, which is mainly due to the increase in the Company's exchange gains and interest income for the current period.

Explanation of reasons for the change in net cash amount from investment activities: The net cash flow from investing activities in the current period increased by 166.45% as compared with the corresponding period of the previous year, which is mainly due to the dividends for this period received from Lanke Lithium Industry, an associated company of the Company.

Reasons for changes in net cash flow from financing activities: the net cash flow from financing activities in the current period decreased by 44.79% as compared with the corresponding period of previous year, which is mainly due to the Company's repayment of bank loans and the cash paid for repurchase of shares in the current period.

Detailed information on the major changes in the Company's business category, profit composition or profit source in the current period

□Applicable √Not applicable

2. Income and cost analysis

√Applicable □Not applicable

In 2022, the Company realized operating revenue of RMB 1,115,719.66 ten thousand, a year-on-year increase of 13.89%. Among which, the main business income was RMB1,114,738.58 ten thousand, a year-on-year increase of 13.95%, and the main business cost was RMB 786,563.05 ten thousand, a year-on-year increase of 8.58%.

(1) Description of main business by industry, product, region and sales model

Unit: Ten Thousand Yuan
Currency: RMB

Main business by industry						
By industry	Operating revenue	Operating expenses	Gross profit margin (%)	Increase or decrease in operating revenue over the previous year (%)	Increase or decrease in operating expenses over the previous year (%)	Increase or decrease in gross profit margin over the previous year (%)
Machinery industry	569,831.22	421,614.39	26.01	-3.34	-9.89	Increaseby 5.37%
Building ceramics industry	327,570.89	185,636.83	43.33	39.69	44.90	Decrease by 2.04%
Lithium-ion battery material industry	120,951.42	101,044.78	16.46	179.89	175.61	Increase by 1.30%
Clean energy industry	69,606.90	61,917.93	11.05	-16.81	-16.89	Increase by 0.08%
Lease service industry	5,309.33	1,024.49	80.70	-22.54	-29.60	Increase by 1.93%
Other industries	21,468.83	15,324.63	28.62	4.67	-2.95	Increase by 5.60%
Main business by product						
By product	Operating revenue	Operating expenses	Gross profit margin (%)	Increase or decrease in operating revenue over the previous year (%)	Increase or decrease in operating expenses over the previous year (%)	Increase or decrease in gross profit margin over the previous year (%)
Building material machinery	560,767.06	414,940.55	26.00	-2.71	-9.47	Increase by 5.52%
Building ceramics	327,570.89	185,636.83	43.33	39.69	44.90	Decrease by 2.04%
Lithium-ion battery material	120,951.42	101,044.78	16.46	179.89	175.61	Increase by 1.30%
Clean and environmental protection project	69,606.90	61,917.93	11.05	-16.81	-16.89	Increase by 0.08%
Finance leases	5,309.33	1,024.49	80.70	-22.54	-29.60	Increase by 1.93%
Others	30,532.99	21,998.46	27.95	-9.23	-13.19	Increase by 3.29%
Main business by region						

By region	Operating revenue	Operating expenses	Gross profit margin (%)	Increase or decrease in operating revenue over the previous year (%)	Increase or decrease in operating expenses over the previous year (%)	Increase or decrease in gross profit margin over the previous year (%)
Domestic	494,729.63	385,609.45	22.06	-4.25	-7.04	Increase by 2.34%
Abroad	620,008.96	400,953.60	35.33	34.31	29.51	Increase by 2.40%

Description of main business by industry, product, region and distribution model

1. During the reporting period, the building materials machinery achieved operating income of RMB 5.608 billion, which virtually matched the level of the previous year.

2. During the reporting period, building ceramics achieved operating income of RMB 3.276 billion, representing an increase of 39.69% year-on-year, which was mainly due to the impact of further release of production capacity of African subsidiaries.

3. During the reporting period, lithium-ion battery materials achieved operating income of RMB 1.210 billion, representing an increase of 179.89% year-on-year, which was mainly due to the release of the subsidiaries' anode material production capacity and the increase in the sales volume as well as price of the Company's lithium-ion materials, resulting from a significant increase in demand for lithium-ion battery materials due to the rapid development of the new energy industry.

4. During the reporting period, the operating income from clean and environmental protection projects was RMB 696 million, down 16.81% year-on-year, which was mainly due to the contraction of the Company's clean and environmental protection business.

5. During the reporting period, finance lease achieved operating income of RMB 53.0933 million, down 22.54% year-on-year, which was mainly due to the decline in the volume of the Company's finance lease business.

6. During the reporting period, other products achieved operating income of RMB 305 million, representing a decrease of 9.23% year-on-year.

(2) Analysis statement of production and sales volumes

√Applicable □Not applicable

Main products	Unit	Production volume	Sales volume	Inventory level	Increase or decrease in production volume over the previous year (%)	Increase or decrease in sales volume over the previous year (%)	Increase or decrease in inventory level over the previous year (%)
Press	Unit	400.00	402.00	92.00	-17.36	-21.48	-2.13
Polishing machine	Set	481.00	482.00	10.00	-13.64	-12.68	-9.09
Kiln	Set	173.00	174.00	4.00	15.33	18.37	-20.00

Building ceramics	Hundred million ㎡	1.23	1.20	0.14	35.16	34.83	27.27

(3) Performance of material purchase contracts and material sales contracts

□Applicable √Not applicable

(4) Cost analysis table

Unit: Ten Thousand Yuan

Classification by industry							
By industry	Cost composition item	Current amount	Proportion of current amount to total cost (%)	Amount of the same period in the previous year	Proportion of amount of the same period in the previous year to total cost (%)	Proportion of change in current amount over the same period of previous year (%)	Description
Machinery industry	Direct material	355,142.22	84.24	391,542.98	83.68	-9.30	
	Direct labor	12,495.95	2.96	16,123.76	3.45	-22.50	
	Manufacturing expenses	51,064.34	12.11	57,412.50	12.27	-11.06	
	Depreciation	2,911.88	0.69	2,798.70	0.60	4.04	
	Subtotal	421,614.39	100.00	467,877.94	100.00	-9.89	
Building ceramics industry	Direct material	123,597.46	66.58	83,663.27	65.31	47.73	
	Direct labor	7,881.43	4.25	7,466.28	5.83	5.56	
	Manufacturing expenses	33,657.85	18.13	21,915.54	17.10	53.58	
	Depreciation	20,500.09	11.04	15,065.83	11.76	36.07	
	Subtotal	185,636.83	100.00	128,110.92	100.00	44.90	
Lithium-ion battery material industry	Direct material	67,897.83	67.20	25,540.91	69.66	165.84	
	Direct labor	1,735.68	1.72	725.93	1.98	139.10	
	Manufacturing expenses	28,749.90	28.45	9,014.15	24.59	218.94	
	Depreciation	2,661.37	2.63	1,380.78	3.77	92.74	
	Subtotal	101,044.78	100.00	36,661.77	100.00	175.61	
Clean and environmental industry	Direct material	49,037.24	79.20	53,838.76	72.27	-8.92	
	Direct labor	2,075.33	3.35	2,602.88	3.49	-20.27	
	Manufacturing expenses	10,497.93	16.95	17,248.82	23.15	-39.14	
	Depreciation	307.43	0.50	808.61	1.09	-61.98	
	Subtotal	61,917.93	100.00	74,499.07	100.00	-16.89	
Lease service industry	Interest	1,024.49	100.00	1,455.23	100.00	-29.60	
Other industries	Direct material	6,277.03	40.96	7,653.31	48.47	-17.98	

	Direct labor	1,171.02	7.64	1,137.65	7.20	2.93	
	Manufacturing expenses	6,757.91	44.10	5,935.30	37.59	13.86	
	Depreciation	1,118.67	7.30	1,063.55	6.74	5.18	
	Subtotal	15,324.63	100.00	15,789.81	100.00	-2.95	
Classification by products							
By products	Cost composition item	Current amount	Proportion of current amount to total cost (%)	Amount of the same period in the previous year	Proportion of amount of the same period in the previous year to total cost (%)	Proportion of change in current amount over the same period of previous year (%)	Description
Building material machinery	Direct material	350,654.73	84.51	385,202.14	84.05	-8.97	
	Direct labor	11,904.32	2.87	15,137.56	3.30	-21.36	
	Manufacturing expenses	49,684.36	11.97	55,328.26	12.07	-10.20	
	Depreciation	2,697.14	0.65	2,659.46	0.58	1.42	
	Subtotal	414,940.55	100.00	458,327.42	100.00	-9.47	
Building ceramics	Direct material	123,597.46	66.58	83,663.27	65.30	47.73	
	Direct labor	7,881.43	4.25	7,466.28	5.83	5.56	
	Manufacturing expenses	33,657.85	18.13	21,915.54	17.11	53.58	
	Depreciation	20,500.09	11.04	15,065.83	11.76	36.07	
	Subtotal	185,636.83	100.00	128,110.92	100.00	44.90	
Lithium-ion battery material	Direct material	67,897.83	67.20	25,540.91	69.67	165.84	
	Direct labor	1,735.68	1.72	725.93	1.98	139.10	
	Manufacturing expenses	28,749.90	28.45	9,014.15	24.59	218.94	
	Depreciation	2,661.37	2.63	1,380.78	3.77	92.74	
	Subtotal	101,044.78	100.00	36,661.77	100.00	175.61	
Clean and environmental protection project	Direct material	49,037.24	79.20	53,838.76	72.27	-8.92	
	Direct labor	2,075.33	3.35	2,602.88	3.49	-20.27	
	Manufacturing expenses	10,497.93	16.95	17,248.82	23.15	-39.14	
	Depreciation	307.43	0.50	808.61	1.09	-61.98	
	Subtotal	61,917.93	100.00	74,499.07	100.00	-16.89	
Finance lease	Interest	1,024.49	100.00	1,455.23	100.00	-29.60	
Others	Direct material	10,764.51	48.93	13,994.15	55.22	-23.08	
	Direct labor	1,762.65	8.01	2,123.85	8.38	-17.01	
	Manufacturing expenses	8,137.89	36.99	8,019.54	31.65	1.48	
	Depreciation	1,333.41	6.06	1,202.79	4.75	10.86	
	Subtotal	21,998.46	100.00	25,340.33	100.00	-13.19	

(5) Changes in the scope of consolidation due to changes in equity of major subsidiaries during the Reporting Period

□Applicable √Not applicable

(6). Significant changes or adjustments in the business, products or services of the Company during the Reporting Period

□Applicable √Not applicable

(7) Description of the main customers and suppliers

A. Main customers of the Company

√Applicable □Not applicable

Sales from the top five customers was RMB 1,740,669.6 thousand, representing 15.62% of the total annual sales; of which the sales from related parties amounted to RMB581,973.8 thousand, representing 5.22% of the total annual sales.

During the reporting period, the proportion of sales to a single customer exceeded 50% of the total, and there were new customers among the top 5 customers or there was heavy reliance on a few customers

□Applicable √Not applicable

B. Main suppliers of the Company

√Applicable □Not applicable

The amount of purchases of the top five suppliers was RMB 1,734,545.9thousand, representing 17.77% of the annual purchases in total; of which the amount of purchases of related parties amounted to RMB 1,349,211.8 thousand, representing 13.83% of the total annual purchases.

During the reporting period, the proportion of purchases from a single supplier exceeded 50% of the total, and there were new suppliers among the top 5 suppliers or there was heavy reliance on a few suppliers

□Applicable √Not applicable

3. Expenses

√Applicable □Not applicable

Unit: Ten Thousand RMB Currency: RMB

Item	The current period	Corresponding period of the previous year	Change ratio (%)
Selling expenses	55,241.71	50,747.16	8.86
Administrative expenses	79,683.21	64,727.76	23.11
Finance costs	5,249.28	9,699.96	-45.88

4. R&D investment

(1) R&D investment statement

√Applicable □Not applicable

Unit: Ten Thousand Yuan

Expensed R&D investment in the current period	32,613.97
Capitalized R&D investment in the current period	
Total R&D investment	32,613.97
Proportion of total R&D investment to operating revenue (%)	2.92
Proportion of capitalized R&D investment (%)	

(2) Discriptions of R&D personnel

√Applicable □Not applicable

Number of the Company's R&D personnel	732
Proportion of number of R&D personnel to the whole personnel (%)	6.38
Academic structure of R&D personnel	
Category of academic structure	Number of people
Doctoral candidate	5
Master degree candidate	64
Bachelor degree	465
Junior college	142
High school and below	56
Age structure of R&D personnel	
Category of age structure	Number of people
Under 30 years old (excluding 30 years old)	215
30-40 years old (including 30 years old, excluding 40 years old)	295
40-50 years old (including 40 years old, excluding 50 years old)	145
50-60 years old (including 50 years old, excluding 60 years old)	67
60 years old and above	10

(3) Discriptions

□Applicable √ Not applicable

(4) Reasons for the significant changes in the composition of R&D personnel and the impact on the future development of the Company

□Applicable √Not applicable

5. Cash flow

√Applicable □Not applicable

Unit: Ten Thousand Yuan

Currency: RMB

Item	2022	2021	Increase or decrease in amount	Increase or decrease (%)
Tax refunds received	39,472.99	26,778.79	12,694.20	47.40
Taxes paid	52,444.58	33,500.91	18,943.67	56.55
Cash received from the recovery of investments	822.00	1,469.86	-647.86	-44.08
Cash received from the investments income	296,800.85	866.43	295,934.42	34155.49
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	8,150.93	2,660.72	5,490.21	206.34
Other cash received from investing activities	51,595.08	88,514.12	-36,919.04	-41.71
Cash paid for the acquisition of fixed assets, intangible assets and other long-term investments	99,344.20	54,865.76	44,478.44	81.07
Cash paid for investments	15,000.00	30,116.56	-15,116.56	-50.19
Net cash paid for acquisition of a subsidiary and other operating units		37,500.00	-37,500.00	-100.00
Other cash paid in connection with investing activities	168,091.31	94,472.74	73,618.57	77.93
Cash received from absorption of investments	131,932.67	15,964.00	115,968.67	726.44
Cash paid for debt repayment	266,084.02	194,197.18	71,886.84	37.02
Other cash paid in connection with financing activities	90,761.60	37,651.67	53,109.93	141.06

(1) The tax refund received increased by 47.40% as compared with the corresponding period of last year, which was mainly due to the increase in the VAT refund and export tax refund received by the Company during the period.

(2) Taxes paid increased by 56.55% compared with the corresponding period of last year, which was mainly due to the increase in income tax and value-added tax paid by the Company during the period.

(3) Cash received from disposal of investments decreased by 44.08% as compared with the corresponding period of last year, which was mainly due to the cash received from disposal of an associated company, Derui Investment, by the Company in the corresponding period of last year.

(4) Cash received from investment income increased by 34,155.49% as compared with the corresponding period of last year, which was mainly due to the dividends received from Lanke Lithium Industry, an associated company of the Company, during the period.

(5) Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets increased by 206.34% as compared with the corresponding period of last year, which was mainly due to the cash received from disposal of fixed assets by Shenyang Keda Clean Energy, a subsidiary, during the period.

(6) Cash received relating to other investing activities decreased by 41.71% as compared with the corresponding period of last year, which was mainly due to more wealth management products redeemed by the Company in the corresponding period of last year.

(7) The amount of cash paid for the purchase and construction of fixed assets, intangible assets and other long-term investments increased by 81.07% as compared with the corresponding period of last year, which was mainly due to the large amount of construction payments made by subsidiaries such as Keda Kisumu and Keda Ghana, Fujian Keda New Energy and HLT Technology.

(8) Cash paid for investment decreased by 50.19% as compared with the corresponding period of last year, which was mainly due to the Company's capital increase inLanke Lithium Industry in the corresponding period of last year.

(9) Net cash paid for acquisition of a subsidiary and other operating units decreased by 100.00% as compared with the corresponding period of last year, which was mainly due to the increase in net cash paid for acquisition of 100.00% equity interest in Foshan Keda Equipment, a subsidiary of the Company, in the corresponding period of last year.

(10) Cash paid relating to other investing activities increased by 77.93% as compared with the corresponding period of last year, which was mainly due to more wealth management products purchased by the Company during the period.

(11) Cash received from capital absorption increased by 726.44% as compared with the corresponding period of last year, which was mainly due to the funds raised from the issuance of GDRs by the Company during the period.

(12) Cash paid for debt repayment increased by 37.02% as compared with the corresponding period of last year, which was mainly due to more loans repaid by the Company during the period.

(13) Cash paid relating to other financing activities increased by 141.06% as compared with the corresponding period of last year, which was mainly due to the cash paid by the Company for repurchase of shares during the period.

(II) Description of significant changes in profit due to non-main business

□ Applicable √Not applicable

(III) 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 of amount at the end of current period to total assets (%)	Amount at the end of previous period	Proportion of amount at the end of previous period to total assets (%)	Proportion of change in amount at the end of current period compared with that at the end of previous period (%)	Description

Monetary funds	479,681.34	22.68	196,065.88	12.16	144.65	
Financial assets held for trading	39,796.24	1.88	5,823.40	0.36	583.38	
Notes receivable	7,504.74	0.35	1,798.07	0.11	317.38	
Accounts receivable	159,100.98	7.52	144,153.18	8.94	10.37	
Receivables financing	26,615.45	1.26	23,037.61	1.43	15.53	
Advanced payments	27,232.27	1.29	26,096.07	1.62	4.35	
Other receivables	11,395.88	0.54	10,798.10	0.67	5.54	
Inventories	324,167.43	15.33	326,244.54	20.23	-0.64	
Contract assets	38,170.52	1.80	35,499.99	2.20	7.52	
Non-current assets due within one year	43,236.00	2.04	64,116.71	3.98	-32.57	
Other current assets	33,706.54	1.59	17,214.89	1.07	95.80	
Right-of-use assets	821.38	0.04	1,026.73	0.06	-20.00	
Other non-current financial assets	500.00	0.02	500.00	0.03	-	
Long-term receivables	25,916.48	1.23	19,296.41	1.20	34.31	
Long-term equity investments	311,916.32	14.75	209,219.88	12.98	49.09	
Other equity instrument investments	591.74	0.03	858.46	0.05	-31.07	
Fixed assets	313,098.27	14.80	293,673.96	18.21	6.61	
Construction in progress	67,629.82	3.20	30,190.35	1.87	124.01	
Intangible assets	86,717.96	4.10	87,064.90	5.40	-0.40	
Goodwill	91,322.92	4.32	96,710.27	6.00	-5.57	
Long-term deferred expenses	1,541.68	0.07	1,557.75	0.10	-1.03	
Deferred tax assets	20,120.77	0.95	17,484.11	1.08	15.08	
Other non-current assets	4,457.60	0.21	3,903.17	0.24	14.20	
Total assets	2,115,242.31	100.00	1,612,334.43	100.00	31.19	
Short-term loans	100,632.02	12.87	91,164.89	11.22	10.38	
Financial liabilities held for trading			213.94	0.03	-100.00	
Notes payable	68,551.63	8.77	74,518.30	9.17	-8.01	
Accounts payable	152,923.83	19.55	191,135.59	23.52	-19.99	
Contract liabilities	157,015.75	20.08	174,350.20	21.45	-9.94	
Payroll payable	22,353.49	2.86	18,480.67	2.27	20.96	
Taxes payable	12,761.24	1.63	9,504.31	1.17	34.27	
Other payables	18,029.87	2.31	13,570.72	1.67	32.86	
Non-current liabilities due within one year	56,950.73	7.28	51,062.39	6.28	11.53	
Other current liabilities	13,749.25	1.76	14,907.96	1.83	-7.77	
Long-term loans	149,015.38	19.05	153,479.86	18.88	-2.91	

Lease liabilities	858.93	0.11	1,049.82	0.13	-18.18	
Estimated liabilities	18,869.97	2.41	9,965.25	1.23	89.36	
Deferred revenue	4,497.02	0.58	1,040.00	0.13	332.41	
Deferred tax liabilities	1,368.31	0.18	1,547.97	0.19	-11.61	
Other non-current liabilities	4,488.35	0.56	6,803.93	0.84	-34.03	
Total liabilities	782,065.76	100.00	812,795.82	100.00	-3.78	

Further descriptions

(1) Monetary funds at the end of the period increased by 144.65% as compared with the end of the previous year, which was mainly due to the dividends received from Lanke Lithium Industry, and the proceeds received from the issuance of GDRs during the period.

(2) Financial assets held for trading at the end of the period increased by 583.38% as compared with the end of last year, which was mainly due to more wealth management products held by the Company during the period.

(3) The closing balance of notes receivable for the period increased by 317.38% as compared with the closing balance of last year, which was mainly due to the increase in undue bank acceptance bills held by the Company during the period.

(4) The closing balance of non-current assets due within one year decreased by 32.57% as compared with the closing balance of last year, which was mainly due to the decrease in financial leasing business of the Company during the period.

(5) The closing balance of other current assets increased by 95.80% as compared with the closing balance of last year, which was mainly due to the fact that the Company purchased more wealth management products measured at amortised cost and the input value-added tax to be deducted in the current period.

(6) Long-term equity investments at the end of the period increased by 49.09% as compared with the end of the previous year, which was mainly due to the investment income recognised by the Company from Lanke Lithium Industryduring the period.

(7) The closing balance of other equity instrument investments decreased by 31.07% as compared with the closing balance of last year, which was mainly due to the fair value change of the Company’s other equity instrument investments during the period.

(8) The closing balance of construction in progress increased by 124.01% as compared with the closing balance of last year, which was mainly due to the investment in construction in progress of Keda Senegal, Keda Ghana and Fujian Keda.

(9) The closing balance of financial liabilities held for trading decreased by 100.00% as compared with the closing balance of last year, which was mainly due to the change in fair value of futures contracts during the period.

(10) The closing balance of taxes payable increased by 34.27% as compared with the closing balance of last year, which was mainly due to the increase in income tax expenses as a result of profit growth of the Company for the period.

(11) The balance of the estimated liabilities at the end of the period increased by 89.36% as compared with the balance at the end of last year, which was mainly due to the provision for litigation estimated liabilities of the Company in the period according to the Civil Judgement ((2021) Yue 06 Min Chu No. 119) issued by the Intermediate People's Court of Foshan City, Guangdong Province.

(12) The closing balance of deferred revenue increased by 332.41% as compared with the closing balance of last year, which was mainly due to the transfer of the government subsidised projects approved by the Company.

(13) The closing balance of other non-current liabilities decreased by 34.03% as compared with the closing balance of last year, which was mainly because the the government subsidised projects approved by the Company was carried forward to deferred revenue.

2. Overseas assets

□Applicable √Not applicable

3. Restrictions on major assets by the end of the reporting period

√Applicable □Not applicable

For details, please see the section of "81. Assets with restricted ownership or rights of use" in note 7.

4. Further descriptions

□Applicable √Not applicable

(IV) Analysis of industry operating information

√ Applicable ☐Not applicable

For details, please refer to "Industrial patterns and trends" in "Discussion and Analysis on the Future Development of the Company" in this chapter.

(V) Analysis of investment situation

Overall analysis of external equity investment

√Applicable □Not applicable

Unit: Ten Thousand Yuan
Currency: RMB

Investment amount within the reporting period	82,262.81
Number of increase or decrease variation in investment	-7,453.47
Investment amount in the corresponding period of last year	89,716.28
Range of increase or decrease in investment (%)	-8.31

Notes:

① From March to December 2022, the Company increased the capital of Fujian Keda New Energy by RMB 371,841.7 thousand. Upon completion of the capital increase, the Company's shareholding in Fujian Keda New Energy became 57.23%.

② In November 2022, the subsidiary Tilemaster contributed USD 22.4503 million to its subsidiary Keda Kisumu.

③ From August to December 2022, the Company invested RMB 150 million to establish Keda Nanyue.

④ From January to October 2022, the Company invested RMB 42 million to establish Shaoguan Keda, which is held as to 70.00% by the Company.

⑤ From July to October 2022, the Company invested RMB 35 million to establish Guangdong Keda New Energy Equipment Co., Ltd., which is held as to 99.98% by the Company.

⑥ From January to March 2022, Keda Investment, a subsidiary of the Company, invested RMB 20 million to establish Anhui Keda Lithium-ion Battery Equipment Co., Ltd., which is held as to 100.00% by Keda Investment.

⑦ In September 2022, its subsidiary, Keda Hydraulic, invested RMB 20 million to establish Anhui Keda Hydraulic Technology Co., Ltd., in which Keda Hydraulic holds 100.00% equity interest.

1. Significant equity investment

□Applicable √Not applicable

2. Significant non-equity investment

√Applicable □Not applicable

Unit: Ten Thousand Yuan
Currency: RMB

Project Name	Project Amount	Project progress (%)	Amount invested during the Reporting Period	Accumulated actual investment amount	Funding sources
Phase I of Kisumu Ceramics Factory Project	26,214.61	100.00	11,859.50	26,363.24	Self-financing
Phase IV of Ghana Ceramic Factory Project	17,824.04	100.00	11,524.13	18,338.48	Self-financing
The large-scale high-end intelligent equipment manufacturing digital factory project	50,000.00	17.01	8,460.26	8,506.41	Raised + Self-financing
Phase I of Fujian KEDA Engineering Project	48,817.72	69.26	22,391.17	33,809.97	Self-financing
Ghana Sanitary Ware Project	15,609.38	56.98	8,893.82	8,893.82	Self-financing
Phase II of Senegal Ceramic Factory Project	25,164.55	66.57	16,751.34	16,751.34	Self-financing
Total	183,630.30		79,880.22	112,663.26	

3. Financial assets measured at fair value

□Applicable √Not applicable

Securities investment

□Applicable √Not applicable

Investment in private funds

√Applicable □ Not applicable

Name of private funds	Private equity fund held by the Company (%)	Amount invested by the Company as at the end of the Reporting Period (RMBten thousand)	Targets of investment in the private funds during the Reporting Period	investment of private funds during the Reporting Period (RMBten thousand)
Guangzhou Jinda Yingfei Venture Capital Fund Partnership (Limited Partnership)	7.00	500.00	Guangdong Keda Nanyue New Energy Venture Capital Partnership (Limited Partnership)	1,500.00
Guangdong Keda Nanyue New Energy Venture Capital Partnership (Limited Partnership)	59.76	15,000.00	GAC AION New Energy Automobile Co., Ltd.)	20,000.00
Jiaxing Keda Jinhong Salt Lake Industry Equity Investment Partnership (Limited Partnership)	99.99	-	-	-

Investments in derivatives

□Applicable √Not applicable

4. Specific progress of restructuring of major assets during the reporting period

□Applicable √Not applicable

(VI) Disposal of significant assets and equity

□ Applicable √Not applicable

(VII) Analysis on holding and participating companies

√Applicable □Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Name of company	Principal Activities	Registered capital	Proportion of shareholding of the Company (%)	Total Assets	Net assets	Net profit
Guangdong KEDA Lithium Industry Co., Ltd.,	Investment platform	100,000.00	100.00	428,110.28	418,110.28	299,219.43
Tilemaster Investment Limited	Production and sales of building ceramics	USD 9,763.20	51.00	374,505.27	192,838.00	101,431.41
Qinghai Weili New Energy Material Co., Ltd.	Investment platform	8,681.76	53.62	113,493.10	112,962.53	85,336.40

(VIII) Information on structured entities controlled by the Company

□ Applicable √ Not applicable

VI. COMPANY'S DISCUSSION AND ANALYSIS ON THE FUTURE DEVELOPMENT OF THE COMPANY

(I) INDUSTRY LANDSCAPE AND TREND

√Applicable □ Not applicable

1. Building ceramic machinery: practising high-quality development and moving towards the stage of transformation and upgrading

The 2023 Government Work Report pointed out that the focus on expanding domestic demand will be the first priority, the bulk consumption will be stabilised, the risk of high-quality leading real estate enterprises will be effectively prevented and resolved, and the rigid and improved housing demand will be supported; In the future, with the bottom of the real estate industry cycle and the continuous promotion of "ensuring delivery", it is expected to form a demand transmission chain in the building ceramic market. At the same time, the state vigorously promotes green building materials to the countryside and encourages the promotion and application of energy-saving and low-carbon green building materials. Green

building materials to the countryside will become an important driving force for the building materials industry to stabilise growth, expand domestic demand and promote consumption.

At present, the building ceramic industry of China is facing a stage of high-quality development with accelerated transformation and strengthened industry concentration. According to the statistics of China Building Ceramic & Sanitaryware Association, the actual production volume of China's building ceramic industry in 2022 was approximately 7.3 billion m^2, representing a decrease of nearly 30% as compared to the peak of 10.26 billion m^2 in 2016, showing a downward trend year by year after reaching peak. At the same time, the structure of building ceramic products has undergone significant changes. The production lines and production capacity of traditional polishing bricks, ceramic chips, and antique bricks have been significantly shrinking, and the production capacity of emerging high value-added products such as sintered slab, large slaband ground stones has increased significantly; With the rapid development of such high value-added products and the increase in export volume, the average unit price of China's building ceramic export gradually increased. According to customs statistics, the export value of China's building ceramic products in 2022 amounted to US$4.899 billion, representing a year-on-year increase of 20.22%, which was the most export value in the past five years. It is a significant year for China's building ceramic export industry to transform from a major ceramic country to a ceramic powerhouse. In addition, the concentration of the building ceramic industry has gradually increased, and the development of leading ceramic enterprises has ushered in new opportunities. In 2022, the top 20 ceramic enterprises in China's ceramic tile industry have a total of 435 ceramic tile production lines, accounting for 19.2% of the total number of ceramic tile production lines in China, and the total annual production capacity of ceramic tiles reached 2.470 billion m^2, accounting for 19.7% of the total production capacity of ceramic tiles in China. The proportion of their production lines and production capacity has increased as compared with 2020.

In addition to market factors, the two trends behind the "counter-growth" of industrial capacity are highlighted. Firstly, the elimination and reshuffling of the industry is accelerating, and the concentration is further improved; Secondly, the speed of equipment update and iteration was accelerated, and the single-line production capacity was significantly improved. Over the past 40 years, China's ceramics industry has developed rapidly. At present, relying on "volume growth" has come to the end, and "quality growth" is becoming a new engine. At present, some of the backward production capacity has failed to meet the production requirements under the current policy environment and market environment due to the ageing of equipment, policy iteration and other reasons, and the market has entered the stage of stock competition, coupled with the increasingly strict environmental protection policies, a large number of ceramic enterprises with low competitiveness, weak product power and backward production capacity are forced to go out, and the industry concentration is further improved; With the supply-side structural reform, strengthening import substitution, forcing manufacturing upgrading, eliminating backward production capacity, accelerating the application of energy-saving and low-carbon equipment, and optimising resource allocation have become important policy orientation for the building ceramics industry.

From the perspective of industry policies, the "Implementation Plan for Peak Carbon Emission in the Building Materials Industry"jointly issued by the Ministry of Industry and Information Technology and various departments mentioned that the proportion of natural gas and electricity used in ceramics and other industries should be increased in an orderly manner; Accelerating the promotion of dry powder process and equipment in the ceramic industry; Based on the characteristics of carbon emissions in ceramics and other industries, China will develop more than 10 sets of digital, intelligent and integrated green and low-carbon system solutions, which will be promoted in the whole industry; Accelerating the in-depth treatment of pollutants and the transformation of ultra-low carbon dioxide emissions in

key industries such as ceramics to promote pollution reduction, carbon reduction and synergy and efficiency improvement, China will transform and construct 1,000 green and low-carbon production lines by 2030; By incorporating carbon emission indicators of ceramics and other products into the green building materials standard system, China will accelerate the certification of green building materials products, expand the supply of green building materials products, and improve the quality of green building materials products. The "Outline for Building a Quality Country" issued by the State Council also requires accelerating the research and development and application of new building materials such as high strength and durability, recyclable use and environmental protection, promoting the upgrading of traditional building materials such as ceramics, and improving the performance and quality of building materials. Under the environment of energy conservation, double carbon and double control policies, it is also the trend of the times for the building ceramics industry to increase the degree of production automation and digitization, and to take the development path of intelligent manufacturing and green manufacturing.

Looking at the major overseas building ceramics markets, the production, sales and exports of the Italian ceramic tile industry remained stable at the previous year level in 2022 despite rising costs. According to the data, the annual sales volume of the Italian ceramic tile industry was approximately 458 million m^2, representing an increase of 0.7% as compared to 2021, of which the export volume was approximately 364 million m^2. The overall annual production volume was approximately 448 million m^2, representing a year-on-year increase of 3%. Spain is expected to achieve a sales of EUR 5.70 billion in its ceramic industry in 2022, representing an increase of 15% to 20% as compared to last year, of which approximately EUR 4.3 billionwas exported. In addition, although affected by factors such as the economy and the Russo-Ukraine war, the overall performance of the Italian ceramic machinery industry is still positive, with a 5% increase in sales, and simultaneous growth in exports and domestic sales. According to the preliminary data collected by MECS-Acimac Research Centre, the year-end turnover of the Italian ceramic machinery industry will increase to EUR 2.16 billion, of which exports will be approximately EUR 1.618, billion. It is estimated that production in the first four months of the first half of the year will be guaranteed in 2023.

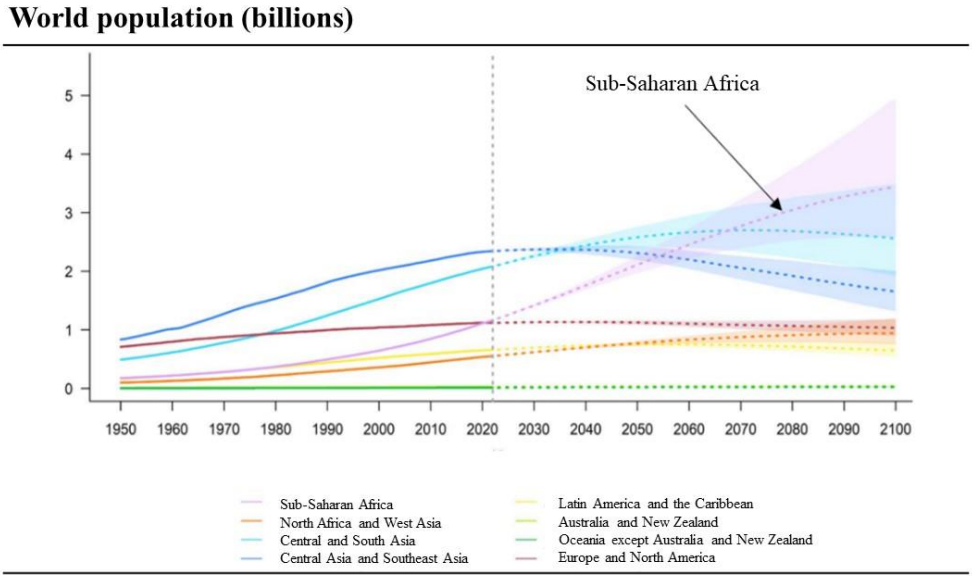
For the Company's ceramic machinery business, the ceramic industry in China or a single country has a cyclical market fluctuation, but the total production capacity and volume are basically stable in the world. As an international company facing the globe, Keda Group will adhere to the deepening of its global layout, and insist on entering the high-end markets in Europe and America. In the future, the Company will set up subsidiaries in Southeast Asia, South America and the Middle East to strengthen regional advantages, make "globalisation" become the core competitiveness of Keda, and build a "moat" for enterprise development. At the same time, the Company will also adhere to the development direction of "technology-driven". As the only enterprise in China with the capability to supply ceramic equipment for the wholeplant, facing the current situation of industrial structural adjustment and the concept of green and low-carbon development, the Company will continue to strengthen research and development efforts to optimise product structure, improve product quality, further meet the needs of downstream building ceramic enterprises for transformation and upgrading, deepen the field of energy conservation, emission reduction and intelligent manufacturing, and promote the deep integration and application of modern manufacturing and modern information technology.

2. Overseas building materials: demographic dividend and structural demand, production and consumption gaps bring opportunities

Despite its rich natural resources and vibrant population structure, the process of industrialization in the African continent remains relatively slow. The African continent has

been supplying agricultural products and mineral resources to the world for a long time, but it is heavily dependent on manufacturing consumer goods and investment products in the rest of the world. As a result, there is a large gap between the production and consumption of building materials in Africa. In the early stage, it mainly relies on trade imports to meet local demands. In recent years, local production has begun, but it still needs to import building materials such as ceramic tiles, sanitary ware and glass from outside.

According to the World Population Prospects 2022 published by the United Nations, as of July 2022, Africa has a total population of approximately 1.427 billion. It is expected that by 2050, the population in sub-Saharan Africa alone will reach 2.09 billion, and will further increase to 3.440 billion in 2100, accounting for 33.1% of the world's population. Africa will become the world's largest emerging market. According to the Africa's Macro-Economic Performance and Outlook report 2023 released by the African Development Bank Group, 53 of the 54 countries in Africa achieved positive growth despite a slowdown in global economic growth in 2022; In the next two years, the economic growth momentum of Africa will surpass that of the rest of the world, and the total real GDP will reach approximately 4% on average in 2023 and 2024. From the perspective of growth rate, Rwanda, Côte d'Ivoire, Benin, Ethiopia and Tanzania are expected to become the five countries with the best economic growth performance in 2023-2024.



Source: World Population Prospects 2022 published by the United Nations, Guohai Securities

The rapid economic growth in Africa is the basis for the development of the consumer market. According to the Africa Wealth Report 2022 jointly issued by Henley&Partners and New World Wealth, the total amount of private wealth currently held in Africa is US$2.1 trillion, which is expected to increase by 38% in the next 10 years. Secondly, urbanisation is the key to the development of the consumer market. With abundant labour resources and increasing consumption power in Africa, Africa has the highest urbanisation rate in the world. According to the estimates of the African Development Bank, the urbanisation rate in Africa will reach 60% in 2050, and the urban population may reach 1.44 billion based on the total population of 2.4 billion. The huge urbanisation infrastructure construction and development plan and the expanding middle-class consumer groups have provided a huge potential for the development of the building materials market in Africa.

In fact, Africa has a large population, low labour costs, abundant raw material resources, and huge market demand potential. It has the conditions to develop the building materials industry. Funds, technology and talents are the main factors restricting the development of building materials in Africa. In recent years, Chinese enterprises have been actively seeking development abroad. As an emerging market, Africa is a relatively ideal investment area, and many enterprises have invested in the building materials market in Africa. As an enterprise that is the first to export the "made-in-China" building material product model overseas, the Company has rapidly expanded the overseas ceramic tile market with its first-mover advantage, opened up the "corridor" of ceramic production and sales in East and West Africa, seized the development opportunities, and successively expanded the product categories to sanitary ware and glass, and cultivated new profit growth points. The Company will continue to deepen its presence in Africa and build a large-scale building material group to become a companion of urbanisation in Africa, and replicate the successful experience in Africa to emerging markets such as South America and Asia.

3. Lithium-ion battery materials and machineryindustry

In 2022, the global new energy vehicle market continued its high growth momentum and its market penetration rate further increased. In 2022, the penetration rate of new energy vehicles in China, Europe and the United States reached 25.6%, 22.9% and 6.7%, respectively. The rapid growth of new energy vehicles drives the rapid growth of the power battery market. According to SNE Research, the global new energy vehicle power battery usage reached 517.9GWh in 2022, representing a year-on-year increase of 71.8%; The shipment volume of energy storage batteries was 122.2GWh, representing a year-on-year increase of 175.2%. Driven by the rapid development of emerging industries represented by new energy vehicles and energy storage, the lithium-ion battery and its upstream lithium anode materials and lithium carbonate markets have developed rapidly in recent years.

(1) Anodematerials: competition intensifies the differentiation of high-end and low-end markets, and the layout of the industrial chain is vertically integrated

According to the Report on the Operation of the National Lithium-ion Battery Industry in 2022 issued by the Ministry of Industry and Information Technology, the shipment volume of anode materials in China in 2022 was approximately 1.4 milliontonnes, and according to the GGII research, the market share of artificial graphite is over 80%. The hot demand in the market also continues to stimulate the expansion of anode material enterprises. Since the third quarter of 2022, with the increase in the supply of graphite, the price of anode materials has declined. In the past two years, large-scale production capacity construction will also be released from 2023 to 2024. The technical threshold, capital threshold, product quality and consistency in the field of medium and low-end anode materials are relatively low. New market entrants are mainly concentrated in the medium and low-end markets, so their production capacity may face structural excess; Due to the high entry of barrier of medium and high-end anode materials, the scale of new supply is relatively limited, and the supply of medium and low-end materials will become more balanced in the future.

As the competition for anode materials intensifies, more and more anode material enterprises control key production links and core raw materials through the vertical integration of the industrial chain to achieve cost reduction and efficiency enhancement. Among the cost of anode materials, the cost of raw materials and graphite processing accounts for more than 80%, which is two key links in the cost control of anode products. In the early stage, affected by the explosive growth in the demand for new energy vehicle power batteries and energy storage batteries, the supply of anode materials in China was insufficient. Major enterprises in the industry adopted the entrusted processing production model, and prioritised the

establishment of anode material production lines to rapidly expand the scale. Integrated production is conducive to controlling product stability, improving production efficiency, reducing the cost of artificial graphite anode materials, and improving the long-term competitiveness of products. In recent years, in order to ensure the safety of the supply chain and the stability of product quality, downstream lithium-ion battery manufacturers have gradually put forward the guarantee requirements for their own graphite processing capacity for anode materials manufacturers. Therefore, it will become a trend for graphite anode material manufacturers to establish a controllable graphite processing supporting capacity and improve the graphite anode material industry chain.

The Company's anode materials projects focus on the mid-to-high-end sectors, strictly control quality, maintain a high level of delivery pass rate, gain customer trust and establish long-term cooperation, and further enhance customer stickiness through equity relations. During the Reporting Period, the Company actively built an integrated industrial chain layout of artificial graphite anode materials. Based on the geographical location of important downstream customers and the local government's policy support for the new energy industry, the Company carried out a total of 100,000 tonnes of artificial graphite projects in Fujian Phase II and Chongqing Phase III.

(2) Lithium-ion battery materials equipment: Active investment in lithium-ion battery materials and capacity expansion boost equipment demand

In order to meet the needs of power battery enterprises for large-scale production capacity expansion and product performance improvement, the field of lithium-ion battery materials has also entered an era of large-scale production expansion. At the same time, different application scenarios have also put forward different requirements for the performance of lithium-ion battery products, forcing lithium-ion battery material enterprises to carry out product iteration and technological innovation. The large-scale expansion of lithium-ion battery materials directly drives the growth of the market demand for material production equipment. At the same time, new technologies and new processes are also forcing domestic lithium-ion battery material machineryenterprises to carry out technological innovation, and promoting the replacement of import by domestic equipment. Large-scale production lines, intelligent equipment, zero-carbonization production, integrated layout and regional supporting facilities have become the development trend of lithium-ion battery material enterprises in a new round of industrial capacity expansion.

In terms of market size, according to the forecast of Huaxi Securities, based on the investment of relevant enterprises, it is assumed that the investment in lithium-ion battery materials equipment is approximately RMB 150,000,000/ten thousand tonnes, and the total new cathode (excluding precursor) and anode material production capacity in China is estimated to be approximately 7.34 million tonnes from 2021 to 2025. Therefore, the total market size of lithium-ion battery materials machinery (excluding precursor production equipment market size) is estimated to be approximately RMB 110 billion from 2021 to 2025. Based on the large-scale expansion of the power battery industry and the need to further reduce costs, further improvement of production efficiency and reduction of manufacturing costs will become the main theme of the development of the lithium-ion battery material machinery industry. Relying on 30 years of deeply rooted experience in equipment manufacturing and years of accumulation in the lithium-ion battery material industry, the Company strategically and fully launched the lithium-ion battery industry-adaptive application of core mechanical equipment in 2022. During the Reporting Period, the Company supported the development of the lithium-ion battery material roller kiln business by investing in the intelligent manufacturing base project of building materials and lithium-ion battery equipment. It can be used in technologies such as cathode material sintering kiln andtunnel kiln, and take

advantage of the fast lane of lithium-ion battery materials to cultivate new profit growth points. For anode materials, the Company has a number of independent intellectual property core patents in agglomeration kiln, carbon coating carbonization roller kiln, automatic crucible loading system, pneumatic conveying system graphitization system, etc., which can provide customers with a complete set of integrated project system energy solutions for anode materials. By fully utilising the energy of the system to achieve the best overall energy-saving solution, the Company has upgraded the production line of traditional artificial graphite anode materials to a clean and green intelligent manufacturing plant integrating automation and intelligence.

(3) Lithium salt market: the price of lithium carbonate has been adjusted back, which is conducive to the healthy development of the new energy industry

With the rapid development of the new energy industry, global lithium demand continues to expand rapidly. According to the forecast of Minmetals Securities Research Institute, the overall global demand for lithium raw materials is expected to increase to approximately 880,000 tonnes LCE in 2022, 1.07 million tonnes LCE in 2023 and 1.97 million tonnes LCE in 2025; In terms of global lithium resource supply, it increased to 1.12 million tonnes in 2023 from approximately 0.76 million tonnes in 2022, and to 1.89 million tonnes LCE in 2025. Benefiting from the better-than-expected prosperity of the new energy industry chain, the price of battery-grade lithium carbonate has maintained a high-speed upward trend at the beginning of the new year of 2022, and has gradually recovered since November. At the same time, the domestic basic lithium salt production gradually increased. Data shows that the domestic lithium carbonate production in 2022 was 395,000 tonnes (production capacity was approximately 600,000 tonnes), representing a year-on-year increase of approximately 32.5%. Many battery leaders have also strengthened the control of lithium resources by increasing the proportion of self-supply of lithium carbonate. According to research and analysis, most of the new production capacity will be put into production after 2023, and the mismatch of lithium carbonate supply and demand will be improved, but the overall supply and demand will still be tight balance.

In general, the reserves of lithium resources in China are relatively abundant. However, the scarcity of high-quality lithium resources, combined with the difficulty of mining, lack of technical level and serious environmental protection problems have led to the slow progress of lithium production growth, and the release of production capacity takes time to verify. In essence, the rising and falling price of lithium carbonate is also conducive to the sustainable and healthy development of the new energy industry, and the industrial structure will be healthier. Under the macro-economic principle of "achieving effective improvement in quality and reasonable growth in quantity" in 2023, the penetration rate of new energy will be further increased, and the development trend of "green and low-carbon" will drive the demand for lithium in various application scenarios such as new energy vehicles, energy storage, electric bicycles and electric tools.

(II) **Development strategy of the Company**

√Applicable □ Not applicable

China's manufacturing industry has entered into a new normal of development, shifting from rapid growth in the past to high-quality development with medium-to-high speed growth, and new market tracks and new models are emerging. As the development of traditional industries has entered a stage of development, many leading enterprises in the industry have sought breakthroughs in new businesses through business model innovation. As a manufacturer led by traditional manufacturing business, in the face of the slowdown in the real estate market

in China, while increasing the development of “globalisation”, the Company also needs to broaden its business boundaries and explore new growth drivers. In recent years, China has successively introduced the guidance policies on low-carbon development for traditional industries. In the future, the building materials industry needs to develop in the direction of transforming the energy consumption structure, accelerating the research and development of major key low-carbon technologies and promoting energy-saving and carbon-reducing technology and equipment, and also encourages the gradual application and substitution of new energy technologies and products. After 30 years of development, the Company has achieved the goal of achieving a scale of 10-billion revenues, and has completed the initial accumulation of capital and technology. In the fourth decade, Keda Group should develop from a hidden champion in a single field to a diversified group. On the basis of maintaining its leading position in the high-end manufacturing of ceramic machinery and following the development of urbanisation in Africa, Keda Group will highly coordinate the new energy industry with the Company’s traditional machinery core business, create differentiated core competitiveness, and achieve the simultaneous development of three major business segments, namely ceramic machinery, overseas building materials and lithium-ion battery materials.

1.Ten billion ceramic machinery: Based on high-end manufacturing to build a global building ceramic production service provider

With the strategic vision of “being the world’s No.1 brand in the ceramics machinery industry” and the strategic goal of “becoming the first choice of mainstream customers and leading in technology”, the Company will strive to achieve the world’s No.1 position by achieving three strategic goals within eight to ten years. At the same time, since 2023, the Company will strive to achieve the “10-billion goal” of the ceramic machinery business within five years. While maintaining the strong competitiveness of ceramic equipment, the Company will extend to non-ceramic industry, forming a business structure of 60% ceramic machinery equipment, 20% of ceramic accessories and consumables and 20% of equipment for other sectors (applied in stone, sanitary ware, refractory materials, aluminium profiles and other fields), and becoming a leader in high-end ceramic machinery manufacturing with “technology-driven, cost-leading and supply chain globalisation”.

Focusing on the strategic vision and goals, the Company will transform from a supplier of ceramic machinery equipment to a supplier of full-rangeproducts and services mainly for ceramics plants. In terms of market strategy, the Company will continue to operate independently under the three brands and three teams of “Keda, HLT/DLTand Welko”to create the dual aircraft carrier of “Keda and HLT/DLT”. The Company will focus on self-establishment and reorganisation, integrate the industrial chain, actively promote the development of “globalisation”, and strengthen the global layout of bases, research and development and talents; In addition, based on the current situation of the domestic and overseas business, the Company will increase the proportion of overseas revenue in the next 3 to 5 years, and form a large domestic and overseas market. In terms of product strategy, on the one hand, the Company will improve the product line of the “Keda and HLT/DLT” brand, from the sales of the wholeline ceramic machine, plus the output of accessories and consumables + service + process, and continue to focus on the cross-field application of the ceramic machinery, and appropriately carry out relevant diversification and extension of aluminium extrusion machine, refractory materials press and thermal machinery. For the “Welko” brand in Italy, the Company will focus on the ceramic machinery and food machinery business at the same time.

2. Ten billion building materials: Based on the No. 1 building ceramics in Africa, extends the development of South American to tap overseas building materials

In the early stage, the Company formulated a five-year strategic plan, which clarified the Company's strategic objectives, business portfolio and strategic initiatives: shifting from business-driven to strategic-driven, based on the huge consumption demand for infrastructure and durable goods in the African market in the future, the Company plans to extend the categories of building materials products and eventually expand into the field of home building materials. In recent years, the Company has continued to promote the production capacity expansion of building ceramics projects in many countries in Africa, and has planned to expand its product categories to the fields of sanitary ware and architectural glass. After all existing projects under construction have reached the production capacity, it is expected that the Company will have a total annual production capacity of nearly 200,000,000 square metres of building ceramics, 2,600,000 pieces of sanitary ware and 200,000 tonnes of architectural glass, and will become the largest building ceramics supplier in Africa.

At present, the Company's overseas building materials business has been planned to achieve ten billion revenue within five years. Through the expansion of related building materials in the African market, the business structure of 80% building ceramics, 5% sanitary ware and 15% building glass has been formed; Meanwhile, the Company is conducting market research from Africa to Asia and South America to actively demonstrate the development potential of building materials business in other overseas regions. In the future, the Company and its partner, Sunda Group, will also look for opportunities to establish retail outlets, explore the feasibility and long-term layout of production of all categories of home improvement materials and one-stop home furnishing centres, and realise the expansion of category assets and the extension of the value chain through various methods such as self-construction and M&A.

3. Ten-Billion New Energy: Focusing on lithium-ion battery materials and developing lithium-ion battery materialequipment to build a leading comprehensive new energy enterprise

Since entering the field of anode materials in 2015, the Company has initially formed a business structure of "anode materials + lithium salt investment + lithium-ion battery materials equipment". The revenue from the lithium battery materials business also exceeded RMB1 billion in 2022. In the next stage, the Company will focus on the business expansion targeting key customers, support the release of the production capacity of anode materials, and combine the advantages of ceramic machinery technology to develop lithium battery material equipment, and further extend to the field of new energy equipment so as to achieve a sound revenue breakthough of RMB10 billion. The Company will build a business structure of 60% anode materials and 40% lithium battery equipment within five years.

In terms of lithium-ion battery materials business, the Company has formed an industrial layout of the integration of " calcined coke - graphitisation - artificial graphite " and the technical reserves of new anode materials. On the basis of the production bases in Anhui and Fujian, the Company initiated the construction of the second phase of Fujian Keda New Energy and the third phase of Chongqing with a total of 100,000 tonnes of artificial graphite. In the future, the Company will also launch the technological transformation project around the Fujian base to form a total of 150,000 tonnes of artificial graphite production capacity in China. At the same time, the Company actively pays attention to the overseas market, and will start the overseas production capacity construction of 50,000 tonnes of anode materials in cooperation with overseas resources at the right time, and gradually grow into a relatively influential lithium-ion battery anode material supplier in China.

In terms of lithium-ion battery machinery business, the Company established the KEDA Institute of Lithium-ion Battery Machinery in 2022 to integrate the technology and

manufacturing capabilities of the ceramic machinery, and strategically commenced the lithium-ion battery material machinerybusiness. In the future, the lithium-ion battery machinery business will be positioned as a strategic new engine and catalyst for green transformation for Keda. In terms of strategy, we will reserve for the cultivation of new industrial formats, which can achieve synergy with the traditional main business in terms of technology and resources, and at the same time provide technological empowerment for the Company's green and low-carbon transformation and the application of lithium-ion battery materials. In the first stage, the Company will focus on the lithium-ion battery material machinery business, mainly using sintering equipment, and gradually extend the integration solutions such as cathode, anode and battery recycling; In the long run, through horizontal expansion of common technologies, the Company will extend to the new energy equipment industry and replicate technology with a view to become a leading enterprise of new energy equipment eventually.

In terms of strategic investment business such as lithium salt, the Company will work with controlling shareholder of Lanke Lithium Industry to support and promote the comprehensive reform of Lanke Lithium Industry. Based on its existing 30,000 tonnes of lithium carbonate capacity, the Company will support and improve the capacity utilisation of Lanke Lithium Industry. At the same time, the Company will contribute to the development of lithium-ion battery business and industrial chain through investment income. In addition, the Company will continue to pay attention to the development and investment opportunities of the new energy industry at home and abroad, and investigate and discuss the resource layout based on the consideration of ensuring supply, reducing costs and resisting periodic fluctuations by leveraging the established overseas channels and team advantages of the ceramics and building materials segments.

(III) **Business Plan**

√Applicable □ Not applicable

Looking back to 2022, according to the preliminary strategic planning and business plan, the overseas revenue of the Company's ceramic machinery segment increased, and the domestic hardware technical transformation and information construction were carried out in an orderly manner. The first stage of lean production has achieved initial success, and the overall profitability has been improved; In terms of the overseas building materials business, the production capacity of building ceramics has been continuously released, the business scale has increased rapidly, the construction of sanitary ware and glass projects has commenced, and the "Big Building Materials" plan in Africa has been continuously implemented; In terms of lithium-ion materials, the production capacity of anode materials in lithium-ion battery materials has been gradually released, and the lithium-ion battery materials machinerybusiness has commenced simultaneously. The synergy of materials and equipment business has begun to emerge, and the strategic investment business has also increased returns. With the joint efforts of the three major business segments and strategic investments, Keda Group successfully completed its operation plan and achieved good results on the 30th anniversary of its establishment.

In 2023, as the initial year of the 10-billion-yuan plan for the three major businesses, the Company will continue to focus on the development of ceramic machinery, overseas building materials, lithium-ion battery materila and machinerybusinesses, optimise the product structure of the ceramic machinery business, and deepen the expansion of overseas markets; The overseas building materials business continued to promote the construction of production capacity of various categories, and improved the strategic layout of "big building materials"; Lithium-ion battery material and machinerybusiness accelerated the construction of

production capacity and continued to build core competitiveness. The Company will try our best to achieve sales revenue of RMB 13,000,000,000 (tax inclusive). Key tasks in 2023 include:

1. Building ceramic machinery business: continuous upgrading of software and hardware to support globalisation and service development

(1) Strengthen the construction of domestic production capacity and overseas bases: In 2022, the Company launched the technical transformation of the headquarters, the construction of hardware of HLT Phase III (aluminium extrusion machine), Keda Group (production and supply of lithium-ion battery materials kiln and machinery), and Shaoguan Keda (supply chain integration). In 2023, the Company will continue to promote the implementation of the technological transformation project of the headquarters and complete the upgrading of the remaining production workshop in Guanglong factory area; We will continue to follow up the construction progress of HLT Phase III, Keda Group and Shaoguan Keda, and promote the release of relevant production capacity as soon as possible. At the same time, based on the “globalisation” development direction, in order to gradually achieve the goal of 70% of overseas revenue, the Company will further increase overseas service outlets, focusing on the promotion of the construction of service points and overseas production bases in Turkey, Indonesia, Bangladesh, Brazil and other countries, strengthen the sales in the Middle East and Europe, radiate to ASEAN countries, fill the business gap in the Americas, and build a global supply chain.

(2) Optimising product structure: Based on the three-line operation of the “Keda” ,“HLT/DLT” and “Welko”brands, the three brands need to enrich their respective product lines and improve their supply supporting capabilities in 2023. At the same time, “Keda” and “HLT/DLT”needs to extend its products and services according to the needs of downstream customers. Through self-establishment, merger and reorganisation, it independently carries out the accessories, ink, glazed materials and other consumables business, bringing new profit growth points to the ceramics business. "Welko", as the Company's bridgehead in the European market, will focus on helping the promotion of the introduction of the Company's Chinese-style core equipment and extending its development to food machinery

(3) Building a full system of ceramic machinery lean management: Based on the good results achieved in the early lean management work, in order to ensure the organisation and systematisation of the lean management work, the Company established the Ceramic Machinery Lean Management Committee in 2023 to unify the direction of lean management, set and decompose the quantitative indicators of lean assessment. Through the implementation of the annual improvement week, as well as the establishment of the “value-driven” synergy group, “efficiency enhancement and cost reduction” synergy group and “proposal improvement” synergy group, we have formed four major focuses of lean promotion in 2023, which are vertically in-depth and horizontally connected.

While promoting lean production in a comprehensive and systematic manner, the Company is also carrying out the reform and promotion of lean management at the same time, extending the concept of lean management to the business process outside of manufacturing. 2023 is the “Year of Process” of Keda Ceramic Machine. The Company has established the Keda Ceramic Machine Process Reform Committee simultaneously, aiming to achieve organisational efficiency improvement, operational cost reduction, as well as on-time, digital intelligence and automation of production mode by means of process reform, and finally achieve the operation effect of high efficiency, high quality, low cost and short delivery period.

2. Overseas Building Materials Business: Promoting the steady implementation of projects and strengthening the production, marketing and research management system

(1) Promote the implementation of new projects: In terms of building ceramic construction, ensure the investment in Senegal Phase II Line 3, Ghana Phase V Line 6, Zambia Phase II Line 3, Cameroon Phase I Line 1 and 2; In terms of the construction of sanitary ware projects, we will promote the successful commencement of production of Kenya Kisumu Project and Ghana Project, which will enable the building ceramic industry to exceed 150,000,000 sq.m. and the sanitary ware industry to exceed 2,600,000 units in 2023. At the same time, the Company will focus on promoting the implementation of the building glass project in Tanzania and complete the preparatory work for the first phase of the building ceramic project of Cote d'Ivoire as soon as possible; The Company will also actively investigate other potential markets such as South America and Asia, promote the research and preparation of glass project in Peru, and launch building materials projects in other continents as and when appropriate.

(2) Optimisation of production and sales management system: continuously and deeply promote the construction of production management system of ceramic plants in seven aspects, including product quality, materials, cost reduction and efficiency improvement projects, manufacturing process, equipment, spare parts and reform projects; We continued to build our digital operation capabilities, piloted digital systems in core African countries, integrated traffic and consumer data to drive retail, and improved the development efficiency of new customers and the repeat purchase rate of existing customers.

(3) Building a R&D process centre: responsible for the development of new products and new processes to ensure that products are forward-looking to meet the needs of existing and future markets in Africa; It is responsible for the research and demonstration of the glazed material formula system, the research and demonstration of the equipment process, and the centralised and standardised management of the glazed material formula and the parameters of the process equipment in each factory, so as to control the high quality, high efficiency and low cost of products from the front end.

3. Lithium-ion battery materials and machinerybusiness: promote the construction of anode production capacity and improve the machineryproduct structure

(1) Anode materials: In 2023, the Company’s anode materials business continued to promote the technological transformation of Fujian Phase I, and the construction and production of Fujian Phase II and Chongqing Phase III projects. On the one hand, the Company will coordinate the equipment team to improve product performance and further reduce unit energy consumption and costs through the adjustment of production lines and processes, as well as the development of new raw materials, optimisation of power delivery lines, improvement of cooling efficiency, self-built crucibles, experimental box-type kilnand other new processes; At the same time, through the establishment of Xiamen Branch, we will cooperate with Xiamen University to achieve in-depth “industry-university-research” cooperation. In addition, the Company will also actively investigate overseas markets and make full preparation for the Phase IV overseas project of anode materials.

(2) Lithium-ion batterymachinery: The Company will focus on the implementation of the development strategy of the lithium-ion battery machinery segment, establish a talent team, integrate the technical and manufacturing advantages of each business segment of the Company, and accelerate the pace of research and development. At the same time, we will accelerate the improvement and market sales of lithium-ion battery recycling equipmentm

(3) Strategic investment: The Company will continue to support the reform of Lanke Lithium Industry. On the basis of Lanke Lithium Industry's existing production capacity of 30,000 tonnes of lithium carbonate, the Company will improve the production capacity of 10,000 tonnes through the technological transformation and research and development of the production line. At the same time, the Company will also actively inspect and explore overseas lithium and graphite ore resources, seek suitable resource targets, and empower the Company's lithium-ion battery materials and machinerybusiness. In addition, the Company will also seek and cultivate advantageous related businesses in high-end manufacturing and new energy industries through direct investment or private equity investment, with a view to achieving effective combination with core businesses in the long run.

4. Improving internal soft power: focusing on talent and information construction to achieve joint empowerment of software and hardware

(1) Talent development: The Company will strengthen the introduction, training and selection of talents, continue to promote the "Talent and Intelligence Attraction" project focusing on management talents, expert technical talents and international talents, and build targeted training plans for employees of different ranks and positions to form a talent echelon and reserve.

(2) Information and digital upgrade: The Company's informatization work has been effectively carried out on the basis of SAP in 2022, and projects such as MES, PLM, CRM and EHR have been launched. In 2023, the Company will continue to increase software upgrades, and complete the network transformation and construction of relevant offices and workshops in line with the Company's infrastructure progress such as Guanglong Plant, and focus on information security construction. In the future, the successful experience of the information platform will be gradually promoted from Guangdong to all units and departments of the Company to achieve the joint empowerment of software and hardware.

The above business plan does not constitute the Company's performance and investment commitment to investors. The relevant investment plan will also go through the Company's internal review procedures. The plan is only based on the current market environment and is subject to uncertainties. Investors are advised to pay attention to investment risks.

(IV)Potential Risks

√Applicable □ Not applicable

1. Macroeconomic, industrial policy and geopolitical risks

The current domestic and international economic environment is complex and volatile, and uncertainties have increased significantly. The core business of the Company is closely related to the national development strategy and industrial control policies. The state's control policies on credit and real estate industries, as well as the adjustment and change of relevant industrial policies such as energy conservation and environmental protectionemission reduction, will have a certain impact on the production and operation of the upstream and downstream of the ceramic and lithium-ion battery industries, and bring uncertainties to the sales of relevant products of the Company. At the same time, the global geopolitical situation is becoming increasingly complex, trade frictions and trade barriers continue to intensify. With the continuous development of the Company's globalisation, the Company's overseas business accounts for more than half of the total. Trade restrictions or other impacts caused by geopolitics may adversely affect the Company's business and operations.

The Company will strengthen the research on macro-economy, industry policies and market trends, and take timely measures to minimise the negative impact of market volatility and policy changes; The Company will pay close attention to the political, economic and international trade environment of major countries, strengthen the compliance review of sensitive regions, timely identify transaction risks, and overcome the challenges of geopolitics on the Company's operations. At the same time, the Company will continue to improve its core competitiveness to enhance its ability to resist risks.

2. Risk of overseas operations and exchange rate fluctuations

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.

For the operation of overseas bases, the Company has arranged an operation team with extensive experience who is familiar with the national conditions of various countries. The Company will strengthen the meticulous management of overseas companies and projects, continue to deepen the reform of internal management, and 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.

3. 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-ion battery materials, aluminum extrusion press, and lithium-ion battery materialsmachinery, 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.

The Company will continue to improve the management system, strengthen the Company's standardised operation and internal control construction in strict accordance with laws and regulations, and ensure the compliance and efficient operation of production, procurement, sales, finance, management and other links; By improving the long-term incentive mechanism and focusing on talent cultivation, the Company continued to optimise the construction of the management talent team of the Company and improve the management execution of the Company.

4. 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, provision for goodwill impairment should be made due to the lower expectation of the development of some 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.

The Company will continue to strengthen the post-investment management, implement the responsibilities of its operating entities, stimulate its growth momentum, give full play to the synergy, improve the operating efficiency of the acquired companies, and reduce the risk of goodwill impairment through the integration and standardised governance of the acquired companies' operations.

5. 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, it is in the second instance stage of the Supreme People's Court; 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 Guangdong 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 Guangdong Keda Lithium Industry was established. The Company lost in the first trial, currently the second instance has not yet been judged, and there is uncertainty over the final of the litigation.

The Company will continue to closely monitor and attach great importance to related litigation matters, and has engaged and cooperated professional legal advisors to actively deal with them, with a view to safeguarding the interests of the Company and investors.

(V)**Others**

□Applicable √Not applicable

VII. **Explanation and reasons for the Company's failure to disclose in accordance with the standards due to non-applicability of the provisions of the standards or special reasons such as state secrets and trade secrets**

□Applicable √Not applicable

Section IV Corporate Governance

I. Corporate Governance

√Applicable □Not applicable

During the reporting period, the Company has continued to improve on its corporate governance and standardize its decision-making procedures and improve its internal management procedures and the level of operation in accordance with the requirements of laws, regulations and rules such as the Company Law, the Securities Law, and the Governance Guidelines for Listed Companies and Shanghai Stock Exchange Listing Rules.

In 2022, the Company has held 3 General Meetings, 14 board of directors meetings, 13 board of supervisors meetings and several special meetings, and has reviewed and approved various proposals such as periodic reports, issuance of GDR, proposals on related-party transactions, investments, and provision of securities, etc. During the reporting period, the Company has issued a total of 4 periodic reports, 116announcements, and several non-announcement documents. The company disclosed information in strict accordance with the principles of "fairness, impartiality and openness", and has complied with the requirements on confidentiality and information insider registration and filing before the disclosure. At the same time, the Company has diligently carried out investor relationship maintenance. Special personnel are assigned to be responsible for receiving calls, letters and visits from investors, offering answers on a real-time basis, and responding to investor enquiries online from time to time, which provides a multi-channel mechanism through which the medium and small investors are informed about developments of the Company and participate in corporate governance. The Company has operated a public account called "Keda Group Investor Relations" through social media, which regularly releases company information and industry information collected and summarized from all related parties, which facilitates to deepen investors' understanding of the Company's business and operations.

During the reporting period, under the Company's sound internal control system, the Company's production and operation were conducted normally and compliant with law. As incentivized by the Company's competitive salary and welfare policy, the Company's management team has remained stable and diligently performed their job duties. At the same time, the Company has always diligently fulfilled its social responsibilities, given priority to and safeguarded the legitimate rights and interests of stakeholders, in an effort to achieve a balance of interests of the Company, shareholders, employees, customers, society and other parties as well as achieve the common goal of advancing the growth of Company in a continuous and sound manner.

During the reporting period, the powers and responsibilities of the supreme governing body, the decision-making body, the supervisory bodies and the Management of the Company have been clearly defined, and the check and balance and coordination among one another has been maintained, and a reasonable and sound corporate governance structure has been maintained, which is conducive to the protection of interests of the Company and of the shareholders. The actual corporate governance complies with the requirements of the Company Law and the Guidelines for Corporate Governance of Listed Companies and other normative documents issued by the CSRC.

The Company is in compliance with corporate governance requirements applicable to it as a PRC public company listed on the Shanghai Stock Exchange, including the Company Law and the Guidelines for Corporate Governance of Listed Companies and other normative documents issued by the CSRC.

Whether there are material differences between corporate governance and the provisions of laws, administrative regulations and the governance requirements of listed companies issued by the CSRC; if there are material differences, the reasons should be explained.

□Applicable √Not applicable

2. Specific measures taken by the Company's controlling shareholder and de facto controller to ensure the independence of the Company's assets, staff, finance, organisation and business, as well as solutions, work progress and follow-up work plans adopted to affect the independence of the Company

□ Applicable √Not applicable

Information on the controlling shareholder, de facto controller and other entities controlled engaging in the same or similar business as the Company, and the impact of material changes in competition or competition in the same industry on the Company, the solutions adopted, the progress and the subsequent plan of the solution

□ Applicable √Not applicable

3. GENERAL MEETINGS

Sessions	Date	Enquiry index of the designated website for publishing resolutions	Date of disclosure of resolutions	Resolutions of the Meeting
2022 First Extraordinary General Meeting	5 January2022	Website of Shanghai Stock Exchange www.sse.com.cn	6 January 2022	For details, please refer to the Announcement No. 2022-004 issued by the Company on 6 January 2022
2021 annual general meeting	20 April 2022	Website of Shanghai Stock Exchange www.sse.com.cn	21 April 2022	For details, please refer to the Announcement No. 2022-036 issued by the Company on 21 April 2022
2022 Second Extraordinary General Meeting	17 October 2022	Website of Shanghai Stock Exchange www.sse.com.cn	18 October 2022	For details, please refer to the Announcement No. 2022-093 issued by the Company on 18 October 2022

Holders of preferred shares with restored voting rights request to convene an extraordinary general meeting

□ Applicable √ Not applicable

Information on the General Meeting

□ Applicable √Not applicable

IV. Changes to Directors, Supervisors and Senior management of the Company

(I) Shareholding changes for the current and retired directors, supervisors and senior management during the reporting period

√Applicable □Not applicable

Unit: share

Name	Position (s) (Note)	Gender	Age	Post start date	Post end date	Shares held at the beginning of the year	Shares held at the end of the year	Share increase or decrease in the year	Reasons for increase/decrease	Total pre-tax compensation received from the Company during the reporting period (Ten thousand yuan)	Whether to receive remuneration from related parties of the Company
Bian Cheng	Chairman	Male	59	2021-08-20	2024-08-19	98,699,598	98,699,598			580	No
Yang Xuexian	Director, General Manager	Male	54	2021-08-20	2024-08-19	30,000	30,000			280	No
Zhang Zhonghua	Director	Male	60	2021-08-20	2024-08-19	0	0			280	No
Shen Yanchang	Director	Male	49	2021-08-20	2024-08-19	0	0			0	Yes
Huo Zhaoqiang	Director	Male	60	2021-08-20	2024-08-19	0	0			18	Yes
Zhang Jian	Director	Male	49	2021-08-20	2024-08-19	0	0			18	Yes
Chen Huan	Independent Director	Male	60	2021-08-20	2024-08-19	0	0			15	Yes
Li Songyu	Independent Director	Male	63	2021-08-20	2024-08-19	0	0			15	No
Long Jiangang	Independent Director	Male	58	2021-08-20	2024-08-19	0	0			15	No
Zeng Fei	Vice President, Financial Director	Male	47	2021-08-20	2024-08-19	208,200	208,200			160	No
Zhou Peng	Vice President	Male	59	2021-08-20	2024-08-19	2,049,922	2,049,922			160	No
Li Yuejin	Vice President , Secretary of the	Male	36	2021-08-20	2024-08-19	0	0			170	No

	Board of Directors										
Peng Hengxiang	Chairman of the Board of Supervisors	Female	50	2021-08-20	2024-08-19	0	0			150	No
Chen Haiqin	Supervisor	Male	50	2021-08-20	2024-08-19	0	0			0	No
Qiu Hongying	Employee Representative Supervisor	Female	40	2021-08-20	2024-08-19	0	0			62.7	No
Total	/	/	/	/	/	100,987,720	100,987,720			1,923.70	/

Name	Main work experience
Bian Cheng	He joined the Company in 1998 and served as a director and the general manager of the Company until August 2012. Since then he has served as chairman of the Company till now. He is also currently an executive director of Foshan HLT Industry Co., Ltd.., the chairman of Guangdong KEDA Hydraulic Technology Co., Ltd., a director of Keda Holding (Mauritius) Limited, director of Tilemaster Investment Limited, the president of Foshan Enterprise Confederation, the president of Foshan Entrepreneur Directors Association, the executive vice president of Foshan Ceramic Industry Association.
Yang Xuexian	In 1992, he joined Foshan Ceramic Machinery Manufacturing General Factory (the predecessor to Foshan HLT Industry Co., Ltd., a wholly-owned subsidiary of the Keda Group). He successively served as the sales manager, the marketing director and the general manager of Foshan HLT Industry Co., Ltd., and has served as the general manager and a director since April-May 2020 to date, and is currently a general manager of Foshan HLT Industry Co., Ltd., an executive manager of KEDA Foshan Industrial Co., Ltd., a director of Keda Europe S. R. L., and a director of I. C. F & Welko S. P. A.
Zhang Zhonghua	He formerly took various offices at National Development and Reform Commission, Shell (China) Co., Ltd., Chongqing Dongyin Energy Group, and Sound Environmental Resources Co., Ltd. From May 2020 until now, he has served as a director of the Company, and currently the chairman of Anhui KEDA Industrial Co., Ltd. and the chairman of Qinghai Salt Lake Lanke Lithium Industry Co., Ltd.
Shen Yanchang	He formerly took various offices at Heilongjiang National Defense Economic and Technological Development Center, Nigeria General Steel Co., Ltd., Guangzhou Okoye Economic and Trade Co., Ltd., and Guangzhou Sunda International Trading Co., Ltd., and was a director of the Company since September 2018, and is currently the chairman of Sunda Group Co., Ltd..
Huo Zhaoqiang	He was formerly a deputy factory director of Shunde Lecong Shunjing Ceramics Factory, the chairman of Jingxiang Ceramics Co., Ltd, and sales general manager of Guangdong Hongyu Ceramics Holdings Co., Ltd.. He has been a director of the Company since June 2020. Now he is also the sales consultant of Guangdong Hongyu Ceramics Holdings Co., Ltd. and a director of Foshan Xinyuan Technology Development Co., Ltd.

Zhang Jian	Since April 2002, he has served as the director of the Strategic Investment Division, the director of the Securities Investment Division, and the director of the Listed Company Division of Macrolink Group. Since September 2018, he has been a director of the Company. He is currently a director of Macrolink Group Co., Ltd. and the senior vice president of Macrolink Holdings Co., Ltd.
Chen Huan	He was formerly a section chief and deputy minister of Guangdong Ceramics Company, the deputy general manager and general manager of Shenzhen Nanyu Art Ceramics Co., Ltd., and the independent director of Guangdong Red Wall New Materials Co., Ltd; an independent director of MONALISA Group Co., Ltd.; from November 1998 to date, he has successively served as secretary general, vice president and president of Guangdong Ceramics Association; from March 2004 to date, he has successively served as the secretary general and the executive vice president of Guangdong Building Materials Industry Association; from June 2020 to date, he is an independent director of the Company as well as a director of Foshan Zhongtao Alliance Technology Co., Ltd., and a director of Foshan Uniceramics Development Co., Ltd.
Li Songyu	He formerly served as a deputy director of the Development Research Center of the People's Government of Henan Province, the director of the Shenzhen Branch of the People's Bank of China, the president of the Foshan Branch of the People's Bank of China, the president of the Guangzhou Branch of China CITIC Bank, the president and senior consultant of the Shenzhen Branch of China CITIC Bank. He is currently an independent director of the Company from August 2021. He is also a director of Palm Eco-Town Development Co Ltd.
Long Jiangang	He formerly took offices in the Guizhou Provincial Committee of the Communist Youth League and Foshan Institute of Science and Technology. He has been an independent director of the Company since August 2021. He is currently the chief researcher of Foshan Shangdao Research Institute (Limited Partnership), and a special commentator of Nanfang Daily, a special host of Foshan TV station.
Zeng Fei	He joined the Company in 2002 and formerly served as the secretary of the Company's board of directors. From August 2009 to September 2018, and from October 2020 until now, he has been served as the Company's financial director. Since May 2015, he has been the Company's vice president. Now he also a director of KEDA (Anhui) Clean Energy Co., Ltd., a director of Anhui Xincheng Financing Lease Co., Ltd., an executive director and the general manager of Anhui KEDA Investment Co., Ltd., an executive director and the general manager of Guangdong KEDA Lithium Industry Co., Ltd, a supervisor of Foshan HLT Industry Co., Ltd., a supervisor of Qinghai Salt Lake Lanke Lithium Industry Co., Ltd.
Zhou Peng	Joining the Company in 2002, and once serving as assistant to chairman of the Company, general manager, director and secretary of the board of directors of the deep processing division, he is currently vice president of the Company, as well as director of KEDA (Anhui) Clean Energy Co., Ltd., director of Fujian Keda New Energy Technology Co., Ltd., deputy secretary-general of Guangdong Building Materials Industry Association, vice chairman of Guangdong Mechanical Engineering Society, vice chairman of Foshan Mechanical Engineering Society, vice chairman of Shunde Mechanical Equipment Manufacturing Chamber of Commerce.
Li Yuejin	He joined the Company in 2017 and formerly served as a senior consultant and the project manager of Peking University Zongheng Consulting Group, the secretary of the board of directors and investment director of Yashili International Holdings Co., Ltd., and he is currently a vice president of the Company, the secretary of the board of directors, and also serves as a director of Anhui KEDA Industrial Co., Ltd., a director of Qinghai Salt Lake Lanke Lithium Industry Co., Ltd., a director of Guangdong KEDA Hydraulic Technology Co., Ltd., a supervisor of Anhui KEDA Investment Co., Ltd., a supervisor of Guangdong KEDA Lithium Industry Co., Ltd., a director of Keda Holding (Mauritius) Limited, a director of Tilemaster Investment Limited.

Peng Hengxiang	She joined the Company in October 2020 and is currently serving as the director of audit and supervision of the Company. She formerly took the office as a deputy director of the financial department of Guangdong Hongyu Group Co., Ltd. And has been the chairman of the Company's Board of Supervisors since August 2021.
Chen Haiqin	He formerly served as the account manager of Shengtang Sub-branch and Jianfu Sub-branch of China Construction Bank Foshan Branch, the account manager, the senior risk manager, the deputy general manager and the general manager of the Corporate Client Department of China Construction Bank Foshan Branch, and the general manger of Foshan Cermic Fund Management Co., Ltd. Since 2018, he has been the general manager of the Investment Center of NEWPEARL Enterprise Group Co., Ltd., and has been a supervisor of the Company since June 2020.
Qiu Hongying	She joined the Company in May 2005 and has served as the Company's general ledger supervisor, the general ledger accounting manager, and the manager of the Audit Division. She is currently the assistant to the general manager of the Company, and has served as the Company's employee supervisor since August 2021 to date.

Other description

□Applicable √Not applicable

(II) Positions held by current and resigned directors, supervisors and senior management during the reporting period

1. Positions in the shareholders' units

√ Applicable □Not applicable

Name of staff	Shareholder name	Positions held in the shareholder	Post start date	Post end date
Zhang Jian	Macrolink Holdings Co., Ltd.	Senior Vice President	February 2017	
Chen Haiqin	Foshan Newpearl Group Co., Ltd.	General Manager of Investment Center	2018	
Description of positions held in the shareholder	Please refer to the profile for details.			

2. Positions in other units

√ Applicable □Not applicable

Name of staff	Names of other units	Positions held in other units	Post start date	Post end date
Bian Cheng	Foshan General Chamber or Commerce	Vice Chairman	June 2022	
Bian Cheng	Guangdong Building Materials Association	Honorary Chairman	July 2021	
Bian Cheng	Foshan Uniceramics Development Co., Ltd.	Director	April 2019	
Bian Cheng	Foshan City Sunde District Chamber of Commerce of Machinery & Equipment Manufacturing Industry	Honorary Chairman	January 2019	
Bian Cheng	Foshan Zhongtao Alliance Technology Co., Ltd.	Director	February 2015	
Bian Cheng	Foshan Enterprise Confederation	President	December 2015	
Bian Cheng	Foshan Entrepreneur Directors Association	President	December 2015	
Bian Cheng	Association of High Tech Enterprise, Shunde	Vice-President	2006	
Bian Cheng	Foshan Ceramic Industry Association	Executive Vice President	2003	
Yang Xuexian	Guangdong Building Materials Association	Vice-President	2022	
Yang Xuexian	Guangdong Ceramics Association	Vice-President	July 2021	
Yang Xuexian	China Building Material Machinery Association	Vice-President	December 2020	
Yang Xuexian	Guangdong Chamber of International Commerce	Vice-President	December 2020	
Yang Xuexian	China Ceramic Industry Association	Deputy Director	July 2020	
Yang Xuexian	China Building & Sanitary Ceramics Association	Vice-President	July 2020	
Zhang Zhonghua	Qinghai Salt Lake Lanke Lithium Industry Co., Ltd.	Chairman	May 2021	
Zhang Zhonghua	Zhangzhou Juming Graphite Material Co., Ltd.	Chairman	January 2021	
Zhang Zhonghua	Guangxi CNAC Lutong Asphalt Co., Ltd.	Director	January 2021	

Zhang Zhonghua	Xinjiang Taibang Technology Co., Ltd.	Director	July 2017	
Zhang Zhonghua	Beijing CNAC Lutong Asphalt Material Co., Ltd.	Director	April 2013	June 2022
Shen Yanchang	Sunda Group Co., Ltd	Chairman	September 2019	
Huo Zhaoqiang	Beijing Tianhe Runfeng Investment Consulting Co., Ltd.	Supervisor	April 2018	
Huo Zhaoqiang	1506 Creative City Investment Co., Ltd.	Supervisor	July 2016	
Huo Zhaoqiang	Guangdong Hongyu Ceramics Holdings Co., Ltd.	General sales manager	January 2016	February 2023
Huo Zhaoqiang	Guangdong Hongyu Ceramics Holdings Co., Ltd.	Salses Consultant	March 2023	
Huo Zhaoqiang	Foshan Xinyuan Technology Development Co., Ltd.	Director, Manager	April 2011	
Zhang Jian	Sichuan Honda Co., Ltd.	Director	October 2022	
Zhang Jian	Sailun Group Co., Ltd.	Director	July 2022	
Zhang Jian	Xinbian (Hainan) Technology Development Co.	Director	April 2022	
Zhang Jian	Beijing Oujiali Trading Co., Ltd.	Supervisor	April 2020	
Zhang Jian	Feldspar Investment Co., Ltd.	Director	June 2019	
Zhang Jian	Shenzhen Macrolink Industry and Trade Development Co., Ltd.	Legal representative, executive director and general manager	October 2018	
Zhang Jian	Macrolink South Holding Co., Ltd.	Director	September 2018	
Zhang Jian	Macrolink Capital Co., Ltd.	Executive Director, General Manager	August 2018	
Zhang Jian	Macrolink International Development Co., Ltd.	Director	August 2018	
Zhang Jian	Dongyue Fluorosilicone Science and Technology Group Co., Ltd.	Director	June 2018	
Zhang Jian	Macrolink Holding Co., Ltd.	Senior Vice President	February 2017	
Zhang Jian	Macrolink Development Investment Co., Ltd.	Director	January 2017	
Zhang Jian	Macrolink Asia Industrial Investment Limited	Director	May 2016	
Zhang Jian	Bejing Marcolink Industrial Investment Co., Ltd.	Director	February 2016	
Zhang Jian	Hengtian Goldenrock Investment Management Co., Ltd	Director	December 2015	
Zhang Jian	CHTC Jinshi (Shenzhen) Investment Management Co., Ltd.	Director	December 2015	
Zhang Jian	New Power Capital Investment Co., Ltd	Director	August 2014	
Zhang Jian	Hunan Hualian Porcelain Co., Ltd.	Director	October 2011	
Zhang Jian	Macrolink Cultural Tainment Development CO., LTD	Director	May 2011	
Zhang Jian	Dongyue Group Co.,Ltd	Executive Director	July 2006	
Zhang Jian	New Silkroad Culturaltainment Limited	Executive Director	February 2004	

Chen Huan	Guangzhou Zongheng Jianke Exhibition Co., Ltd.	Director	May 2022	
Chen Huan	Sally Science & Technology Shares Co., Ltd.	Independent Director	February 2021	
Chen Huan	Foshan Uniceramics Development Co., Ltd.	Director	April 2019	
Chen Huan	Foshan Zhongtao Alliance Technology Co., Ltd.	Director	February 2015	
Chen Huan	Guangdong Ceramics Association	President	November 1998	
Chen Huan	Guangdong Building Materials Industry Association	Executive Vice President	December 2013	
Chen Huan	Guangdong Ceramics Association	President of the Association	December 1998	
Li Songyu	Palm Eco-Town Development Co. Ltd.	Director	February 2022	
Long Jiangang	Guizhou Plateau Tea Oil Co., Ltd.	Director	May 2018	
Long Jiangang	Foshan Huajun Shangdao Research Institute Co., Ltd.	Supervisor	April 2018	
Long Jiangang	Shenzhen Kunyue Culture Media Co., Ltd.	Supervisor	April 2017	
Long Jiangang	Foshan Shangdao Research Institute (Limited Partnership)	Chief researcher		
Long Jiangang	Guangdong Hongchang Apparel Design Co., Ltd.	Chairman of Board of Supervisors	March 2011	
Peng Hengxiang	Guangzhou Jinpibao Real Estate Co., Ltd.	Supervisors	January 2018	
Peng Hengxiang	Foshan Leyun Innovation Technology Co., Ltd.	Supervisors	May 2018	
Peng Hengxiang	Foshan Nanhai Huijie Real Estate Development Co., Ltd.	Vice Chairman, Director	January 2018	
Peng Hengxiang	Guangdong Jinkang Mingzhu Technology Co., Ltd.	Supervisors	November 2022	
Chen Haiqin	Foshan Yuezhu Industrial Investment Co., Ltd.	Chairman	January 2022	December 2022
Chen Haiqin	Enping Junhui Enterprise Management Co., Ltd.	Supervisor	December 2021	
Chen Haiqin	Guangdong Kangxi Pearl Technology Co., Ltd.	Supervisor	August 2021	
Chen Haiqin	Huzhou Yuean Real Estate Development Co., Ltd.	Supervisor	November 2020	
Chen Haiqin	Shangqiu Hengshi Tourism Development Co., Ltd.	Supervisor	September 2020	
Chen Haiqin	Shangqiu Henghong Tourism Development Co., Ltd.	Supervisor	September 2020	
Chen Haiqin	Foshan Newpearl Group Co., Ltd.	General Manager of Investment Center	2018	
Qiu Hongying	Foshan Xinglan Trading Co., Ltd	Supervisor	December 2020	
Zhou Peng	Sichuan Guangxing Lithium Technology Co., Ltd	Director	January 2023	
Zhou Peng	Foshan Building Materials Industry Association	Vice-President	2022	
Zhou Peng	Guangdong Association of Circular Economy and Resources Comprehensive Utilization	Vice-President	December 2021	
Zhou Peng	Foshan Shunde District Chencun General Chamber of Commerce	Vice-President	October 2021	
Zhou Peng	Guangdong Association of Automation	Deputy Director	September 2021	

Zhou Peng	Guangdong Mechanical Engineering Society	Deputy Director	October 2019	
Zhou Peng	Sichuan Guangxing Lithium Technology Co., Ltd	Director	January 2023	
Zhou Peng	Sichuan Guangxing Lithium Technology Co., Ltd	Director	January 2023	
Zhou Peng	Shunde Mechanical Equipment Manufacturing Chamber of Commerce	Vice President	January 2019	
Zhou Peng	Guangdong Building Materials Industry Association	Deputy Secretary General	April 2018	
Zhou Peng	Foshan Digital Industry Promotion Association	Vice chairman		
Zhou Peng	Foshan Mechanical Engineering Society	Vice chairman	2012	
Zeng Fei	Qinghai Salt Lake Lanke Lithium Industry Co., Ltd.	Supervisor	May 2021	
Li Yuejin	Qinghai Salt Lake Lanke Lithium Industry Co., Ltd.	Director	May 2021	
Description of employment in other units	For details, please see the biographies.			

(III) Remuneration of Directors, Supervisors and senior management

√Applicable □ Not applicable

Decision-making procedures for remuneration of Directors, Supervisors and senior management	The remuneration of the Directors of the Company shall be submitted to the Board and the general meeting for consideration and approval after being reviewed and approved by the Remuneration and Appraisal Committee of the Board; The remuneration of senior management shall be reviewed and approved by the Remuneration and Appraisal Committee of the Board and then submitted to the Board for consideration and approval; The Supervisors will not receive their remuneration separately and will receive remuneration based on their administrative positions in the Company or other entities, which is subject to their annual performance.
Basis for determining the remuneration of Directors, Supervisors and senior management	According to the Resolution on Adjusting the Allowance of Independent Directors considered and approved at the 2021 Second Extraordinary General Meeting of the Company, the allowance standard for independent directors was adjusted from RMB 120,000 per year to RMB 150,000 per year (including individual income tax). According to the Resolution on the Remuneration Plan for non-independent directors of the Company considered and approved at the 2021 annual general meeting of the Company, Mr. Zhang Jian and Mr. Huo Zhaoqiang, non-independent Directors who do not hold other specific positions in the Company, were entitled to a director allowance of RMB 180,000 per year for performing their duties and responsibilities. The remuneration of other Directors, Supervisors and senior management is determined in accordance with the Company's relevant remuneration and assessment management measures and assessment of operating performance.
Actual payment of remuneration of Directors, Supervisors and senior management	For the actual payment of remuneration of the Directors, Supervisors and senior management of the Company, please refer to "(I) Changes in shareholding and remuneration of current and resigned Directors, Supervisors and senior management during the Reporting Period" in this section.
Total actual remuneration received by all Directors,	RMB19,237,000

Supervisors and senior management as at the end of the Reporting Period	

(IV) Changes in directors, supervisors and senior management of the Company

√Applicable □ Not applicable

Name	Position (s)	Changes	Reasons for change
Li Yuejin	Vice President	Appointment	Appointed as Vice President by the 7th Meeting of the 8th Session of the Board of Directors

(5) Information on punishment by securities regulatory authorities in the past three years

√Applicable □Not applicable

On 20 October 2021, Mr. Zhou Peng, Vice President of the Company, reduced his shareholding in the Company through disposal of 100,000 shares by centralized competitive bidding during the reporting period for the third quarter of 2021 due to misconduct. On 10 November 2021, the Shanghai Stock Exchange issued a verbal warning notification in relation to Mr. Zhou Peng's illegal reduction.

(6) Others

□ Applicable √Not applicable

V. Board Meetings Held during the Reporting Period

Meeting session	Meeting date	Resolutions of the Meeting
The 5th Meeting of the 8th Board of Directors	4 January 2022	The Resolution on Changes in Accounting Policies of Subsidiaries was considered and approved at the meeting. For details, please refer to the Announcement on Resolutions of the Fifth Meeting of the 8th Session of the Board (Announcement No. 2022-001) disclosed by the Company on 5 January 2022.
The 6th Meeting of the 8th Board of Directors	19 January 2022	The Resolution on Capital Increase and Share Expansion of a Holding Subsidiary and Related Party Transaction was considered and approved at the meeting. For details, please refer to the Announcement on Resolutions Passed at the 6th Meeting of the 8th Session of the Board (Announcement No. 2022-008) disclosed by the Company on 20 January 2022.
The 7th Meeting of the 8th Board of Directors	30 March 2022	32 resolutions, including the 2021 Annual Report and its Summary, were considered and approved at the meeting. For details, please refer to the Announcement on Resolutions of the Seventh Meeting of the 8th Session of the Board (Announcement No. 2022-014) disclosed by the Company on 31 March 2022.
The 8th Meeting of the 8th Board of Directors	7 April 2022	Nine resolutions including the Resolution on the Issuance and Admission of GDRs of the Company on the SIX Swiss Exchange were considered and approved at the meeting. For details, please refer to the Announcement on the Resolutions Passed at the 8th Meeting of the 8th Session of the Board (Announcement No. 2022-029) disclosed by the Company on 8 April 2022.

The 9th Meeting of the 8th Board of Directors	29 April 2022	Three resolutions including the 2022 First Quarterly Report were considered and approved at the meeting. For details, please refer to the Announcement on Resolutions of the Ninth Meeting of the 8th Session of the Board (Announcement No. 2022-038) disclosed by the Company on 30 April 2022.
The 10th Meeting of the 8th Board of Directors	10 June 2022	Three resolutions, including the Resolution on Carrying out Hedging Business, were considered and approved at the meeting. For details, please refer to the Announcement on Resolutions Passed at the Tenth Meeting of the 8th Session of the Board (Announcement No. 2022-045) disclosed by the Company on 11 June 2022.
The 11th Meeting of the 8th Board of Directors	15 July 2022	Two resolutions including the Resolution on Investment were considered and approved at the meeting. For details, please refer to the Announcement on Resolutions Passed at the 11th Meeting of the 8th Session of the Board (Announcement No. 2022-055) disclosed by the Company on 16 July 2022.
The 12th Meeting of the 8th Board of Directors	2 August 2022	The Resolution on Participation in the Establishment of Investment Fund and Related Party Transaction was considered and approved at the meeting. For details, please refer to the Announcement on the Resolutions Passed at the 12th Meeting of the 8th Session of the Board (Announcement No. 2022-068) disclosed by the Company on 3 August 2022.
The 13th Meeting of the 7th Board of Directors	12 August 2022	10 resolutions including the 2022 Interim Report and its Summary were considered and approved at the meeting. For details, please refer to the Announcement on Resolutions Passed at the 13th Meeting of the 8th Session of the Board (Announcement No. 2022-074) disclosed by the Company on 13 August 2022.
The 14th Meeting of the 8th Board of Directors	23 August 2022	The Proposal on Repurchase of Shares of the Company was considered and approved at the meeting. For details, please refer to the Proposal on Repurchase of Shares of the Company (Announcement No. 2022-081) disclosed by the Company on 24 August 2022.
The 15th Meeting of the 8th Board of Directors	26 September 2022	Four resolutions, including the Resolution on Application to Banks for Comprehensive Credit Facilities, were considered and approved at the meeting. For details, please refer to the Announcement on the Resolutions Passed at the 15th Meeting of the 8th Session of the Board (Announcement No. 2022-086) disclosed by the Company on 27 September 2022.
The 16th Meeting of the 8th Board of Directors	27 October 2022	Three resolutions including the 2022 Third Quarterly Report were considered and approved at the meeting. For details, please refer to the Announcement on Resolutions Passed at the 16th Meeting of the 8th Session of the Board (Announcement No. 2022-095) disclosed by the Company on 28 October 2022.
The 17th Meeting of the 8th Board of Directors	28 November 2022	Two resolutions including the Resolution on the Appointment of Vice President of the Company were considered and approved at the meeting. For details, please refer to the Announcement on the Resolutions Passed at the 17th Meeting of the 8th Session of the Board (Announcement No. 2022-109) disclosed by the Company on 29 November 2022.
The 18th Meeting of the 8th Board of Directors	7 December 2022	Four resolutions, including the Resolution on Entrusted Wealth Management with Certain Idle Self-owned Funds, were considered and approved at the meeting. For details, please refer to the Announcement on the Resolutions Passed at the 18th Meeting of the 8th Session of the Board (Announcement No. 2022-113) disclosed by the Company on 8 December 2022.

VI. Duty Performance by Directors

(I) Directors' Attendance of Board Meetings and GeneralGeneral Meeting

Name of director	Whether an independent director	Attendance of board meeting						Attendance of General Meeting
		Number of board meetings that he/she should attend during the year	Number of meetings he/she was present personally	Number of meetings attended by means of telecommunications	Number of meetings he/she entrusts a proxy to attend	Number of absences	Did any of them fail to attend meetings in person for two consecutive times	Number of the General Meetings attended
Bian Cheng	No	14	14	0	0	0	No	3
Yang Xuexian	No	14	14	0	0	0	No	3
Zhang Zhonghua	No	14	14	14	0	0	No	3
Shen Yanchang	No	14	14	14	0	0	No	3
Huo Zhaoqiang	No	14	14	14	0	0	No	3
Zhang Jian	No	14	14	14	0	0	No	3
Chen Huan	Yes	14	14	14	0	0	No	3
Li Songyu	Yes	14	14	14	0	0	No	3
Long Jiangang	Yes	14	14	14	0	0	No	3

Description of absence from board meetings in person for two consecutive times

□Applicable √Not applicable

Number of board meetings held during the year	14
Including: number of physical meetings	0
Number of meetings held by means of telecommunications	0
Number of meetings held both physically and via telecommunications	14

(II) Situation where directors raise objections to relevant matters of the Company

□Applicable √Not applicable

(III) Others

□Applicable √Not applicable

VII. Specialized Committees Set up under the Board of Directors

√Applicable □Not applicable

(1) Members of Specialized committees set up under the Board of Directors

Specialized committee Category	Member name
Audit Committee	Yang Xuexian, Huo Zhaoqiang, Chen Huan, Long Jiangang, Li Songyu

Nomination Committee	Bian Cheng, Yang Xuexian, Chen Huan, Long Jiangang, Li Songyu
Remuneration and Appraisal Committee	Bian Cheng, Yang Xuexian, Chen Huan, Long Jiangang, Li Songyu
Strategy Committee	Bian Cheng, Zhang Jian, Yang Xuexian, Huo Zhaoqiang, Long Jiangang

(2) 10 meetings held by the Audit Committee during the reporting period

Meeting date	Meeting content	Important comments and suggestions proposed	Performance of other duties
4 January 2022	Review of the Proposal on Changes in Accounting Policies of Subsidiaries	After full communication and discussion, the deliberation proposal was unanimously passed and submitted to the 5th meeting of the 8th board of directors for deliberation.	/
19 January 2022	Considered the Proposal on Increase in Capital and Shares of Holding Subsidiaries and Related Transactions	After full communication and discussion, the deliberation proposal was unanimously passed and submitted to the 6th meeting of the company's 8th board of directors for deliberation.	/
16 Feberuary 2022	First review of the 2021 Financial and Accounting Statements	Proposed review opinions on the 2021 Financial and Accounting Statements, and agreed to carry out the 2020 financial audit work on the basis of these financial statements.	/
25 March 2022	Second review of the 2021 Financial and Accounting Statements again	Proposed review comments on the 2021 Financial and Accounting Statements again, and the Company agreed to prepare the 2021 Annual Report based on these financial statements.	/
30 March 2022	Review the 2021 Annual Report and Summary	After full communication and discussion, the proposals were unanimously approved and submitted to the 7th Meeting of the 8th Board of Directors of the Company.	/
29 April 2022	Review 2 proposals including the 2022 First Quarterly Report	After full communication and discussion, the proposals were unanimously approved and submitted to the 9th meeting of the 8th session of the Board of the Company for consideration.	/
15 July 2022	Consideration of the Proposal in relation to the Capital Increase and Share Expansion of a Holding Subsidiaries and Related Party Transactions	After full communication and discussion, the resolution was unanimously approved and submitted to the 11th meeting of the 8th session of the Board of the Company for consideration.	/
2 August 2022	To review the Resolution on Participation in the Establishment of Investment Fund and Related Party Transaction	After full communication and discussion, the resolution was unanimously approved and submitted to the 12th meeting of the 8th session of the Board of the Company for consideration.	/
12 August 2022	Review 2 proposals including the 2022 Interim Report and its Summary	After thorough communication and discussion, the proposals were considered unanimously and submitted to the 13th meeting of the 8th session of the Board of the Company for consideration.	/

27 October 2022	Review 2 proposals including the 2022 Third Quarterly Report	After thorough communication and discussion, the proposals were considered unanimously and submitted to the 16th meeting of the 8th session of the Board of the Company for consideration.	/

（3）the Strategy Committee convened 7 meetings during the Reporting Period

Meeting date	Agenda of the meeting	Important comments and suggestions	Other Performance of Duties
19 January 2022	Review of the Proposal in Relation to the Capital Increase and Share Expansion of a Holding Subsidiary and Related Party Transaction	After full communication and discussion, the resolution was unanimously approved and submitted to the sixth meeting of the 8th session of the Board of the Company for consideration.	/
30 March 2022	Review 2 resolutions including the resolution on the 2022 Non-public Issuance of A Shares of the Company, and summarised the duty performance of the Strategy Committee of the Board in 2021	After full communication and discussion, the resolutions were unanimously approved and submitted to the seventh meeting of the 8th session of the Board of the Company for consideration.	/
7 April 2022	Review 3 resolutions including the Resolution on the Issuance of GDRs of the Company on the SIX Swiss Exchange	After full communication and discussion, the resolutions were considered unanimously and submitted to the 8th meeting of the 8th session of the Board of the Company for consideration.	
29 April 2022	Review 2 resolutions including the Proposal on Investment	After full communication and discussion, the resolutions were unanimously approved and submitted to the ninth meeting of the 8th session of the Board of the Company for consideration.	/
15 July 2022	Review 2 resolutions including the Proposal on Capital Increase and Share Expansion of a Holding Subsidiaries and Related Party Transactions	After full communication and discussion, the resolution was unanimously approved and submitted to the 11th meeting of the 8th session of the Board of the Company for consideration.	/
26 September 2022	Review of the Resolution in Relation to the Proposed Spin-off and Listing of a Holding Subsidiary	After full communication and discussion, the resolution was unanimously approved and submitted to the 15th meeting of the 8th session of the Board of the Company for consideration.	/
7 December 2022	Review the Resolution on Investment and Participation in the Establishment of Investment Fund	After full communication and discussion, the resolution was unanimously approved and submitted to the 18th meeting of the 8th session of the Board of the Company for consideration.	/

(4). The Nomination Committee convened 2 meetings during the Reporting Period

Meeting date	Agenda of the meeting	Important comments and suggestions	Other Performance of Duties
30 March 2022	Summary of the performance of the Nomination Committee of the Board in 2021	/	/

28 November 2022	Review the Resolution on the Appointment of Vice President of the Company	After full communication and discussion, the resolution was unanimously approved and submitted to the 17th meeting of the 8th session of the Board of the Company for consideration.	/

(5). The Remuneration and Appraisal Committee convened 2 meetings during the Reporting Period

Meeting date	Agenda of the meeting	Important comments and suggestions	Other Performance of Duties
30 March 2022	Review the Resolution on Determining the Remuneration of Directors and Senior Management of the Company for 2021 and the Resolution on Purchase of Liability Insurance for Directors, Supervisors and Senior Management, and summarise the performance of duties of the Remuneration and Appraisal Committee of the Board in 2021	After full communication and discussion, the committee unanimously expressed no objection. Given that the resolution on purchasing director liability insurance is related to the members present at the meeting, all members abstained from voting on the resolution and submitted the resolution directly to the seventh meeting of the 8th session of the Board of the Company for consideration.	/
12 August 2022	To consider the Resolution on the Adjustment to Purchase of Liability Insurance for Directors, Supervisors and Senior Management	After full communication and discussion, the committee unanimously expressed no objection. However, given that the resolution was related to the members present at the meeting, all members abstained from voting on the resolution and the resolution was directly submitted to the 13th meeting of the 8th session of the Board of the Company for consideration.	/

(6). Details of the specific matters with objections

□ Applicable √Not applicable

VIII.Information on the risks identified by the Supervisory Committee

□ Applicable √Not applicable

The Board of Supervisors had no objection to the supervision matters during the Reporting Period.

IX. Employees of the Parent Company and Major Subsidiaries at the End of the Reporting Period

(I) Employees

Current employees in the parent company	1,805
Current employees in the main subsidiaries	9,669
Total number of current employees	11,474
Number of retired employees whose costs shall be borne by the parent company and the main subsidiaries	0

Specialty composition	
Type of specialty composition	Number of specialty composition
Production staff	6,770
Sale staff	998
Technical staff	940
Financial staff	243
Administrative staff	2,523
Total	11,474
Educational background	
Type of educational background	Quantity (persons)
Postgraduate or above	179
Bachelor degree	2,059
Junior college degree	1,700
Secondary vocational school education and below	7,536
Total	11,474

(II) Remuneration policy

√Applicable □Not Applicable

The Company formulated and implemented the human resources and performance appraisal policies in strict accordance with the Company Law, the Labor Law and related industry management regulations, and on the basis of industry and post, provided the monthly salary, commission, hourly rate, piece rate wage and otherwise multiple and competitive types of remuneration, and properly enacted and adjusted the remuneration policies by the implementation of a periodic performance evaluation policy and taking into account the development of the Company as well as industry standard rates.

The company is committed to building and improving the employee career development mechanism. Through multi-channel and multi-level employee career development channels, the Company's development and employee career development are closely linked; through the annual rank assessment, employees could obtain salaries, benefits, training and career development opportunities that match the values their positions brought to the Company, which provided a solid guarantee for enhancing the core competitiveness of the Company, and at the same time the Company made its efforts to build a favorable working environment for employees and offer more opportunities for employees' pursuit of their values and career development.

(III) Training plan

√Applicable □Not Applicable

The Company is committed to creating a staircase-like career development path for employees. By establishing a clear position system, the Company helps employees to position themselves, builds a learning-oriented enterprise, and carries out tailor-made training courses to improve the professional quality of employees. The Company carries out rank evaluation every year, evaluates employees from the three dimensions (i.e. basic qualifications, professional qualifications and competence for Keda Manufacturing), and carries out employee promotion in an open and transparent manner.

The Company encourages employees to pursuit continuing education for higher education, and organises the 2022 "Dream Plan - Guangdong New Generation Industrial Workers Development Project for employees seeking higher education" to enhance the competitiveness of the Company's talents. In March 2022, in order to make employees "willing to learn, easy to learn, and active to learn", the Company launched the “Keda College” online learning platform for employees with a view to creating a convenient learning environment for employees, whereby it promoted the building of a learning organization. At the same time, through digital channels, we help employees improve their professional ability and competence, share the convenience and fun brought by digital learning, and facilitate them to meet a better self. Based on the urgent demand for grass-roots skilled, craftsman-oriented and management-oriented talents, the Company adopted German’s "dual-system" methodology and embarked on an innovation path of integrating vocational education and production education, as well promoting school-enterprise cooperation and internationalization collaboration in cultivation of talents. In September 2022, KEDA Group International Artisan Class Started Successfully at Foshan Institute of Vocational Technology. The KEDA Group International Artisan Class is a "dual-system" school-enterprise cooperation talent training model, which allows students to practice more effectively under the guidance of experienced corporate mentors. Based on the urgent demand for skilled, artisanal and managerial talents at the grassroots level, and drawing on the German "dual-system" methodology, this innovative path of vocational education is based on the integration of industry and academy and international school-enterprise cooperation to assist in the development of more skilled artisans. At the same time, in order to better promote the implementation of the Company’s reform and strategic objectives, and help the management team of Ceramic Machinery to improve their operation and management capabilities, the Company launched the “Pilot-2022 Keda Ceramic Machinery Operation Team Special Training Camp” from June to October to cultivate a high-quality operation and management talent team with mindset of “understanding operation, fine management, good decision-making and innovation”.

In 2022, a total of 840 training sessions were organized and implemented, including 189 first-level (company-level) training sessions and 651 second-level (department-level) training sessions; with a total of 181,16 annual training hours, 9,906 participantsactually participating in the training sessions and an average training hour of 35.8 hours for the incumbent.

Taking into account the Company's strategies and demands for employees, the Company continuously explored and optimized the talent building model, tapped the potentials of talents, created better learning environment and will continue to seek the talent building in multiple forms and value creation.

(IV) Information on labor outsourcing

√Applicable □Not Applicable

Total man-hours for labor outsourcing	3,094,279 hours
Total remuneration paid for labor outsourcing	RMB 136,338.6 thousand

X. Plan for Profit Distribution or Capitalization by Converting Capital Reserves

(I) Preparation, execution or adjustment of the cash dividend policy

√Applicable □Not Applicable

In order to safeguard investors' rights and interests, the Company has made clear stipulations on the principles and requirements of profit distribution in the Articles of Association and Shareholders' Return Planning, which meet the requirements of relevant normative documents such as "Guidelines for the Supervision of Listed Companies No. 3 - Cash Dividends of Listed Companies" (Revised in 2022) (Zhen Jian Hui Announcement [2022] No. 3) and “Self-regulatory Guidelines for Listed Companies of Shanghai Stock Exchange No. 5 - Equity Distribution (Revised in February 2023) (SSE Letter [2023] No. 519)”.

1. Profit distribution in 2021

During the reporting period, the Company implemented the 2021 Profit Distribution Plan: based on the Company's total share capital with 1,888,419,929 shares, a cash dividend of RMB 1.80 (tax inclusive) was distributed to all shareholders for every 10 shares, and a total of RMB 339,915,587.22 of cash dividends were distributed, accounting for 33.80% of the net profit attributable to shareholders of the Company in 2021. The system and distribution procedures of the Company's profit distribution plan are in line with the provisions of the Articles of Association and the requirements of the shareholder resolutions. The Company's independent directors have expressed independent opinions on the Company's profit distribution issues. The relevant decision-making procedures are proper and compliant with law, which safeguarded the legitimate rights and interests of minority shareholders.

2. Profit distribution in 2022

The 2022 profit distribution plan of the Company: Based on the total number of shares of the Company entitled to the profit distribution of 1,917,856,391 shares (the total share capital of 1,948,419,929 shares less 30,563,538 shares in the special securities account for the repurchase of shares of the Company), it is proposed to distribute cash dividends of RMB 6.8 (tax inclusive) for every 10 shares to all shareholders, with the total cash dividends of RMB1,304,142,345.88.

(II) Special explanation of cash dividend policy

√Applicable □Not applicable

Whether it met the requirements of the Articles of Association or the resolution of the General Meeting:	√ Yes □ No
Whether the dividend standard and proportion were definite and clear	√ Yes □ No
Whether the relevant decision-making procedures and mechanisms were complete	√ Yes □ No
Whether the Independent Directors performed their duties and played their due roles	√ Yes □ No
Whether the medium and small shareholders had the opportunity to fully express their opinions and demands and whether their legitimate rights and interests have been fully protected	√ Yes □ No

(3) If the Company records profits with positive profits available for distribution to shareholders from the parent company during the reporting period, but there is no proposal for cash profit distribution plan, the Company shall disclose the reasons and the use and plan of use of the undistributed profits in detail

□ Applicable √Not applicable

(4) Profit distribution and conversion of capital reserve into share capital during the Reporting Period

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Number of bonus shares for every 10 shares (share)	-
Dividend per 10 shares (RMB) (tax inclusive)	6.8
Number of shares converted for every 10 shares (share)	-
Amount of cash dividends (tax inclusive)	1,304,142,345.88
Net profit attributable to ordinary shareholders of the listed company in the consolidated statement for the dividend year	4,250,931,759.12
Percentage of net profit attributable to ordinary shareholders of the listed company in the consolidated statements (%)	30.68
Amount of shares repurchased in cash included in cash dividend	500,000,213.13
Total amount of dividends (tax inclusive)	1,804,142,559.01
Percentage of total dividends to net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements (%)	42.44

XI. 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 RMB 86,226,880. 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, during the reporting period, theProposal 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

During the Reporting Period, in order to optimise the equity structure of the lithium-ion battery materials segment and promote the common growth and development of employees and the enterprise, the Company and its subsidiaries' key management personnel, key employees and other personnel established four employee shareholding platforms through joint investments, and increased the capital of Fujian Keda New Energy by RMB 41,409,300 at the price of RMB 1.0648 per registered capital. For details, please refer to the "Announcement on Capital Increase and Share Expansion of Holding Subsidiaries and Connected Transactions" disclosed by the Company on 20 January 2022.

In order to further improve the Company's long-term incentive mechanism and benefit sharing mechanism, and promote the common growth and development of the management and the enterprise, the Company transferred its 2.85% equity interest in Fujian Keda New Energy to Gongqingcheng Kexin Investment Partnership (Limited Partnership), an employee shareholding platform, at a consideration of RMB 9,740,500. At the same time, Yang Xuexian, Zhang Zhonghua, the Directors of the Company, and Li Yuejin, a senior excutive, will increase the capital of Gongqingcheng Kexin Investment Partnership (Limited Partnership) to pay for the equity transfer of Fujian Keda New Energy. For details, please refer to the "Announcement on the Equity Transfer of a Subsidiary and Connected Transaction" disclosed by the Company on 30 April 2022.

During the Reporting Period, Yang Xuexian, Zhang Zhonghua, the Directors of the Company, and Li Yuejin, a senior excutive, have increased the capital of Gongqingcheng Kexin Investment Partnership (Limited Partnership) to pay for the equity transfer of Fujian Keda New Energy. Gongqingcheng Kexin Investment Partnership (Limited Partnership) has paid RMB 9,740,500 to the Company for the equity transfer.

(III) Equity incentives grated to directors and senior management during the Reporting Period

□Applicable√Not applicable

(IV) Establishment and implementation of the appraisal mechanism and incentive mechanism for senior management during the Reporting Period

□Applicable√Not applicable

In order to further improve the incentive and restraint mechanism of the Company, effectively mobilise the enthusiasm and creativity of the senior management of the Company, and promote the Company to further improve the work efficiency and operating efficiency,in accordance with the Company's remuneration and performance appraisal management system or plan, the senior management of the Company is remunerated according to the specific positions they hold in the Company, their actual work performance and combined with the Company's business performance and other comprehensive indicators, including basic remuneration and annual performance remuneration. The basic salary is paid on an average monthly basis, and annual performance-based remuneration is paid according to the assessment results. Through performance-oriented appraisal, the Company strengthened the constraint of responsibility objectives, and enhance the enterprising spirit and sense of responsibility of the management.

XII. Construction and implementation of internal control system during the reporting period

√Applicable □Not applicable

The company has established a strict internal control management system in strict accordance with the requirements of the CSRC, the Shanghai Stock Exchange, the Company Law, the Articles of Association and other laws and regulations. The compliance governance structure implemented by the Company is under the responsibility of the Board of Directors, supervised and managed by the Audit Committee, the Supervisory Committee and the Audit and Supervision Division, and implemented by various functional departments. With the continuous innovation of the Company's development and management needs, the Company has continuously improved and updated its internal control system. During the reporting period, the Company, according to the latest organizational structure and departmental settings, the Company added 28 internal control regulations and updated and improved 88 stipulations. As of the end of the reporting period, the Company had a total of 1,282 internal control regulations, including stipulations on technology, management, and performance standards.

The Company has established a relatively sound internal control management and supervision system. The Audit and Supervision Division of the Company is responsible for the daily inspection and evaluation of the completeness, rationality and effectiveness of the internal control and its implementation, making suggestions for improving internal control, and supervising and inspecting its implementation. During the Reporting Period, the Audit and Supervision Division conducted audit and inspection on the finance, internal control, major projects and other businesses of the Company’s functional departments and branches on a regular or irregular basis, and reported to the Board of Directors in a timely manner in respect of the internal control deficiencies identified during the supervision and inspection process. In addition, the Company and its subsidiaries within the scope of consolidated financial statements have completed the self-evaluation of internal control for 2022 as planned. The Audit and Supervision Division monitors the self-evaluation of internal control, conducts key spot checks on some companies, conducts evaluation tests on key control points and risk points of internal control, puts forward suggestions for improving weak links of internal control, and forms evaluation conclusions. After the testing and evaluation conducted by the Audit and Supervision Division on all aspects of the Company’s operations, the Company

did not have any material or significant deficiencies in internal control during the Reporting Period. For details, please refer to the 2022 Internal Control Assessment Report disclosed by the Company on 15 April 2023.

Information on material defects in internal control during the Reporting Period

□Applicable√Not applicable

XIII. Management and control to subsidiaries by the Company during the reporting period

√Applicable □ Not applicable

Duringthe reporting period, in accordance with the relevant requirements for lawful operation of listed companies, the Company has formulated and improved the Related Transaction Policy, Information Disclosure Management System, Fund Management System, the Internal Reporting Policy for Major Information, the Management Policy for Controlled Subsidiaries, the Investment Management Policy, Internal Audit Guidelines and the External Guarantee Management Policy and other policies to regulate or supervise the standardized operation, information disclosure, financial funds and provision of guarantees by its subsidiaries. The Company the achieves governance monitoring of subsidiaries and conducts a timely follow-up on the financial positions, production and operation and evaluation of performance of each subsidiary by assigning persons to the board of directors, supervisory board or as key senior management or otherwise. The Company has prepared the Financial Report and Analysis Policy, which requires all subsidiaries to ensure that the accounting information is true, accurate, complete and up-to-date in accordance with accounting policies and company regulations. The Audit and Supervision Division of the Company regularly or irregularly conducts audit and supervision over all aspects of the economic and business activities of the subsidiaries, and procures them to improve the building and implementation of the internal controls system.

XIV. Information on the Internal Control Auditor's Report

√Applicable □Not applicable

For details, please refer to the Internal Control Auditor's Report issued by the Company on 15 April 2023.

Whether to disclose the internal control auditor's report: yes

Opinion type for internal control auditor's report: standard, unqualified opinion

XV. Rectification of self-examination problems of special actions for governance of listed companies

During the self-examination of the special action on governance in 2021, the Company found that the restrictions on the number of consecutive days of shareholding were added to the Articles of Association in respect of the nomination of candidates for directors, independent directors and supervisors by shareholders. The Company has amended the Articles of Association in this regard and removed the number of days in 2021. During the Reporting Period, the Company did not have any problems that need to be rectified.

XVI. Others

□Applicable √Not applicable

Section V Environmental and Social Responsibility

I. Environmental Information

Is there any environmental protection mechanism being put in place?	Yes
Amount of environmental protection funds invested during the reporting period (Unit: RMB ten thousand	1,078

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

√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, SO_2, NOx, etc.

3) Information on key pollutants discharging during the reporting period:

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	1	Particulate matter	Organized emission	19.8	30	1.73058	8.23	GB25465-2010	n/a
		SO2		118	400	6.04566	12.35		n/a
		NOx		88	240	5.73771	10.45	GB16297-1996	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. The 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

The main pollution in the production process comes from dusty exhaust gas, calcination flue gas, hot blast stove combustion exhaust gas, tunnel kiln carbonization flue gas and graphitization flue gas, etc. The company has adopted effective dust prevention and dust removal facilities for all major dust production links to ensure that materials are transported in closed airflow pipelines during the production process, and the processing process of each dust-producing equipment is in a closed state and equipped with highly efficient dust removal facilities; volatile organic compounds generated during calcination, hot-pack granulation and carbonization are efficiently purified by combustion; High-efficiency desulfurization and dust removal facilities are being used for calcination flue gas and graphitized flue gas containing high concentrations of sulfur dioxide and particulate matter, and all waste gases meet the standards for discharging after purification. 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 Environmental Protection Government Licenses

√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-ion battery anode material production project obtained an Approval of Environmental Impact Report of Kehua Graphite Lithium-ion 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. To establish a sound contingency mechanism for environmental emergencies, the Company has formulated an Environmental Protection Emergency contingency Plan to enhance the Company's ability to respond to sudden environmental pollution accidents involving public crisis. The Company regularly organizes emergency plan drills for environmental pollution accidents, which improves the ability of employees to deal with sudden environmental incidents.

5. Environmental 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

During the previous period, 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 Industrial, a subsidiary of the Company, for exceeding the emission standard for air pollutants. After administrative reconsideration, KEDA Foshan Industrial received an

Administrative Reconsideration Decision (Shunfu Xingfu [2022] No. 66) served by the People's Government of Shunde District, Foshan City on 24 April 2022. In September 2022, the Foshan Municipal Bureau of Ecology and Environment issued an announcement to remove KEDA Foshan Industrial from the list of companies that disclose environmental information in accordance with the law in Foshan in 2022. Except for the above-mentioned circumstances, the Company and other subsidiaries have not been subject to administrative penalties due to environmental issues.

2. Refer to other environmental information disclosed by key pollutant discharge 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's general solid waste disposal follows the principles of harmlessness, recycling, and reduction. Recyclable waste is prioritized for secondary use within the Company, and the rest is handled by sanitation companies with processing qualifications. The Company's exhaust gas is mainly generated from the surface treatment of workpieces (shot blasting, cleaning, painting, etc.), and the exhaust gas is uniformly passed through the VOCs exhaust gas treatment equipment to strictly meet the compliance emission requirements. 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.The Company and its subsidiaries actively responded to the call to fight the battle of pollution prevention and control and promote the improvement of ecological environment quality, insisted on leading green development with green technology innovation, actively explored new methods and new measures of environmental protection, promoted the conservation, intensive and efficient use of natural resources, and coordinated the green and low-carbon development, taking the road towards environmentally friendly and sustainable development.

3. Reasons for non-disclosure of other environmental information

□Applicable √Not applicable

(III) 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. During the reporting period, HLT replaced VOCs waste gas treatment equipment and added 3 sets of treatment devices. Three sets of treatment devices with the treatment process of "cyclone tower + dry filter + activated carbon adsorption and desorption + online catalytic combustion" were added, and the retractable mobile paint booth was replaced with a fixed one to enhance the airtightness of the waste gas collection process. According to the monitoring data, after the upgrade of the paint booth, the VOCs collection efficiency of the paint booth has reached 95%, and the treatment efficiency of all the three sets of organic waste gas treatment facilities has exceeded 90%, reducing VOC emissions by 1.139 tonnes and hazardous waste by 3 tonnes, further reducing the intensity of pollutant emissions and improving the capability of environmental treatment. The Company has built a set of recycling plant (hazardous waste incineration plant) with a daily processing capacity of 18 tonnes/day and an annual processing capacity of 5,000 tonnes. Through a series of technological processes such as rotary kiln, secondary combustion chamber, waste heat boiler, SNCR denitrification, dry reaction tower, bag dust removal, washing and deacidification, the Company effectively treated hazardous waste and controlled the waste gas generated by incineration to meet the requirements of the smoke emission index GB18484-2020 of the "Pollution Control Standard for Hazardous Waste Incineration". In December 2022, the Company officially obtained the hazardous waste license. In the future, on the premise of meeting the Company's hazardous waste disposal needs, it can undertake external hazardous waste disposal services, relieve the pressure of hazardous waste disposal by waste production units in surrounding areas, and avoid environmental risks caused by long-distance transportation of hazardous waste. In addition, The Company has its own wastewater treatment station, adopting the treatment process of "oil and slag separation + conditioning + coagulation and sedimentation + anaerobiosis and aerobiosis + MBR membrane filtration", and the wastewater meeting the discharge standard is recycled and used as pretreatment water for production facilities, irrigation water, etc.

Furthermore, 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, semi-annually and annually environmental manual monitoring work in all factory areas; guiding the Company in the filling and uploading of data of quarterly report and annual report on the national discharge permit management information platform; and guiding the Company to timely publish environmental information on the official website.

Meanwhile, the Company actively advocates low-carbon work and low-carbon life and strengthens the concept of green office among employees. Through establish information system such as OAS, ERP and SAP, the Company has established a complete set of paperless office system, such as the reuse of one-side used paper and encourages employees to save water and electricity to reduce office costs. With the help of new energy car rental business,

the Company provides green travel services for employees to go out to work. Electric vehicle charging poles have also been installed in the Company to encourage employees to travel green. The Company has formulated relevant rules on air-conditioning settings, computer and copier switch use to avoid damage caused by equipment wear and tear waste of resources.

(IV) Measures taken during the reporting period to reduce its carbon emissions and the corresponding effect

Has the Company adopted carbon reduction measures?	Yes
Reduction of CO2 equivalent emissions (Unit: ton)	3,505
Types of carbon reduction measures (such as using clean energy to generate electricity, using carbon reduction technologies in the production process, researching and developing new products that help reduce carbon emissions, etc.)	Use clean energy to generate electricity, use carbon reduction technology in the production process, and research and develop new products that help reduce carbon

Specific description

√Applicable □Not applicable

The Company strives to realize the "resource-saving and environment-friendly" enterprise as its goal, adheres to the environmental protection management concept of "reasonable energy use, green construction", and ensures the sustainable development of the Company's low-carbon cycle by improving the ability of ecological environment governance and developing green and low-carbon technologies. During the reporting period, the photovoltaic power generation of the Foshan basetotaled 6,146,638 kWh, reducing carbon dioxide emissions by 3,505 tonnes. With regard to ecological environment governance, the Company strengthens ecological environment risk management, strictly implements the "three simultaneous" system for environmental protection of construction projects, and prevents adverse impacts on the ecological environment caused by project planning, construction and implementation. With regard to green and low-carbon technology, the Company regards energy saving and consumption reduction, efficiency improvement and intelligent control as the main line of innovation, and integrates the concepts of low-carbon energy saving and green environmental protection into process development. DLT developed the world's longest and most productive green manufacture double-deck kiln for sintered slab, and together with Xianhu Laboratory and OCEANO Ceramics Co., Ltd., launched the world's first zero-carbon ceramic tile fired with ammonia, reducing pollutant emissions from the source and maximizing resource and energy utilization Rate. With regard to low-carbon circular development, the Company has installed solar photovoltaic panels on the roof, adopted photovoltaic green power generation, and increased the proportion of clean energy. At the same time, the Company considers the comprehensive effect of energy saving when selecting process technology and equipment selection, and considers the comparison of energy consumption when comparing technical performance, so as to reduce the comprehensive energy consumption of production, thereby improving the Company's economic benefits and social benefits. benefit.

II. Social Responsibilities

(1) Does the Company separately disclose its social responsibility report, sustainable development report or ESG report

√Applicable □Not applicable

For details, please refer to the 2022 ESG Report released by Keda Industrial Group Co., Ltd. on the same date.

(2) Social responsibility work

√Applicable □Not applicable

External donations, public welfare projects	Quantity	Description
Total investment (RMB0,000)	137	Donations for epidemic prevention and control, teaching awards, road construction, poverty alleviation, etc.
Of which: Funds (RMB0,000)	100	
Supplies in monetary terms	37	
Number of people benefitted	/	

Specific description

√Applicable □Not applicable

With a grateful heart, KEDA Group has always been committed to building a harmonious community relationship, actively participating in public welfare undertakings and demonstrating corporate responsibility and commitment. During the critical period of the COVID-19 pandemic, KEDA Group took on a social responsibility by distributing household and medical supplies to support the community in the fight against the pandemic. At the same time, we also attach importance to supporting education by donating safety school bags to primary schools in China and providing educational support funds to local families in need in Africa, contributing to the development of education. In China, we set up the KEDA Employee Mutual Aid Fund to provide support and warmth to families and individuals in need. In Kenya, we support the rural infrastructure construction and make efforts to improve the living environment for people there, hoping that corporate development and community organisations can live in harmony.

III. Poverty Alleviation and Rural Revitalization Efforts

□Applicable √Not applicable

Specific description

□Applicable √Not applicable

Section VI Key Matters

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) Where profit forecast has made for the Company's assets or proejcts and the reporting period is within the period of profit forecasts, the Company's explanation on whether its assets or projects have reached the original profit forecast

□reached □not yet reached √Not applicable

(III) The completion of the performance commitment and impact on goodwill impairment test

□Applicable √Not applicable

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. Explanation of the board of directors of the Company on the "non-standard opinion audit report" by the accounting firm

□Applicable √Not applicable

V. Analysis and explanation of the Company on reasons and impact in relation to the changes of accounting policies and accounting estimate and the corrections of significant accounting errors

(I) Analysis and explanation of the reasons and impact in relation to the changes of accounting policies and accounting estimate

□Applicable √Not applicable

(II) The Company's analysis and explanation of the reasons and effects of the correction of significant accounting errors

□Applicable √Not applicable

(III) Communication with the former accounting firm

□Applicable √Not applicable

(IV) Other explanation

□Applicable √Not applicable

VI. Engagement and removal of the accounting firm

Unit: Ten Thousand Yuan

Currency: RMB

	Currently engaged
Name of domestic accounting firm	ZHONGXI CPAS (SPECIAL GENERAL PARTNERSHIP)

Remuneration of domestic accounting firm	140
Audit period of domestic accounting firm	22
Name of the certified public accountants of the domestic accounting firm	Wang Huishuan, Song Zhigang
Consecutive years of audit services by the certified public accountants of the domestic accounting firm	5、1

	Name	Remuneration
Accounting firm of internal control audit	ZHONGXI CPAS (SPECIAL GENERAL PARTNERSHIP)	40

Engagement and removal of the accounting firm

□Applicable √Not applicable

Change of accounting firm during audit period

□Applicable √Not applicable

VII. Risk of delisting

(I) Reasons for delisting risk warning

□Applicable √Not applicable

(II) Responsive measures taken by the Company

□Applicable √Not applicable

(III) Circumstances and reasons for facing delisting risk

□Applicable √Not applicable

VIII. Matters relating to bankruptcy and restructuring

□Applicable √Not applicable

IX. Material litigation and arbitration

√The Company had material litigation and arbitration during the year

□ The Company did not have any material litigation and arbitration during the year

(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: RMB0,000

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 mount	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 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. with the Nanjing Intermediate People's Court of Jiangsu Province for the infringement of technical secrets by the Company, its subsidiary Jiangsu Kehang and the related parties.	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. First trial and second trial of this case were heard during 20 July 2022 to 22 July 2022 and on 11 January 2023, respectively. Currently, the judgement of second instance has not yet been given.	In 2020, the Company made a provision for estimated liability of RMB 965,218.0 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 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. In February 2023, the Company and its subsidiaries received legal documents such as the "Civil Ruling", the "Notice of Responding to Litigation" and the "Complaint" served by the Nanjing Intermediate Court. Jiangnan Environmental Protection has completed the application to the Nanjing Intermediate Court to withdraw 4 lawsuits, and re-filed a lawsuit with the Nanjing Intermediate People's Court on 4 incidents,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.	KEDA (Shenyang) Clean Energy Gas Co., Ltd.	/	Dispute over revocation of company resolution	On 29 July 2021, KEDA (Shenyang) Clean Energy Gas Co., Ltd., 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 KEDA (Shenyang) Clean Energy Gas Co., Ltd., requesting the revocation of the resolution of the shareholders meeting by 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	Guangdong 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	9,107.06	Yes	On 12 April 2022, RMB 85,962.5 ten 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	The Company made a provision for estimated liability of RMB 91,070.6 ten thousand in 2022, which affected the Company's net profit of 2022. However, given that the second instance has not	

				lawsuit filed by Feng Jun for Guangdong 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 Guandong KEDA Lithium Industry was established.			Intermediate Court, in which the Court made its first instance judgment that granted part of the plaintiff's claim. On 11 July 2022, Guangdong KEDA Lithium Industry and the Company filed an appeal with the Higher People's Court of Guangdong Province. On 7 February 2023, the case was heard by the Higher People's Court of Guangdong Province; judgment of second instance has not yet been given.	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

X. 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

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

□Applicable √Not applicable

XII. 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 the reporting period, the relevant amount of Lanke Lithium Industry has been settled and the Company did not have any guaranteed balance.

(2) The 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 RMB 800 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". The Company held the 13th Meeting of the 8th Session of the Board of Directors, the 2nd Extraordinary Shareholders' Meeting of 2022 and the 16th Meeting of the 8th Session of the Board of Directors on 12 August 2022, 17 October 2022 and 27 October 2022, respectively, reviewd and approved the "Proposal on Adding Estimated Daily Related Transactions of Subsidiaries" and the "Announcement on Adding Estimated Daily Related Transactions of the Company and its Subsidiaries". It was agreed 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 706,136.7 thousand, sell ceramics and raw materials of RMB 530,583.6 thousand and receive labor services of RMB 163,775.9 thousand from the related parties in 2022; agreeed that the subsidiary of the Company would purchase lithium carbonate of RMB 764,094.3thousand 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; agreeed that the Company and its subsidiaries would sell building ceramics machinery products of RMB 78 million to the subsidiaries of Hongyu Group. The aforementioned projected amounts represent the total amount of contracts expected to be entered into with the relevant related parties (taxes inclusive).

As of the end of the reporting period, pursuant to the agreements entered into by the Company and its subsidiaries with the respective related parties, i.e. the of contract amount during the reporting period is used as the statistical purpose, the Company and its subsidiaries, Guangzhou Sunda, Sunda Group and its subsidiaries had entered into a contract for purchase of raw materials and commodities of RMB 682,896.0 thousand, entered into a contract for sales of ceramics and raw materials of RMB 591,819.5thousand, and entered into a contract for labor services of RMB 155,133.2 thousandfrom the related parties; the subsidiaries had purchased lithium carbonate of RMB 510,961.4thousand from Lanke Lithium Industry, entered into a contract for sales of graphitization raw materials of RMB 23,442.3 thousand from Zhangzhou Juming; entered into a contract for acceptance of graphitization processing of RMB 6,103.4 thousand from Zhangzhou Juming; rendered service of RMB 2,607.3thousand to Zhangzhou Juming; the Company and its subsidiaries had entered into a contract for sales of building ceramics machinery products of RMB 37,077.0 thousand to the subsidiaries of Hongyu Group. For the actual amounts of transactions recognised during the reporting period, please refer to "Related Party Transactions" under "Related Parties and Related Transactions" in Section X.

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3. Events that are not disclosed in temporary announcements

□Applicable √Not applicable

(II) Related transactions arising from acquisition and disposal of assets or 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 and the 5th Meeting of the 8th Sesstion of the Board of Supervisors 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-ion battery materials segment, and promote the common growth and development of employees and the enterprises, it is agreed that 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 RMB 1.0648 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. 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 RMB 9,246 thousand.

(2) The Company held the 9th Meeting of the 8th Session of the Board of Directors and the 8th Meeting of the 8th Session of the Board of Supervisors 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 RMB 9,740.5 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 temporary 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 investments

1. Matters that have been disclosed in the temporary announcement 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) Guangzhou Jinda Yingfei Venture Capital Fund Partnership (Limited Partnership)

To find and cultivate project resources with high industrial synergy and integration potential, and reduce the risk of mergers and acquisitions of listed companies, the Company signed the Guangzhou Jinda Yingfei Venture Capital Fund Partnership (Limited Partnership) Partnership Agreement on 18 June 2021, in which the Company plans to contribute RMB 10,500.0 thousand to subscribe for the shares of Guangzhou Jinda Yingfei Venture Capital Fund Partnership (Limited Partnership) (Jinda Yingfei), a partnership established by Guangzhou Jinda Investment Fund Management Co., Ltd. and Infinity (Zhuhai) Venture Capital Management Company Limited as the general partner. Since the general partner Jinda Investment and limited partner Hongyu Group, who jointly participated in the establishment of Jinda Yingfei, are actually controlled by Liang Tongcan, the major shareholder holding more than 5.0% of the Company’s shares, and Jinda Investment and Hongyu Group are related parties of the Company, this subscription for the shares of Jinda Yingfei constitutes a related transaction. In August 2021, Jinda Yingfei completed the filing procedures with the Asset Management Association of China and obtained the private investment fund filing certificate. For details, please refer to the Announcement on Participation in the Establishment of Equity Investment Fund and Related Party Transaction and the

Announcement on Completion of Filing and Registration of the Subscription Investment Fund disclosed by the Company on 19 June 2021 and 11 August 2021.

In the second half of 2022, Guangzhou Panyu Industrial Investment Co., Ltd., the original limited partner, completed the transfer and exit of its shares, and Jinda Investment, the fund manager, transferred its withdrawal shares. In October 2022, Jinda Yingfei completed the corresponding industrial and commercial registration of changes. In August 2022, Jinda Yingfei, as a limited partner, invested RMB15,000,000 to participate in the subscription of 5.976% share of Keda Nanyue, and completed all capital contributions during the Reporting Period. As at the end of the Reporting Period, the Company has actually contributed RMB 5,000,000 to Jinda Yingfei.

(2) Guangdong Keda Nanyue New Energy Venture Capital Partnership (Limited Partnership)

In August 2022, the Company entered into the Partnership Agreement of Keda Nanyue, pursuant to which, in order to coordinate the development of the Company's lithium-ion battery materials business, integrate high-growth and high-potential projects and industrial resources, it is agreed that the Company plans to contribute RMB150,000,000 to participate in the subscription of 59.7586% shares of Keda Nanyue, a limited partnership established by Guangzhou Nanyue Aode Equity Investment Fund Management Co., Ltd. and Jinda Investment as general partners. Given that Jinda Investment, the general partner of the joint establishment of Keda Nanyue, is a related party of the Company, the subscription of shares in Keda Nanyue constitutes a related party transaction.

In August 2022, Keda Nanyue completed the filing procedures with the Asset Management Association of China and obtained a private equity investment fund filing certificate. In October 2022, Keda Nanyue and GAC AION New Energy Automobile Co., Ltd. (hereinafter referred to as " GAC AION ") signed the "A-Series of capital increase agreement of GAC AION " and other transaction documents, pursuant to which, Keda Nanyue intended to invest RMB 199,999,973.88 to subscribe for 15,117,156 shares of GAC AION at a price of RMB 13.23 per share. As of October 20, 2022, Keda Nanyue has completed the payment of the above capital increase. For details, please refer to the "Announcement on Participating in the Establishment of Investment Funds and Related Transactions", "Announcement on Completion of Filing and Registration of Investment Funds" and "Announcement on the Progress of Investment of the Investment Funds Participated in the Establishment" published the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on 3 August 2022, 7 September 2022 and 21 October 2022, respectively. As of the end of the reporting period, the Company has completed the capital contribution of RMB150 million, and the fundraising of Keda Nanyue has been completed.

3. Matters not disclosed in temporary 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) Others

□Applicable √Not applicable

XIII. Material Contracts and Their Performance

(I) Trust, Contracting and Lease

1. Trust

□Applicable √Not applicable

2. Contracting

□Applicable √Not applicable

3. Lease

□Applicable √Not applicable

(II) Guarantee

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	Expiring date of guarantee	Type of Guarantee	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 related-party guarantee	Relationship
None														

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 and subsidiaries	
Total guarantee for the subsidiaries incurred during the reporting period	97,215.03
Total balance of guarantee for the subsidiaries as at the end of the reporting period (B)	134,297.92
Total amount of the Company's guarantee (including guarantee for its subsidiaries)	
Total guarantee amount (A + B)	134,297.92
Proportion of total guarantee amount to the net assets of the Company (%)	11.79
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)	47,561.37
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)	47,561.37
Description of possible several and joint liability for undue guarantee	
Description of the guarantees	

(III) Cash asset management entrusted to others

1. Entrusted financing

(1) Overall situation of entrusted financing

√Applicable □Not applicable

Unit: Yuan
Currency: RMB

Type	Sources of financing	Amount incurred	Undue balance	Overdue amount uncovered
Bank Wealth Management	Equity fund	222,000,000.00	200,000,000.00	
Brokerage products	Equity fund	309,683,936.65	309,683,936.65	

Other circumstances

□Applicable √Not applicable

(2) Individually entrusted wealth management

□Applicable √Not applicable

Other circumstances

□Applicable √Not applicable

(3) Impairment provision for entrusted wealth management

□Applicable √Not applicable

2. Entrusted loan

(1) General status of entrusted loan

□Applicable √Not applicable

Other circumstances

□Applicable √Not applicable

(2) Individually entrusted wealth management

□Applicable √Not applicable

Other circumstances

□Applicable √Not applicable

(3) Impairment provision for entrusted wealth management

□Applicable √Not applicable

3. Other circumstances

□Applicable √Not applicable

(IV) Other major contracts

□Applicable √Not applicable

XIV. Description of other significant matters that have a significant impact on investors' value judgments and investment decisions

√Applicable □ Not applicable

(I) Matters relating to investment

1. Investment in main business

In order to support the exploration of generalization of the Company's ceramic machinery equipment and accelerate the cross-sector application of manufacturing advantages, the Company held the 9th Meeting of the 8th Board of Directors on April 29, 2022, considered and approved the "Proposal on Investment" and agreed to invest RMB 1,624,660,000 in the construction of the building materials and lithium-ion battery equipment intelligent manufacturing base project of Foshan Keda Equipment and a large-scale high-end intelligent equipment manufacturing digital factory project of HLT Technology. For details, please refer to the "Announcement on Investment" published by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on 30 April 2022.

Based on the development strategy of the Company's business in Africa, in order to improve the layout of the African ceramics industry, make up for the local supply gap of architectural ceramics in West African countries, and establish a first-mover advantage in the initial stage of the African local sanitary ware market, the Company held the 11th Meeting of the 8th session of the Board of Directors on 15 July 2022. At the meeting, the "Proposal on Investment" was considered and approved, and it was agreed that the Company's subsidiary Keda Ghana would invest US$42.5425 million in the construction of a production line in the fifth phase of the Ghana ceramics production project, and Keda Kisumu would invest US$24.5337 million in the construction of a production line with a daily production capacity of 4,000 pieces of ceramic sanitary ware in Kisumu, Kenya. At the same time, as of the meeting, in the past 12 months, under the relevant transaction category, the African subsidiary had invested US$42.0525 million in the ceramics production project in Senegal and US$25.666 million in the production project with a daily production capacity of 4,000 pieces of ceramic sanitary ware in Ghana. For details, please refer to the "Announcement on Investment" published by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on 16 July 2022.

2. Other investments

In order to deepen the Company's cooperation with quality enterprises in the Salt Lake industry chain and strengthen the Company's lithium-ion battery material business strategy and investment layout, the Company held the 18th Meeting of the 8th Board of Directors and the 16th meeting of the 8th Board of Supervisors on 7 December 2022, reviewed and approved the "Proposal on Investment and Participation in the Establishment of Investment Funds", and agreed that the Company and its holding subsidiary Qinghai Weili signed the "Jiaxing Keda Jinhong Salt Lake Industry Equity Investment Partnership (LP) Partnership Agreement", with a total investment of RMB1.3 billion to participate in the subscription of

99.99% shares of Maanshan Kemag New Energy Technology Co. Ltd. initiated and established by Xining Hongxi Fund Management Co., Ltd. as a general partner. On 17 January 2023, Salt Lake Industrial Fund has obtained the private equity investment fund filing certificate. As of 15 February 2023, the Salt Lake Industry Fund has completed its fundraising, with a total of RMB1.30013 billion raised. From 1 February 2023 to 17 February 2023, the Salt Lake Industry Fund completed the cumulative purchase of 50,353,500 shares of Qinghai Salt Lake Industry Group Company Limited. through block transactions, accounting for 0.93 % of the total share capital of Qinghai Salt Lake Industry Group Company Limited., the accumulative purchase amount was RMB1.286 billion, accounting for 98.93% of the fundraising scale of the Salt Lake Industry Fund. For details, please refer to the “Announcement on Participating in the Establishment of Investment Funds and Related Transactions”, “Announcement on Completion of Filing and Registration of Investment Funds Participated in Establishment” and “Announcement on the Progress of Investment of the Investment Funds” published by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on 8 December 2022, 19 January 2023, and 18 February 2023, respectively.

(II) Planning for the spin-off and listing of a subsidiary

According to the Company's overall strategic layout, combined with the business development needs of its subsidiary Anhui KedaIndustry, in order to further strengthen the core competitiveness of the Company and its holding subsidiaries, enhance the independent brand influence of the Company's wall materials machinery and equipment and broaden the financing channels of subsidiaries, the Company held the 15th Meeting of the 8th Board of Directors and the 14th Meeting of the 8th Board of Supervisors on 26 September 2022, reviewed and approved the "Proposal on Planning for the Spin-off and Listing of a Holding Subsidiary", and agreed to plan for the spin-off and listing of holding subsidiary Anhui KedaIndustry, and authorized the Company and the management of Anhui Keda Industry to start the preparatory work for the spin-off and listing of Anhui Keda Industry. For details, please refer to the "Indicative Announcement on the Planning for the Spin-off and Listing of a Holding Subsidiary" published by the Company on 27 September 2022.

(III) Use of proceeds from GDR fund-raising

In accordance with the China Securities Regulatory Commission's "Reply on the Approval of the Initial Public Offering of the GDRs of Keda Industrial Group Co., Ltd. and listing on the Swiss Stock Exchange" (Zhengjian Xuke [2022] No. 1279) and the approval of relevant domestic and foreign regulatory authorities, the Company completed the issuance of GDRs in July 2022, with a total of 12,000,000 GDRs being issued at a price of US$14.43 per GDR, and the total funds raised were US$173,160,000.00. As of the end of the reporting period, based on the exchange rate of the day settlement, the Company has utilized RMB 434 million of the funds raised, with the use of funds raised in the manner consistent with the use of funds as agreed in the GDR prospectus.

Section VII Change in Shares and Details of Shareholders

I. Change in shares

(I) Table of changes in shares

1. Table of changes in shares

Unit: share

	Before the current movement		Increase/decrease of the current movement					After the current movement	
	Quantity	Percentage (%)	New shares issued	Bonus shares	Conversion from reserve	Other	Sub-total	Quantity	Percentage (%)
I. Shares subject to restrictions on sale	311,214,227	16.48						311,214,227	15.97
1. State-held shares									
2. Shares owned by state-owned legal person									
3. Other domestically owned shares	311,214,227	16.48						311,214,227	15.97
Of which: shares owned by domestic non-state-owned legal person	52,994,111	2.81						52,994,111	2.72
shares owned by domestic natural person	258,220,116	13.67						258,220,116	13.25
4. Shares owned by foreign investors									
Of which: shares owned by foreign legal person									
shares owned by foreignnatural person									
II. Unrestricted tradable shares	1,577,205,702	83.52	60,000,000	0	0	0	60,000,000	1,637,205,702	84.03
1. RMB ordinary shares	1,577,205,702	83.52	60,000,000	0	0	0	60,000,000	1,637,205,702	84.03
2. Domestic listed foreign shares									
3. Foreign listed foreign shares									
4. Others									
III. Total number of shares	1,888,419,929	100.00	60,000,000	0	0	0	60,000,000	1,948,419,929	100.00

2. Description of change in shares

√Applicable □Not applicable

On 7April 2022 and 20 April 2022, the Company held the 8th Meeting of the 8th Board of Directors and the 2021 Annual General Meeting, respectively, and reviewed and approved the “Proposal on Issuance of the Company's GDR and Listing on the Swiss Stock Exchange” and other relevant proposals for this issuance and listing.

In June 2022, the Company received the " Reply on the Approval of the Initial Public Offering of the GDRs of Keda Industrial Group Co., Ltd. and listing on the SIX Swiss Exchange" (Zhengjian Xuke [2022] No. 1279)" issued by the China Securities Regulatory Commission. On 20 July 2022, the Company obtained the conditional approval from the SIX Swiss Exchange Regulatory Authority, which agreed that the Company's GDRs could be listed on the SIX Swiss Exchange after customary conditions are satisfied and the relevant rules came into effect. On 22 July 2022, the Company obtained the approval of the Prospectus Office of the Swiss Securities Exchange Regulatory Authority for the prospectus of this offering. For details, please refer to the “Announcement on the Reply of the China Securities Regulatory Commission for the Issuance of GDRs and Listing on the SIX Swiss Exchange” and the “Announcement on Obtaining the Conditional Approval from the SIX Swiss Exchange Regulatory Authority of the Issuance of GDRs and Listing on the SIX Swiss Exchange” and the “Announcement on Obtaining the Approval from the Prospectus Office of the Swiss Securities Exchange Regulatory Authority of the prospectus for the issuance of GDRs and Listing on the SIX Swiss Exchange” published by the Company on 24 June 2022, 21 July 2022 and 23 July 2022, respectively.

The GDRs issued by the Company were officially listed on the SIX Swiss Exchange on 28 July 2022 (Swiss time), with 12,000,000 GDRs being issued this time, each GDR represents five A shares of the Company, and 60,000,000 new underlying A shares were added correspondingly. After the listing of the new underlying A shares corresponding to the GDRs issued this time, the total share capital of the Company has been changed to 1,948,419,929 shares. For details, please refer to the "Announcement on the Issuance of GDRs and Listing and Trading on the SIX Swiss Exchange" published by the Company on 29 July 2022.

According to relevant regulations, the GDRs issued by the Company this time cannot be converted into A shares within 120 days from 28 July 2022. After 24 November 2022, qualified investors may conduct cross-border conversion of GDRs and A shares through cross-border conversion institutions. Cross-border conversion includes qualified investors canceling GDRs through the cross-border conversion mechanism and selling the corresponding A shares for buying A shares and generating new GDRs. Within the duration of the Company’s GDRs, the the number of GDRs shall not exceed 12,000,000 GDRs, and the corresponding upper limit of the number of A shares is 60,000,000 shares. In case of an increase or decrease in the number of GDRS due to the Company’s bonus shares, share division or consolidation and adjustments to conversion ratio, the upper limit of the number of corresponding A shares will be adjusted accordingly.

As of the close of the SIX Swiss Exchange on 20 December 2022 (Swiss time), the Company had 3,049,203 outstanding GDRs, accounting for 25.41% of the actual number of GDRs issued.

3. The impact of the changes in shares on financial indicators such as earnings per share and net assets per share in the last year and the latest period (if any)

√Applicable □Not applicable

After the issuance of the Company’s GDRs and listing on the SIX Swiss Exchange on 28 July 2022, the earnings per share indicator was diluted. If calculated based on the total share capital of 1,888,419,929 shares before the change, the earnings per share in 2022 would be RMB2.259; if calculated based on the diluted total share capital of 1,948,419,929 shares after the change, the earnings per share in 2022 would be RMB2.229.

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

□Applicable √Not applicable

(II) Change in restricted shares

□Applicable √Not applicable

II. Securities Issuance and Listing

(I) Securities issuance as of the reporting period

√Applicable □Not applicable

Unit: share Currency: RMB

Type of securities and derivative securities	Date of issuance	Issue price (or interest rate)	Number of securities issued	Listing date	Number of securities permitted for listing and trading	Termination date of trading
Ordinary shares						
GDRs	22 July 2022 (Swiss time)	US$14.43 each	60,000,000	29 July 2022 (Swiss time)	60,000,000	/

Note: The number of GDR in issue is 12,000,000, US$14.43 each, of which each GDR represents 5 A shares of the Company, and the corresponding number of new underlying A Shares is 60,000,000.

Description of securities issuance as of the reporting period (for bonds with different interest rates during the duration, please explain separately):

√Applicable □Not applicable

For details, please refer to the “Description on Changes in Shares” in the table of changes in shareholders in Section VII “Changes in Shares and Details of Shareholders” in this report.

(II) Changes in the total number of shares of the Company and the structure of shareholders and changes in the structure of the Company's assets and liabilities

√Applicable □Not applicable

During the reporting period, the total number of shares of the Company and the structure of shareholders have changed. For details of the changes, please refer to “I. Change in shares” in Section VII “Changes in Shares and Details of Shareholders” in this report. For details of changes in the structure of the Company’s assets and liabilities, please refer to the relevant parts in Section X.

(III) Existing internal employee shares

□Applicable √Not applicable

III. Controlling Shareholders and Actual Controllers

(I) Total number of shareholders

Total number of common shareholders as of the end of the reporting period	95,643
The total number of ordinary shareholders at the end of the previous month before the annual report publication date	98,583
Total number of common shareholders by the month before the annual report publication date	0
The total number of preferred shareholders whose voting rights were restored at the end of the previous month before the annual report publication date	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 reporting period	Shareholding at the end	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	18.33	215,824,827	Pledged	194,800,000	Domestic natural person
Lu Qin	0	125,983,334	6.47	0	N/A	0	Domestic natural person
Macrolink Holdings Co., Ltd.	-43,200,000	100,519,652	5.16	0	Frozen	100,519,652	Domestic non state-owned legal person
Bian Cheng	0	98,699,598	5.07	0	N/A	0	Domestic natural person
Shi Tingbo	-3,777,600	53,091,400	2.72	0	N/A	0	Domestic natural person
Foshan Newpearl Group Co., Ltd.	0	52,994,111	2.72	52,994,111	N/A	0	Domestic non-state-owned legal person
-Xie Yuezeng	0	42,395,289	2.18	42,395,289	N/A	0	Domestic natural person
Shi Liyun	-378,000	40,182,100	2.06	0	N/A	0	Domestic natural person
Bank of China Limited - SDIC UBS New Energy Hybrid Securities Investment Fund	32,853,674	35,164,541	1.80	0	N/A	0	Other
Hong Kong Securities Clearing Company Limited	15,368,148	27,688,382	1.42	0	N/A	0	Foreign legal person

Shareholding of top ten shareholders with unrestrictive sales conditions			
Shareholder's name	Number of circulating shareholdings with unrestrictive sales conditions	Type and quantity of shares	
		Type	Quantity
Liang Tongcan	141,317,952	RMB ordinary shares	141,317,952
Lu Qin	125,983,334	RMB ordinary shares	125,983,334
Macrolink Holdings Co., Ltd.	100,519,652	RMB ordinary shares	100,519,652
Bian Cheng	98,699,598	RMB ordinary shares	98,699,598
Shi Tingbo	53,091,400	RMB ordinary shares	53,091,400
Shi Liyun	40,182,100	RMB ordinary shares	40,182,100
Bank of China Limited - SCIC UBS New energy mixed securities investment Fund	35,164,541	RMB ordinary shares	35,164,541
Hong Kong Central Clearing Company Limited	27,688,382	RMB ordinary shares	27,688,382
Bank of China Limited - SCIC UBS Industrial Trend mixed securities investment fund	21,724,212	RMB ordinary shares	21,724,212
Keda Industrial Group Co., LtD. - 2020 Employee Stock Ownership Plan	21,556,720	RMB ordinary shares	21,556,720
Description of the special account for the repurchase of the top ten shareholders	The Company's special securities account for repurchase added 30,563,538 shares during the reporting period, and as of the end of the period, it held a total of 30,563,538 shares of the company, accounting for 1.57% of the Company's total share capital.		
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. 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	Transaction of shares with restrictive sales conditions on the market		Restriction
			Tradable time	Number of shares available for trading	
1	Liang Tongcan	215,824,827	2023-06-05	215,824,827	It 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	It 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	It shall not be transferred within 36 months from the closing date of issuance
Description of related 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

IV. Shareholders and actual controllers

(I) Controlling shareholders

1. Legal person

□Applicable √Not applicable

2. Natural person

□Applicable √Not applicable

3. Special notes on no controlling shareholders

√Applicable □Not applicable

As of 31 December 2022, the shareholders holding more than 5.0% of the Company's shares were natural persons Liang Tongcan, Lu Qin, Bian Cheng, and legal person Macrolink Holdings Co., Ltd., of which Liang Tongcan held 18.33% of the Company's shares, being the largest shareholder; Lu Qin held 6.47% of the Company’s shares; Macrolink Holdings Co., Ltd. held 5.16% of the Company's shares, and Bian Cheng holds 5.07% of the Company's shares. There were no shareholders of the Company holding more than 50% of the shares or having more than 30% of the voting rights of the listed company; the shares held by any shareholder of the Company were not enough to have a decisive influence on the resolution of the shareholders' meeting of the Company, while the Company did not have a shareholder controlling more than half of the board of directors and any other person actually controlling the Company's behavior, and the shareholders holding more than 5.0% of the Company did not have a unanimous action agreement or arrangement. Therefore, there was no controlling shareholder or actual controller in the Company.

4. Changes of controlling shareholders during the period

□Applicable √Not applicable

5. Chart of equity and controlling relationship between the Company and the controlling shareholder

□Applicable √Not applicable

(II) Actual controller

1. Legal person

□Applicable √Not applicable

2. Natural person

□Applicable √Not applicable

3. Special notes about no actual controller

√Applicable □Not applicable

As of 31 December 2022, the shareholders holding more than 5.0% of the Company's shares were natural persons Liang Tongcan, Lu Qin, Bian Cheng, and legal person Macrolink Holdings Co., Ltd., of which Liang Tongcan held 18.33% of the Company's shares, being the largest shareholder; Lu Qin held 6.47% of the Company's shares, Macrolink Holdings Co., Ltd. held 5.16% of the Company's shares, and Bian Cheng held 5.07% of the Company's shares. There were no shareholders of the Company holding more than 50% of the shares or having more than 30% of the voting rights of the listed company; the shares held by any shareholder of the Company were not enough to have a decisive influence on the resolution of the shareholders' meeting of the Company, while the Company did not have a shareholder controlling more than half of the board of directors and any other person actually controlling the Company's behavior, and the shareholders holding more than 5.0% of the Company did not have a unanimous action agreement or arrangement. Therefore, there was no controlling shareholder or actual controller in the Company.

4. Change of control of the Company during the period

□Applicable √Not applicable

5. Chart of equity and controlling relationship between the Company and the actual controller

□Applicable √Not applicable

6. Actual controller controls the Company through trust or other asset management methods

□Applicable √Not applicable

(III) Other information about controlling shareholders and controller controller

□Applicable √Not applicable

(IV) The Company's controlling shareholder or largest shareholder and his/her/its concerted parties have accumulatively pledged the shares accounting for more than 80% of his/her/its shareholding in the Company

□Applicable √Not applicable

(V) Other corporate shareholders with over 10% of shareholding in the Company

□Applicable √Not applicable

(VI) Details on restriction on shareholding reduction

□Applicable √Not applicable

(VII) Specific implementation of share repurchase during the reporting period

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Name of share repurchase proposal	Keda Industrial Group Co., Ltd.'s proposal on repurchasing the A shares of the Company through centralised bidding transaction
Time of share repurchase proposal disclosed	24 August 2022
Number of shares to be repurchased and the percentage of the total share capital (%)	Based on the lower limit of the repurchase amount of RMB250 million and the repurchase price capped at RMB20 per share, the estimated number of shares to be repurchased is approximately 12.5 million shares, accounting for approximately 0.64% of the Company's total share capital. Based on the upper limit of the repurchase amount of RMB500 million and the repurchase price capped at RMB20 per share, the estimated number of shares to be repurchased is approximately 25 million shares, accounting for approximately 1.28% of the Company's total share capital.
Proposed repurchase amount	Not less than RMB250 million and not more than than RMB500 million
Proposed repurchase period	Within 12 months from the date when the Board of Directors of the Company considered and approved the repurchase plan (i.e. from 24 August 2022 to 23 August 2023
Purpose of the repurchase	For the Company's subsequent employee stock ownership plan and/or equity incentives
Number of shares repurchased (shares)	30,563,538 shares
Number of shares repurchased accounting for the percentage of the subject shares in the share incentive plan (%) (if any)	-
Progress of the Company's reduction of shares repurchased by means of centralised bidding transactions	N/A

Section VIII Relevant Information About Preferred Shares

□Applicable √Not applicable

Section IX Relevant Information About Bonds

I. Corporate bonds, corporate debentures and non-financial corporate debt financing instruments

□Applicable √Not applicable

II.Convertible corporate bonds

□Applicable √Not applicable

Section X Financial Report

I. Auditor's Report

√ Applicable □Not applicable

Auditor's Report

Zhongxi Financial Audit No. 2023S00744

To all shareholders of Keda Industrial Group Co., Ltd.:

I. Auditor's Opinion

We have audited the financial statements of Keda Industrial Group Co., Ltd. (hereinafter referred to as the "Keda Group"), including the consolidated and parent company's balance sheet as of 31 December 2022, and the consolidated and parent company's income statement, the consolidated and parent company's cash flow statement, the consolidated and parent company's statement of change in shareholders' equity and notes to financial statements of the Year 2022.

We hold the opinion that, the attached financial statements are prepared in accordance with the provisions of Accounting Standards for Business Enterprises in all material aspects, which give a fair view of Keda Group's consolidated and parent company's financial positions as of 31 December 2022, as well as the consolidated and parent company's operating results and cash flow of the Year 2022.

II. Basis of Auditor's Opinion

We conducted our audited in accordance with the Auditing Standards for CPAs of China. The section "CPA's Responsibility for the Audit of the Financial Statements" herein further elaborates our responsibilities under these standards. In accordance with China Code of Ethics for Certified Public Accountants, we are independent of Keda Group and perform other duties in terms of Code of Ethics. We believe that, the audit evidences acquired are sufficient and appropriate, and lay a foundation for issuing auditor's opinion.

III. Key Audit Matters

Key audit matters are considered to be the most important in the audit of current financial statements based on our professional judgment. The response to these matters should be based on the audit of the financial statements as a whole and the formation of auditor's opinion. We do not provide a separate opinion on these matters.

(I) Recognition of revenue from building material machinery and equipment, and revenue from building ceramics

1. Description of the key audit matters

In 2022, Keda Group realised the revenue of RMB5,607,670.6 thousand in the building material machinery and equipment and the revenue of RMB3,275,708.9 thousand in building ceramics (see "Note III. 32" and "Note V. 46" in Notes to the Financial Statements),

accounting for 50.26% and 29.36% of the total operating revenue, respectively, and being the main revenue components of Keda Group. Compared with the previous year, the revenue of building material machinery and equipment are decreased by 2.71% while the revenue of building ceramics are increased by 39.69%. As the revenue of building material machinery and equipment and building ceramics has a great impact on the financial statements and is also one of the key performance indicators of Keda Group, there is an inherent risk that the Management could manipulate the date of revenue recognition in order to achieve specific goals or expectations. Therefore, we have considered the recognition of the revenue of building material machinery and equipment and the revenue of building ceramics as a key audit matter.

2. Auditor's responses

Audit procedures for revenue recognition mainly include:

(1) Understanding and evaluating the effectiveness of the design of key internal controls implemented by the Management for the operating revenue recognition, and measuring the functional effectiveness of key controls;

(2) Identifying the sales contracts, understand the Company's sales model, main contractual terms and settlement methods by sampling sales contracts for inspection and interviewing with the Management, identifying and analysing the contractual terms and conditions related to the transfer of the control of goods according to new revenue standards, and evaluating whether the timing of Company's revenue recognition is in line with the provisions of the Accounting Standards for Business Enterprises (ASBE);

(3) Reviewing the audit procedures of the operating revenue, analysing revenue growth and change in gross profit margin, as well as judging the rationality of changes;

(4) Testing revenue details, by sampling accounting records and delivery records from sales revenue, checking them with the sales contracts, delivery notes or receipt related to the samples for judging whether the revenue is true and complete; for export business, obtaining the customs declaration form, packing list, bill of lading and foreign exchange settlement data, and checking them with the tax exemption, credit and refund returns form in the tax filing system to confirm whether the revenue is realised;

(5) Carrying out the cut-off test, by sampling the revenue transactions recorded before and after the balance sheet date, and checking whether the revenue entry period is correct by checking the sales contracts, delivery notes, sign in records, receipts and bank statements;

(6) Selecting a sample of customers to confirm the sales of this year. If it's an unanswered item, for overseas sales, check the sales orders, customs declaration forms, and other supporting documents related to the revenue recognition of major customers, and check the collection records after the period.

(II) Long-term equity investment income of Lanke Lithium Industry calculated by the equity method

1. Description of the key audit matters

The Company's investment in the joint venture Qinghai Salt Lake Lanke Lithium Industry Co., Ltd. (hereinafter referred to as: Lanke Lithium Industry) is calculated by the equity method, and the investment income recognised in 2022 was RMB 3,845,654,400 (see "Note III. 19", "Note V. 53", and "Note VII. 3" in Notes to the Financial Statements), accounting for 73.92% of the net profit in the consolidated financial statements. The Company indirectly holds 48.58% equity of Lanke Lithium Industry, which has significant influence. According to the provisions of the Accounting Standards for Business Enterprises No. 2 - Long-term Equity Investments, the Company adopts the equity method to treat it, and the investment income recognised in this period was RMB 3,845,654.4 thousand. Given the Company's long-term equity investment income in Lanke Lithium Industry under the equity method has a significant impact on the financial statements, we considered the income from long-term equity investment under the equity method as a key audit matter.

2. Auditor’s responses

Audit procedures for income from long-term equity investment calculated by the equity method mainly include:

(1) Understanding the internal controls related to long-term equity investments, evaluating the design of these controls, determining whether they are implemented, and testing the operating effectiveness of relevant internal controls;

(2) Determining that the Company has a significant influence on Lanke Lithium Industry according to the information such as Lanke Lithium Industry’s articles of association, investment agreement, and composition of the board of directors acquired and accounted for it under the equity method according to the provisions of the Accounting Standards for Business Enterprises No. 2 — Long-term Equity Investments;

(3) Investigating the operating conditions of the Lanke Lithium Industry, in combination with the industry benchmark analysis, analysing the rationality of their performance changes, and assessing the reliability of their financial data; obtaining the Audit Report 2022 of Lanke Lithium Industry, reviewed the annual report of Lanke Lithium's parent company, Qinghai Salt Lake Industry Co., Ltd., and audited significant items of the financial statements of the Lanke Lithium Industry;

(4) Reviewing the audit procedures of Lanke Lithium Industry’s operating revenue, analysing its revenue growth and the changes in the gross profit margin, obtaining the sales contract, delivery note, and bank statements of Lanke Lithium Industry to further test the revenue details and determine whether the revenue is true;

(5) Communicating with the management of Lanke Lithium Industry, inquiring and learning about the operational and financial status of Lanke Lithium Industry in 2022, including the annual sales revenue and net profit, and analysing the reason for the fast growth of revenue and profit. On that basis, the investment income shall be determined according to the share of the net profit realised by Lanke Lithium Industry in the current accounting period, and the book value of the long-term equity investments shall be adjusted at the same time;

(6) Checking whether the information related to the income from equity investment income under the equity method has been properly presented and disclosed in the financial statements.

IV. Other Information

The Management of Keda Group is responsible for other information. Other information includes information covered in the 2022 Annual Report, but does not include the financial statements and our auditor's report. The 2022 Annual Report is expected to be available to us after the auditor's report date.

Our auditor's opinion on the financial statements does not cover other information, nor do we publish any form of authentication conclusions on other information.

In combination with our audit of the financial statements, it is our responsibility to read other information when we can obtain the information above and, in the process, consider whether other information is materially inconsistent with the financial statements or what we learned in the audit process or appears to be key errors.

After reading the 2022 Annual Report, if it is determined that there is a key error, the auditing standards require us to communicate with the governance and ask them to make corrections.

V. Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Management of Keda Group is responsible for preparing the financial statements in accordance with the provisions of the Accounting Standards for Business Enterprises to achieve fair presentation of the financial statements, as well as designing, implementing and maintaining internal control that is necessary to enable that the financial statements are free from material misstatement, either due to fraud or error.

In preparing the financial statements, the Management shall be responsible for assessing the ability to continue as a going concern of Keda Group, disclosing matters related to going concern (if applicable), and applying the assumptions of going concern, unless the Management plans to liquidate Keda Group, terminate its operations or has no other realistic alternative.

Those charged with governance are responsible for overseeing the preparation process of Keda Group's financial reports.

VI. CPA's Responsibility for the Audit of the Financial Statements

Our objective is to reasonably ensure that there are no material misstatements, either due to fraud or error in the financial statements, and issue the auditor's report containing auditor's opinion. Reasonable assurance is a high-level guarantee, but it does not guarantee that any major misstatement is always detectable in an audit carried out in accordance with the auditing standards. The key misstatements may be caused by fraud or errors; and it is often assumed that the misstatements are critical if it is reasonably expected that they may, individually or collectively, affect the economic decision made by the users of the financial statements in accordance with the financial statements. In carrying out the auditing work in accordance with the auditing standards, we relied on our professional judgment and maintained professional skepticism. At the same time, we also carry out the following tasks:

(1) Identifying and assessing the risk of key misstatements due to fraud or error, designing and implementing audit procedures to address these risks and obtain adequate and

appropriate audit evidence as the basis for the publication of auditor’s opinions. Since the fraud may involve collusion, forgery, intentional omission, false statement or bypassing the internal control, the risk of failure to find a key misstatement due to fraud is higher than that due to error.

(2) Understanding the internal control related to audit to design proper audit procedures.

(3) Evaluating the appropriateness of accounting policy selected by the Management and the rationality of accounting estimate as well as the related disclosure.

(4) Drawing a conclusion on the appropriateness of the Management's application of going concern assumption. At the same time, according to the audit evidence obtained, it can be concluded whether there is significant uncertainty in matters or circumstances that may cause significant doubts about the going concern ability of Keda Group. If we conclude that there are material uncertainties, the auditing standards require us to draw the user's attention to the relevant disclosures in financial statements in the auditor's report; if the disclosure is not adequate, we shall issue non-unqualified opinions. Our conclusions are based on the information available at the date of the auditor's report. However, future matters or situations may result in the inability of Keda Group for its continuous operations.

(5) Evaluating the general presentation, structure and contents of the financial statements (including disclosures) and evaluating whether financial statements give a fair view of the relevant transactions and matters.

(6) Obtaining sufficient and appropriate audit evidence on the financial information of entities or business operations of Keda Group to issue opinions on the financial statements. We are responsible for guiding, supervising and implementing the group audit and taking full responsibility for the auditor's opinions.

We communicated with those charged with governance on matters such as audit coverage, timing, and key audit findings, including communicating the notable internal control defects identified in our audit.

We also provided those charged with governance a statement that we have complied with the professional ethics requirements related to our independence and communicated with those charged with governance all relationships and other matters that may reasonably be considered to affect our independence, as well as relevant preventive measures.

From the matters communicated with those charged with governance, we determined which matters are most important for the audit of the financial statements during this period, and therefore these matters constitute the key audit matters. We describe these matters in the auditor's report, unless public disclosure of these matters is prohibited by laws and regulations, or in rare cases, if it is reasonably expected that the negative consequences of communicating a matter in the auditor's report outweigh the benefits in terms of the public interest, we determine that the matter shall not be communicated in the auditor's report.

ZHONGXI CPAS Chinese CPA

(SPECIAL GENERAL PARTNERSHIP) (Project Partner)

Chinese CPA

Beijing, China 14 April 2023

II. Financial Statements

Consolidated Balance Sheet

31 December 2022

Prepared by: Keda Industrial Group Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	December 31, 2022	December 31, 2021
Current assets:			
Monetary funds	VII. 1	4,796,813,382.56	1,960,658,820.77
Settlement funds			
Lending funds			
Financial assets held for trading	VII. 2	397,962,373.33	58,233,994.24
Derivative financial assets			
Notes receivable	VII. 4	75,047,382.31	17,980,730.39
Accounts receivable	VII. 5	1,591,009,847.45	1,441,531,780.34
Receivables financing	VII. 6	266,154,517.25	230,376,142.57
Prepayments	VII. 7	272,322,700.45	260,960,709.95
Premium receivable			
Reinsurance accounts receivable			
Provision for reinsurance contract receivable			
Other receivables	VII. 8	113,958,752.66	107,980,971.15
Including: Interest receivable			
Dividends receivable		4,800,000.00	
Purchases of resold financial assets			
Inventories	VII. 9	3,241,674,256.81	3,262,445,445.43
Contract assets	VII. 10	381,705,152.65	354,999,939.65
Assets held for sale			
Non-current assets due within one year	VII. 12	432,359,979.01	641,167,056.20
Other current assets	VII. 13	337,065,422.83	172,148,929.40
Total current assets		11,906,073,767.31	8,508,484,520.09
Non-current assets:			
Loans and advances granted			
Debt investments			
Other debt investments			
Long-term receivables	VII. 16	259,164,816.01	192,964,094.63
Long-term equity investments	VII. 17	3,119,163,158.98	2,092,198,825.87
Other equity instrument investments	VII. 18	5,917,404.47	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	3,130,982,694.29	2,936,739,595.20
Construction in progress	VII. 22	676,298,157.93	301,903,481.46
Productive biological assets			
Oil and gas assets			
Right-of-use assets	VII. 25	8,213,833.67	10,267,292.15
Intangible assets	VII. 26	867,179,615.23	870,648,992.56
Development expenses			
Goodwill	VII. 28	913,229,150.98	967,102,690.09
Long-term prepaid expenses	VII. 29	15,416,756.53	15,577,527.71
Deferred income tax assets	VII. 30	201,207,728.91	174,841,055.68
Other non-current assets	VII. 31	44,576,001.86	39,031,712.39
Total non-current assets		9,246,349,318.86	7,614,859,829.76
Total assets		21,152,423,086.17	16,123,344,349.85
Current liabilities:			
Short-term loans	VII. 32	1,006,320,184.45	911,648,918.00
Borrowings from the Central Bank			
Borrowing funds			
Financial liabilities held for trading	VII. 33		2,139,425.27
Derivative financial liabilities			
Notes payable	VII. 35	685,516,312.19	745,183,013.84
Accounts payable	VII. 36	1,529,238,273.39	1,911,355,898.11
Receipts in advance			
Contract liabilities	VII. 38	1,570,157,469.07	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	223,534,857.85	184,806,674.29
Taxes payable	VII. 40	127,612,390.83	95,043,143.23
Other payables	VII. 41	180,298,689.31	135,707,186.60
Including: Interest payable			
Dividends payable		34,791,301.44	
Handling charges and commission			
Reinsurance accounts payable			
Liabilities held for sale			
Non-current liabilities due within one year	VII. 43	569,507,280.85	510,623,921.75

Other current liabilities	VII. 44	137,492,517.93	149,079,628.35
Total current liabilities		6,029,677,975.87	6,389,089,805.52
Non-current liabilities:			
Insurance contracts provision			
Long-term loans	VII. 45	1,490,153,752.68	1,534,798,634.42
Bonds payable			
Including: Preferred stock			
Perpetual bonds			
Lease liabilities	VII. 47	8,589,330.92	10,498,160.65
Long-term payables			
Long-term payroll payables			
Estimated liabilities	VII. 50	188,699,684.05	99,652,527.18
Deferred income	VII. 51	44,970,169.55	10,400,000.00
Deferred income tax liabilities	VII. 30	13,683,131.40	15,479,734.29
Other non-current liabilities	VII. 52	44,883,546.49	68,039,290.60
Total non-current liabilities		1,790,979,615.09	1,738,868,347.14
Total liabilities		7,820,657,590.96	8,127,958,152.66
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	VII. 53	1,948,419,929.00	1,888,419,929.00
Other equity instruments			
Including: Preferred stock			
Perpetual bonds			
Capital reserves	VII. 55	3,059,464,326.69	1,904,261,260.40
Less: Treasury stock	VII. 56	500,000,213.13	
Other comprehensive income	VII. 57	-204,275,596.34	-110,427,080.90
Special reserves	VII. 58	4,390,105.11	
Surplus reserves	VII. 59	396,165,018.95	355,350,662.45
General risk provision			
Undistributed profits	VII. 60	6,684,315,895.33	2,814,114,079.93
Total owners' equity (or shareholders' equity) attributable to parent company		11,388,479,465.61	6,851,718,850.88
Non-controlling interests		1,943,286,029.60	1,143,667,346.31
Total owners' equity (or shareholders' equity)		13,331,765,495.21	7,995,386,197.19
Total liabilities and owners' equity (or shareholders' equity)		21,152,423,086.17	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

31 December 2022

Prepared by: Keda Industrial Group Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	December 31, 2022	December 31, 2021
Current assets:			
Monetary funds		2,757,936,985.68	655,431,681.62
Financial assets held for trading		397,504,933.95	58,233,994.24
Derivative financial assets			
Notes receivable		2,308,442.59	1,619,975.76
Accounts receivable	XVII. 1	633,699,563.11	532,635,494.34
Receivables financing		37,580,325.38	58,406,767.28
Prepayments		30,592,960.81	19,106,487.50
Other receivables	XVII. 2	1,509,790,902.28	929,586,253.03
Including: Interest receivable			
Dividends receivable		211,096,750.00	
Inventories		416,836,606.46	520,304,228.66
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets		1,961,888.46	3,441,574.20
Total current assets		5,788,212,608.72	2,778,766,456.63
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	XVII.3	6,619,741,108.85	6,076,060,794.36
Other equity instrument investments			1,764,000.00
Other non-current financial assets		5,000,000.00	5,000,000.00
Investment properties			
Fixed assets		246,858,681.98	278,711,466.21
Construction in progress		46,558,831.60	11,819,448.10
Productive biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets		35,940,951.33	28,146,634.36
Development expenses			
Goodwill			

Long-term prepaid expenses			
Deferred income tax assets		136,164,416.64	127,304,079.08
Other non-current assets			
Total non-current assets		7,090,263,990.40	6,528,806,422.11
Total assets		12,878,476,599.12	9,307,572,878.74
Current liabilities:			
Short-term loans		395,200,000.00	371,249,804.44
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable		459,865,000.00	516,950,626.57
Accounts payable		478,645,990.90	546,757,982.25
Receipts in advance			
Contract liabilities		219,839,514.25	300,963,245.32
Payroll payable		109,326,004.97	74,890,541.07
Taxes payable		29,493,151.13	13,515,378.63
Other payables		3,550,340,587.19	762,460,404.20
Including: Interest payable			
Dividends payable			
Liabilities held for sale			
Non-current liabilities due within one year		140,490,972.64	38,230,000.00
Other current liabilities		24,953,625.19	35,288,114.76
Total current liabilities		5,408,154,846.27	2,660,306,097.24
Non-current liabilities:			
Long-term loans		507,410,697.05	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		123,202.72	
Other non-current liabilities		31,830,000.00	29,710,000.00
Total non-current liabilities		726,956,251.34	669,731,832.82
Total liabilities		6,135,111,097.61	3,330,037,930.06
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)		1,948,419,929.00	1,888,419,929.00

Other equity instruments			
Including: Preferred stock			
Perpetual bonds			
Capital reserves		3,557,704,709.77	2,418,337,921.57
Less: Treasury stock		500,000,213.13	
Other comprehensive income		-1,764,000.00	
Special reserves			
Surplus reserves		389,157,975.92	348,343,619.42
Undistributed profits		1,349,847,099.95	1,322,433,478.69
Total owners' equity (or shareholders' equity)		6,743,365,501.51	5,977,534,948.68
Total liabilities and owners' equity (or shareholders' equity)		12,878,476,599.12	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- December 2022

Unit: Yuan Currency: RMB

Item	Note	Year 2022	Year 2021
I. Total operating revenue		11,157,196,625.86	9,796,679,728.43
Including: Operating revenue	VII. 61	11,157,196,625.86	9,796,679,728.43
Interest income			
Premium earned			
Handling charges and commission income			
II. Total operating expenses		9,657,836,943.21	8,852,881,552.04
Including: Operating expenses	VII. 61	7,871,590,115.98	7,252,420,698.04
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	58,365,134.23	47,074,109.28
Selling expenses	VII. 63	552,417,050.71	507,471,592.20
Management expenses	VII. 64	796,832,098.64	647,277,602.70
R&D expenses	VII. 65	326,139,737.83	301,637,989.75
Financial expenses	VII. 66	52,492,805.82	96,999,560.07
Including: Interest expenses		108,087,861.23	91,410,231.12

Interest income		34,429,392.38	12,854,265.42
Add: Other income	VII. 67	101,452,190.60	135,482,549.02
Investment income (losses marked with “-”)	VII. 68	3,865,215,848.81	462,208,396.03
Including: Investment income in associates and joint ventures		3,857,884,620.30	446,703,284.12
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	9,089,265.38	1,667,985.33
Credit impairment loss (losses marked with “-”)	VII. 71	-76,824,096.28	-29,157,171.02
Impairment losses on assets (losses marked with “-”)	VII. 72	21,810,216.39	-7,456,599.56
Income from disposal of assets (losses marked with “-”)	VII. 73	-14,739,271.83	-22,238,140.94
III. Operating profits (losses marked with “-”)		5,405,363,835.72	1,484,305,195.25
Add: Non-operating revenue	VII. 74	21,208,205.11	27,450,940.41
Less: Non-operating expenses	VII. 75	113,746,708.21	19,482,875.52
IV. Total profit (total losses marked with “-”)		5,312,825,332.62	1,492,273,260.14
Less: Income tax expenses	VII. 76	110,632,852.34	29,272,842.53
V. Net profit (net losses marked with “-”)		5,202,192,480.28	1,463,000,417.61
(I) Classified by business continuity			
1. Net profit from continuing operations (net losses marked with “-”)		5,106,639,806.75	1,469,936,170.56
2. Net profit from discontinued operations (net losses marked with “-”)		95,552,673.53	-6,935,752.95
(II) Classified by ownership			
1. Net profit attributable to shareholders of parent company (net losses marked with “-”)		4,250,931,759.12	1,005,757,290.67
2. Profit or loss attributable to minority interests (net losses marked with “-”)		951,260,721.16	457,243,126.94
VI. Other comprehensive income, net of tax		-215,832,044.14	-88,630,257.19
(I) Other comprehensive income attributable to owners of parent company, net of tax		-93,848,515.44	-54,946,623.59
1. Other comprehensive income that may not be reclassified to profit or loss		-2,753,365.94	
(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		-2,753,365.94	
(4) Changes in fair value of enterprise's own credit risk			
2. Other comprehensive income that will be reclassified to profit or loss		-91,095,149.50	-54,946,623.59
(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		-91,095,149.50	-54,946,623.59
(7) Others			
(II) Other comprehensive income attributable to minority interests, net of tax		-121,983,528.70	-33,683,633.60
VII. Total comprehensive income		4,986,360,436.14	1,374,370,160.42
(I) Total comprehensive income attributable to owners of parent company		4,157,083,243.68	950,810,667.08
(II) Total comprehensive income attributable to minority interests		829,277,192.46	423,559,493.34
VIII. Earnings per share:			
(I) Basic earnings per share (RMB per share)		2.229	0.534
(II) Diluted earnings per share (RMB per share)		2.229	0.534

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- December 2022

Unit: Yuan Currency: RMB

Item	Note	Year 2022	Year 2021
I. Operating revenue	XVII. 4	2,371,770,264.99	3,101,190,191.70
Less: Operating expenses	XVII. 4	1,816,450,300.39	2,623,154,081.00
Taxes and surcharges		14,426,887.41	9,913,130.46
Selling expenses		161,527,337.17	175,852,880.41
Management expenses		259,356,829.50	246,767,722.45
R&D expenses		107,712,479.81	117,031,561.92
Financial expenses		26,168,424.40	47,038,721.80

Including: Interest expenses		45,751,438.37	53,066,080.26
Interest income		16,977,264.02	6,730,806.98
Add: Other income		32,968,009.82	55,804,453.00
Investment income (losses marked with “-”)	XVII. 5	513,073,782.20	228,077,738.70
Including: Investment income in associates and joint ventures		4,751,305.48	-2,030,634.03
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 “-”)		14,789,918.46	7,637,444.21
Credit impairment loss (losses marked with “-”)		-29,152,505.87	599,491,413.55
Impairment losses on assets (losses marked with “-”)			-600,000,000.00
Income from disposal of assets (losses marked with “-”)		-2,252,577.61	-3,988,032.10
II. Operating profits (losses marked with “-”)		515,554,633.31	168,455,111.02
Add: Non-operating revenue		890,182.11	5,203,929.01
Less: Non-operating expenses		92,708,868.22	11,279,796.63
III. Total profit (total losses marked with “-”)		423,735,947.20	162,379,243.40
Less: Income tax expenses		15,592,382.22	11,382,786.41
IV. Net profit (net losses marked with “-”)		408,143,564.98	150,996,456.99
(I) Net profit from continuing operations (net losses marked with “-”)		408,143,564.98	150,996,456.99
(II) Net profit from discontinued operations (net losses marked with “-”)			
V. Other comprehensive income, net of tax		-1,764,000.00	
(I) Other comprehensive income that may not be reclassified to profit or loss		-1,764,000.00	
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		-1,764,000.00	
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		406,379,564.98	150,996,456.99
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- December 2022

Unit: Yuan Currency: RMB

Item	Note	Year 2022	Year 2021
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		10,176,077,746.11	9,806,647,408.81
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		394,729,905.90	267,787,928.71
Other cash received relating to operating activities	VII. 78	191,931,515.89	156,394,827.53
Subtotal of cash inflow from operating activities		10,762,739,167.90	10,230,830,165.05
Cash paid for purchase of goods and receipt of services		7,374,017,435.18	7,015,408,993.78
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		978,977,252.59	890,845,571.49
Various types of taxes paid		524,445,823.27	335,009,148.49
Other cash paid relating to operating activities	VII. 78	887,888,051.52	701,949,406.92
Subtotal of cash outflow from operating activities		9,765,328,562.56	8,943,213,120.68
Net cash flows from operating activities		997,410,605.34	1,287,617,044.37
II. Cash flows from investment activities:			
Cash received from disposal of investments		8,220,000.00	14,698,637.11
Cash received from investment income		2,968,008,477.39	8,664,329.73
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		81,509,321.91	26,607,243.12
Net cash received from disposal of subsidiaries and other business units		36,654,530.56	51,663,087.90
Other cash received relating to investment activities	VII. 78	515,950,843.04	885,141,216.05
Subtotal of cash inflow from investing activities		3,610,343,172.90	986,774,513.91
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		993,441,973.19	548,657,624.79
Cash paid for investment		150,000,000.00	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	1,680,913,064.84	944,727,356.60
Subtotal of cash outflow from investing activities		2,824,355,038.03	2,169,550,612.34
Net cash flows from investing activities		785,988,134.87	-1,182,776,098.43
III. Cash flows from financing activities:			
Cash received from capital contributions		1,319,326,656.12	159,640,007.56
Including: Cash received from minority shareholders investment by subsidiaries		168,333,173.00	159,640,007.56
Cash received from borrowings		2,697,985,087.19	2,708,269,806.91
Other cash received relating to financing activities	VII.78	391,042,724.98	324,552,445.42
Subtotal of cash inflow from financing activities		4,408,354,468.29	3,192,462,259.89
Cash paid for debt repayment		2,660,840,224.25	1,941,971,841.94
Cash paid for distributing dividend, profit or repaying interest		624,852,830.23	484,476,489.60
Including: Dividend and profit paid to minority shareholders by subsidiaries		177,041,923.36	193,030,926.62
Other cash paid relating to financing activities	VII. 78	907,615,951.09	376,516,746.06
Subtotal of cash outflow from financing activities		4,193,309,005.57	2,802,965,077.60
Net cash flows from financing activities		215,045,462.72	389,497,182.29
IV. Effect of foreign exchange rate changes on cash and cash equivalents		50,847,489.56	-38,338,630.75
V. Net increase in cash and cash equivalents		2,049,291,692.49	455,999,497.48
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		3,737,084,797.82	1,687,793,105.33

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- December 2022

Unit: Yuan Currency: RMB

Item	Note	Year 2022	Year 2021
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		2,119,282,269.51	2,935,932,873.85
Tax refunds received		134,046,296.98	100,266,714.07
Other cash received relating to operating activities		3,751,889,370.89	788,083,227.94

Subtotal of cash inflow from operating activities		6,005,217,937.38	3,824,282,815.86
Cash paid for purchase of goods and receipt of services		2,022,488,364.07	2,128,258,366.74
Cash paid to and for staff		313,656,889.77	271,527,243.79
Various types of taxes paid		65,856,622.16	36,182,874.39
Other cash paid relating to operating activities		1,359,204,876.05	1,136,234,134.59
Subtotal of cash outflow from operating activities		3,761,206,752.05	3,572,202,619.51
Net cash flows from operating activities		2,244,011,185.33	252,080,196.35
II. Cash flows from investment activities:			
Cash received from disposal of investments		338,759,020.00	660,784,448.08
Cash received from investment income		359,681,191.79	235,494,132.96
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		817,999.58	327,223.06
Net cash received from disposal of subsidiaries and other business units			
Other cash received relating to investment activities		370,000,000.00	834,901,347.23
Subtotal of cash inflow from investing activities		1,069,258,211.37	1,731,507,151.33
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		67,886,806.65	31,627,150.93
Cash paid for investment		951,586,800.00	940,664,924.22
Net cash paid for the acquisition of subsidiaries and other business units			
Other cash paid relating to investment activities		1,360,974,274.59	894,900,000.00
Subtotal of cash outflow from investing activities		2,380,447,881.24	1,867,192,075.15
Net cash flows from investing activities		-1,311,189,669.87	-135,684,923.82
III. Cash flows from financing activities:			
Cash received from capital contributions		1,150,993,483.12	
Cash received from borrowings		1,368,585,089.44	1,031,583,153.17
Other cash received relating to financing activities		103,956,575.27	109,812,371.05
Subtotal of cash inflow from financing activities		2,623,535,147.83	1,141,395,524.22
Cash paid for debt repayment		1,280,200,465.64	719,238,657.32

Cash paid for distributing dividend, profit or repaying interest		384,425,759.85	235,954,495.53
Other cash paid relating to financing activities		575,451,593.84	57,979,448.70
Subtotal of cash outflow from financing activities		2,240,077,819.33	1,013,172,601.55
Net cash flows from financing activities		383,457,328.50	128,222,922.67
IV. Effect of foreign exchange rate changes on cash and cash equivalents		29,824,883.54	-4,589,506.53
V. Net increase in cash and cash equivalents		1,346,103,727.50	240,028,688.67
Add: Opening balance of cash and cash equivalents		584,126,143.03	344,097,454.36
VI. Closing balance of cash and cash equivalents		1,930,229,870.53	584,126,143.03

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- December 2022

Unit: Yuan Currency: RMB

Item	Year 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 "-")	60,000,000.00				1,155,203,066.29	500,000,213.13	-93,848,515.44	4,390,105.11	40,814,356.50		3,870,201,815.40		4,536,760,614.73	799,618,683.29	5,336,379,298.02
(I) Total comprehensive income							-93,848,515.44				4,250,931,759.12		4,157,083,243.68	829,277,192.46	4,986,360,436.14
(II) Capital contribution or reduction by owners	60,000,000.00				1,153,505,407.04	500,000,213.13							713,505,193.91	185,199,630.83	898,704,824.74
1. Ordinary shares contributed by owners	60,000,000.00				1,080,210,317.86								1,140,210,317.86	168,333,173.00	1,308,543,490.86
2. Capital contribution by other equity instrument holders															
3. Share-based payments recognized in owners' equity					78,831, 960.51								78,831,960.51	12,176,822.47	91,008,782.98
4. Others					-5,536,871.33	500,000,213.13							-505,537,084.46	4,689,635.36	-500,847,449.10
(III) Profit distribution									40,814,356.50		-380,729,943.72		-339,915,587.22	-214,858,140.00	-554,773,727.22
1. Withdrawal of surplus reserves									40,814,356.50		-40,814,356.50				
2. Withdrawal of general risk provision															
3. Distribution to owners (or shareholders)											-339,915,587.22		-339,915,587.22	-214,858,140.00	-554,773,727.22
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								4,390,105.11					4,390,105.11		4,390,105.11
1. Amount withdrawn during current period								4,390,105.11					4,390,105.11		4,390,105.11
2. Amount utilized during current period															
(VI) Others					1,697,659.25								1,697,659.25		1,697,659.25
IV. Balance at the end of current period	1,948,419,929.00				3,059,464,326.69	500,000,213.13	-204,275,596.34	4,390,105.11	396,165,018.95		6,684,315,895.33		11,388,479,465.61	1,943,286,029.60	13,331,765,495.21

Item	Year 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 "-")					8,917,983.11	-200,003,570.71	-54,946,623.59		15,099,645.70		801,815,652.07		970,890,228.00	313,679,586.64	1,284,569,814.64
(I) Total comprehensive income							-54,946,623.59				1,005,757,290.67		950,810,667.08	423,559,493.34	1,374,370,160.42
(II) Capital contribution or reduction by owners					7,809,712.03	-200,003,570.71							207,813,282.74	83,089,744.87	290,903,027.61
1. Ordinary shares contributed by owners														159,640,007.56	159,640,007.56
2. Capital contribution by other equity instrument holders															
3. Share-based payments recognized in owners' equity					133,072,681.96								133,072,681.96	6,387,709.44	139,460,391.40
4. Others					-125,262,969.93	-200,003,570.71							74,740,600.78	-82,937,972.13	-8,197,371.35
(III) Profit distribution									15,099,645.70		-203,941,638.60		-188,841,992.90	-192,969,651.57	-381,811,644.47
1. Withdrawal of surplus reserves									15,099,645.70		-15,099,645.70				
2. Withdrawal of general risk provision															
3. Distribution to owners (or shareholders)											-188,841,992.90		-188,841,992.90	-192,969,651.57	-381,811,644.47

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					1,108,271.08								1,108,271.08		1,108,271.08
IV. Balance at the end of current period	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

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- December 2022

Unit: Yuan Currency: RMB

Item	Year 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 "-")	60,000,000.00				1,139,366,788.20	500,000,213.13	-1,764,000.00		40,814,356.50	27,413,621.26	765,830,552.83
(I) Total comprehensive income							-1,764,000.00			408,143,564.98	406,379,564.98
(II) Capital contribution or reduction by owners	60,000,000.00				1,139,264,456.52	500,000,213.13					699,264,243.39
1. Ordinary shares contributed by the owners	60,000,000.00				1,080,210,317.86						1,140,210,317.86
2. Capital contribution by other equity instrument holders											
3. Share-based payment recognized in owners' equity					59,054,138.66						59,054,138.66

4. Others						500,000,213.13					-500,000,213.13
(III) Profit distribution									40,814,356.50	-380,729,943.72	-339,915,587.22
1. Withdrawal of surplus reserves									40,814,356.50	-40,814,356.50	
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					102,331.68						102,331.68
IV. Balance at the end of current period	1,948,419,929.00				3,557,704,709.77	500,000,213.13	-1,764,000.00		389,157,975.92	1,349,847,099.95	6,743,365,501.51

Item	Year 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 "-")					1,912,017.05	-200,003,570.71			15,099,645.70	-52,945,181.61	164,070,051.85
(I) Total comprehensive income										150,996,456.99	150,996,456.99
(II) Capital contribution or reduction by owners					1,912,017.05	-200,003,570.71					201,915,587.76
1. Ordinary shares contributed by the owners											
2. Capital contribution by other equity instrument holders											
3. Share-based payment recognized in owners' equity					115,688,707.76						115,688,707.76
4. Others					-113,776,690.71	-200,003,570.71					86,226,880.00

(III) Profit distribution									15,099,645.70	-203,941,638.60	-188,841,992.90
1. Withdraw surplus reserves									15,099,645.70	-15,099,645.70	
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				2,418,337,921.57				348,343,619.42	1,322,433,478.69	5,977,534,948.68

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 RMB 1,948,419,929.00

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-ion 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
Guangdong Keda New Energy Equipment Co., Ltd.	Newly founded
Kami Materials Co., Ltd.	Newly founded
Anhui Keda Hydraulic Technology Co., Ltd.	Newly founded
Guangde Kean Photovoltaic Power Generation 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
Hefei Lunuo New Energy Co., Ltd.	Newly founded
Dangtu Keda New Energy Technology Co., Ltd.	Newly founded
Maanshan Keci New Energy Technology Co., Ltd.	Newly founded
Hefei Kemao New Energy Co., Ltd.	Newly founded
Maanshan Keda Cigao New Energy Co., Ltd.	Newly founded
Langxi Kean New Energy Technology Co., Ltd.	Newly founded
Maanshan Kegu New Energy Co., Ltd.	Newly founded
Foshan Keshiming New Energy Technology Co., Ltd.	Newly founded

Foshan Kesheng New Energy Technology Co., Ltd.	Newly founded
Foshan Kexin New Energy Technology Co., Ltd	Newly founded
Anhui Keda Lithium-ion battery Equipment Co., Ltd.	Newly founded
Anhui Kean Electric Power Engineering Co., Ltd. (Foshan Branch)	Newly founded
Keda Cote D'ivoire Ceramics Company Limited	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

（1）Determination and accounting treatment of expected credit loss on debt investments

□Applicable √Not applicable

19. Other debt investments

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

□Applicable √Not applicable

20. Long-term receivables

（1）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 expire 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

Contents and reasons of changes in accounting policies	Approval procedures	Notes (items and amounts of financial statements that are significantly affected)
On December 30, 2021, the Ministry of Finance issued the Accounting Standards for Business Enterprises Interpretation No. 15 (Cai Kuai [2021] No. 35), which is effective from January 1, 2022 on the accounting treatment of external sales of products or by-products produced before the fixed assets are ready for their intended use or during the course of research and development and the determination of onerous contracts.	Statutory Changes	The implementation of relevant changes in accounting standards for business enterprises has no significant impact on the Company's financial statements.
On November 30, 2022, the Ministry of Finance issued the Accounting Standards for Business Enterprises Interpretation No. 16 (Cai Kuai [2022] No. 31), the content of "Accounting treatment for the income tax effect of dividends related to financial instruments classified as	Statutory Changes	The implementation of relevant changes in accounting standards for business enterprises has no significant

equity instruments by the issuer" and "Accounting treatment for the modification of cash-settled share-based payment to equity-settled share-based payment" shall be implemented from the date of announcement		impact on the Company's financial statements.

(2). Changes in significant accounting estimates

□Applicable √Not Applicable

(3) **The first implementation of new accounting standards or interpretations of standards since 2022 involves adjustments to the financial statements at the beginning of the year of the first implementation**

□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%, 12%, 13%, 15%,16%,17%, 17.5%,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%, 20%,22.8%,23%, 25%, 27.90%, 30%, 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
Anhui KEDA Industrial Co., Ltd.	15
Anhui KEDA New Material Co.,Ltd	15
Anhui KEDA Platinum Platform Energy Technology Co., Ltd.	15
KEDA (Anhui) Clean Energy Co., Ltd.	15
Guangdong KEDA Hydraulic Technology Co., Ltd.	15
Foshan HLT Industry Co., Ltd.	15
Foshan DLT Technology Co., Ltd.	15
HENAN KEDANEU INTERNATIONAL ENGINEERING CO.,LTD	15
Jiangsu Kehang Environmental Protection Co., Ltd.	15
Foshan KEDA Industrial Co., Ltd.	15
Keda Industrial Group Co., Ltd.	15

Xincheng International (Hong Kong) Co., Ltd.	16.5
Forwell International (HK) Co., Limited	16.5
Jiangsu KEDA Electric Power Co., Ltd.	20
Changzhou KEDA Electricity Selling Co., Ltd.	20
Foshan KEDA Ceramic Technology Co., Ltd.	20
Suzhou KEDA Electricity Co.,Ltd.	20
Hefei Binhu KEDA Electricity Co.,Ltd.	20
Wuhu Kean Energy Technology Co., Ltd	20
Dangtu Kean New Energy Technology Co., Ltd.	20
Shaoguan City Keda Machinery Manufacturing Co., Ltd.	20
Kunshan Boyue New Energy Technology Co., Ltd.	20
Dangtu Keda New Energy Technology Co., Ltd.	20
Hefei Kemao New Energy Co., Ltd.	20
Maanshan Keci New Energy Technology Co., Ltd.	20
Guangde Kean Photovoltaic Power Generation Co., Ltd.	20
Hefei Lunuo New Energy Co., Ltd.	20
Guangzhou Agate Technology Co.,LTD.	20
Anhui KEDA Purui Energy Technology Co., Ltd.	20
KEDA (Anhui) New Energy Automobile Sales Co., Ltd.	20
Ningxia Kehang Environmental Protection Engineering Co., Ltd.	20
Anhui Keqing Environmental Engineering Co., Ltd.	20
Maanshan Huadong Travel Passenger Transportation Co., Ltd.	20
Anhui Hengwang Electricity Co.,Ltd.	20
Anhui Keda Hydraulic Technology Co., Ltd.	20
Guangdong Keda New Energy Equipment Co., Ltd.	20
Sixian KEDA New Energy Technology Co., Ltd.	20
Maanshan Kehan New Energy Technology Co., Ltd	20
Wuhu KEDA Smart New Energy Technology Co., Ltd.	20
Maanshan Kean New Energy Technology Co., Ltd.	20
Toyo Hydraulic Technology (Dalian) Co., Ltd.	20
Keda International Company S.a’r.l.	22.8
Keda Turkey Makine Ticaret Limited Sirketi	23
Fujian Keda New Energy Technology Co., Ltd.	25
Sichuan KEDA Clean Energy New Material Co., Ltd.	25
KEDA (Anhui) Huadong New Energy Automobile Travel Service Co., Ltd.	25
An Hui KEDA Electricity Co.,Ltd.	25
Anhui KEDA Keneng Electricity Selling Co., Ltd.	25
Anhui Kean Electric Power Engineering Co., Ltd.	25
KEDA-SUREMAKER (WUHU) INDUSTRIAL CO., LTD	25
KEDA (Shenyang) Clean Energy Gas Co., Ltd.	25
Guangdong KEDA Electricity Co.,Ltd.	25
Anhui KEDA Investment Co., Ltd.	25
Qinghai Weili New Energy Material Co., Ltd.	25

Guang Dong KEDA Lithium Industry Co., Ltd.	25
KEDA Industrial (Hong Kong) Limited	25
Wibe S.L.	25
Guangdong Xincheng Financing And Lesing Co.,Ltd.	25
Anhui Xincheng Financing Lease Co., Ltd.	25
Foshan Keda Equipment Manufacturing Co., Ltd.	25
Foshan HLT Technology Co., Ltd.	25
Foshan Kean New Energy Technology Co., Ltd.	25
Kami Materials Co., Ltd.	25
Taixin New Energy Technology Co., Ltd., Zhengpugang New District, Ma'anshan	25
Anhui Keda Lithium-ion battery Equipment Co., Ltd.	25
Maanshan Keci New Energy Technology Co., Ltd.	25
Maanshan Keda Cigao New Energy Co., Ltd.	25
Langxi Kean New Energy Technology Co., Ltd.	25
Foshan Kexin New Energy Technology Co., Ltd	25
Foshan Keshiming New Energy Technology Co., Ltd.	25
Foshan Kesheng New Energy Technology Co., Ltd.	25
Keda Cote D'ivoire Ceramics Company Limited	25
Keda Europe S.r.l.	27.9
I.C.F.&Welko S.P.A.	27.9
Kami Colourcera Private Limited	30
Keda Industrial (India) Limited	30
Keda (Kenya) Ceramics Company Limited	30
Keda (Tanzania) Ceramics Company Limited	30
Keda (SN) Ceramics Limited	30
Keda Ceramics Interational Company Limited	30
Keda Cameroon Ceramics Limited	30
Keda Zambia Ceramics Company Limited	35

2. Tax preference

√Applicable □Not Applicable

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%.

Anhui Keda Clean Energy Co., Ltd. was certified as hi-tech enterprise of Anhui Province for 2022 (certificate No.: GR202234002098), with corporate income tax rate of 15%.

Guangdong KEDA Hydraulic Technology Co., Ltd. was certified as hi-tech enterprise of Guangdong Province for 2022 (certificate No.: GR202244006263), with corporate income tax rate 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 New Materials Co., Ltd. was certified as hi-tech enterprise of Anhui Province for 2022 (certificate No.: GR202234003318), 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%.

Foshan KEDA Industrial Co., Ltd. was certified as hi-tech enterprise of Guangdong Province for 2022 (certificate No.: GR202244002608), 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	6,363,945.67	5,593,501.38
Bank deposits	3,727,345,344.22	1,682,199,603.95
Other monetary funds	1,063,104,092.67	272,865,715.44
Total	4,796,813,382.56	1,960,658,820.77
Including: total amount deposited overseas	812,764,099.19	486,953,540.01
Deposits placed in financial institutions		

Additional description

Closing balance of other monetary funds includes negotiable certificate of deposit of RMB722,948,750.00, deposit for bank acceptable bill of RMB219,753,179.91, judicial frozen capital of RMB95,086,190.01, deposit for letter of guarantee of RMB20,334,551.91 and other margins of RMB4,981,420.84.

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	397,962,373.33	58,233,994.24
Including:		
Wealth management products	395,811,388.09	55,233,245.92

Forward foreign exchange settlement hedging	2,071,085.24	3,000,748.32
Futures contracts	79,900.00	
Total	397,962,373.33	58,233,994.24

Other description:

√Applicable □Not applicable

The closing balance of financial assets held for trading for the period increased by 583.38% compared with the closing balance of last year, mainly due to more wealth management products held by the Company during the period.

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	61,963,400.00	2,030,000.00
Commercial acceptance bills	13,083,982.31	15,950,730.39
Total	75,047,382.31	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 derecognised for confirmation at the end of the period	Amount not derecognised for confirmation at the end of the period
Bank acceptance bills		11,083,400.00
Commercial acceptance bills		200,000.00
Total		11,283,400.00

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

√Applicable □ Not applicable

Unit: Yuan
Currency: RMB

Item	Amount transferred to accounts receivable at the end of the period

Commercial acceptance bills	281,765.00
Total	281,765.00

(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 portfolio basis	75,166,221.82	100.00	118,839.51	0.16	75,047,382.31	18,325,572.98	100.00	344,842.59	1.88	17,980,730.39
Including:										
Commercial acceptance bills portfolio	13,202,821.82	17.56	118,839.51	0.90	13,083,982.31	16,295,572.98	88.92	344,842.59	2.12	15,950,730.39
Bank acceptance bills portfolio	61,963,400.00	82.44			61,963,400.00	2,030,000.00	11.08			2,030,000.00
Total	75,166,221.82	/	118,839.51	/	75,047,382.31	18,325,572.98	/	344,842.59	/	17,980,730.39

Bad debt provisions made on single item:

□ Applicable √Not applicable

Bad debt provisions made on portfolio basis:

√Applicable □ Not applicable

Provisions made on portfolio basis: Commercial acceptance bills portfolio

Unit: Yuan
Currency: RMB

Name	Closing balance		
	Notes receivable	Bad debt provisions	Provision ratio (%)
Commercial acceptance bills portfolio	13,202,821.82	118,839.51	0.90
Total	13,202,821.82	118,839.51	0.90

Recognition criteria and description of bad debt provisions made on portfolio 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
		Accrual	Recovered or reversed	Transfer or written off	Other changes	
Bad debt provisions	344,842.59	-170,691.04			-55,312.04	118,839.51
Total	344,842.59	-170,691.04			-55,312.04	118,839.51

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

The closing balance of notes receivable for the period increased by 317.38% compared with the closing balance of last year, mainly due to the increase in the outstanding bank acceptable bills held by the Company in the current period.

5. Accounts receivable

(1). Discloure by aging

√Applicable □ Not applicable

Unit: Yuan
Currency: RMB

Aging	Closing carrying amount
Within 1 year	
Including: breakdown within 1 year	
Within 1 year	1,338,497,209.25
Subtotal within 1 year	1,338,497,209.25
1 to 2 years	330,006,255.14
2 to 3 years	49,595,868.37
More than 3 years	103,552,386.80
Total	1,821,651,719.56

(2). Disclosure by classification for metholds 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	99,150,074.34	5.44	67,460,005.49	68.04	31,690,068.85	57,891,241.38	3.58	44,660,629.49	77.15	13,230,611.89

made on single item										
Bad debt provisions made on portfolio basis	1,722,501,645.22	94.56	163,181,866.62	9.47	1,559,319,778.60	1,560,670,474.25	96.42	132,369,305.80	8.48	1,428,301,168.45
Total	1,821,651,719.56	/	230,641,872.11	/	1,591,009,847.45	1,618,561,715.63	/	177,029,935.29	/	1,441,531,780.34

Bad debt provisions made on single item:

√Applicable □Not applicable

Unit: Yuan
Currency: RMB

Name	Closing balance			
	Carrying amount	Bad debt provisions	Provision ratio (%)	Reason for provision
Customer 1	20,519,305.69	6,155,791.71	30.00	Expected risk of recovery
Customer 2	17,516,000.00	5,183,813.11	29.59	Expected risk of recovery
Customer 3	8,549,327.00	8,549,327.00	100.00	It is not expected to be recovered
Customer 4	5,103,736.93	5,103,736.93	100.00	It is not expected to be recovered
Customer 5	4,770,000.00	4,770,000.00	100.00	It is not expected to be recovered
Customer 6	3,408,152.50	536,000.00	15.73	Expected risk of recovery
Others	39,283,552.22	37,161,336.74	94.60	Expected risk of recovery
Total	99,150,074.34	67,460,005.49	68.04	/

Description of bad debt provisions made on single item:

□Applicable √Not applicable

Bad debt provisions made on portfolio basis:

√Applicable □Not applicable

Provisions made on portfolio basis: Accounts receivable accruing bad debt provision in credit risk characteristic portfolio

Unit: Yuan
Currency: RMB

Name	Closing balance		
	Accounts receivable	Bad debt provisions	Provision ratio (%)
Within 1 year	1,311,863,595.62	27,571,535.76	2.10
1 to 2 years	282,591,018.16	43,252,614.88	15.31
2 to 3 years	42,302,817.73	20,365,689.86	48.14
3 to 5 years	52,374,221.32	38,622,033.73	73.74
More than 5 years	33,369,992.39	33,369,992.39	100.00
Total	1,722,501,645.22	163,181,866.62	9.47

Recognition criteria and description of bad debt provisions made on portfolio 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 in current period				Closing balance
		Accrual	Recovered or reversed	Transfer or written off	Other changes	
Bad debt provisions	177,029,935.29	62,861,226.84	5,396,836.29	16,319,122.36	1,672,996.05	230,641,872.11
Total	177,029,935.29	62,861,226.84	5,396,836.29	16,319,122.36	1,672,996.05	230,641,872.11

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

√Applicable □ Not applicable

Unit: Yuan
Currency: RMB

Name	Amount recovered or reversed	Recovery method
Customer 7	5,182,760.00	
Total	5,182,760.00	/

(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	16,319,122.36

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 8	Payment for goods	2,557,292.82	Unrecoverable	Bad debt write-off approval procedures	No
Customer 9	Payment for goods	2,244,375.00	Unrecoverable	Bad debt write-off approval procedures	No
Customer 10	Payment for goods	1,611,623.73	Unrecoverable	Bad debt write-off approval procedures	No

Customer 11	Payment for goods	1,339,030.00	Unrecoverable	Bad debt write-off approval procedures	No
Customer 12	Payment for goods	950,000.00	Unrecoverable	Bad debt write-off approval procedures	No
Customer 13	Payment for goods	904,028.20	Unrecoverable	Bad debt write-off approval procedures	No
Customer 14	Payment for goods	702,061.50	Unrecoverable	Bad debt write-off approval procedures	No
Customer 15	Payment for goods	625,604.66	Unrecoverable	Bad debt write-off approval procedures	No
Customer 16	Payment for goods	572,965.48	Unrecoverable	Bad debt write-off approval procedures	No
Customer 17	Payment for goods	457,509.37	Unrecoverable	Bad debt write-off approval procedures	No
Customer 18	Payment for goods	394,000.00	Unrecoverable	Bad debt write-off approval procedures	No
Total	/	12,358,490.76	/	/	/

Explanation for writing off accounts receivable:

□Applicable √Not applicable

(5). Accounts receivable with top five closing balances as categorised 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 19	105,629,181.43	5.80	3,930,398.07
Customer 20	96,302,211.63	5.29	897,125.19
Customer 21	57,970,877.97	3.18	2,375,997.89
Customer 22	57,249,349.50	3.14	867,914.15
Customer 23	41,419,640.00	2.27	613,272.05
Total	358,571,260.53	19.68	8,684,707.35

(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 bill	266,154,517.25	230,376,142.57
Total	266,154,517.25	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 instruments	81,157,812.31
Total	81,157,812.31

Remark 2: Receivables financing endorsed or discounted by the Company but undue in the balance sheet at the end of the period

Unit: Yuan
Currency: RMB

Item	Amount terminated for confirmation at the end of the period	Amount not terminated for confirmation at the end of the period
Bank acceptance instruments	650,000,177.23	
Total	650,000,177.23	

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	221,976,234.74	81.51	244,421,661.45	93.66
1 to 2 years	38,576,883.96	14.17	10,973,043.30	4.20
2 to 3 years	6,982,567.59	2.57	1,046,034.55	0.41
More than 3 years	4,787,014.16	1.75	4,519,970.65	1.73
Total	272,322,700.45	100.00	260,960,709.95	100.00

(2). Prepayments with top five closing balances as categorised by prepaid entities

√Applicable □ Not applicable

Unit: Yuan

Currency: RMB

Name	Closing balance	Total accounting for the closing balance of prepayments (%)
Supplier 1	29,182,911.51	10.72
Supplier 2	13,612,618.82	5.00
Supplier 3	10,569,784.70	3.88
Supplier 4	6,763,968.64	2.48
Supplier 5	5,819,049.80	2.14
Total	65,948,333.47	24.22

Additional description

□Applicable √Not applicable

8. Other receivables

√Applicable □Not applicable

Unit: Yuan
Currency: RMB

Item	Closing balance	Opening balance
Interest receivable		
Dividends receivable	4,800,000.00	
Other receivables	109,158,752.66	107,980,971.15
Total	113,958,752.66	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

Unit: Yuan
Currency: RMB

Project (or the invested unit)	Closing balance	Opening balance
Sichuan Guangxing Lithium Battery Technology Co., Ltd.	4,800,000.00	
Total	4,800,000.00	

(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
Within 1 year	
Inclunding: breakdown within 1 year	
Within 1 year	92,424,064.93
Subtotal within 1year	92,424,064.93
1 to 2 years	9,540,239.23
2 to 3 years	7,250,475.56
More than 3 years	9,291,569.68
Total	118,506,349.40

(2). Classification of fund nature

√Applicable □Not applicable

Unit: Yuan
Currency: RMB

Fund nature	Closing carrying amount	Opening carrying amount
Current accounts	55,768,154.68	56,108,359.00
Other current accounts	28,359,538.47	28,315,228.06
Export tax rebate	16,113,864.25	18,703,361.01
Security deposit	18,264,792.00	21,805,220.68
Total	118,506,349.40	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 entire duration (no credit impairment)	Expected credit loss for the entire duration (credit impairment occurred)	
Balance as of 1 January 2022	3,984,786.70		12,966,410.90	16,951,197.60
Balance as of 1 January 2021 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				
- Reversed to the second stage				
- Reversed to the first stage				
Accrual for the period	1,466,958.99		719,185.47	2,186,144.46
Reversed during the period				
Transfer during the period				
Written off during the period	40,794.99		9,818,470.96	9,859,265.95
Other changes	69,520.63			69,520.63
Balance as of 31 December 2022	5,480,471.33		3,867,125.41	9,347,596.74

Description of significant changes in the carring 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
		Accrual	Recovered or reversed	Transfer or written off	Other changes	
Bad debt provisions	16,951,197.60	2,186,144.46		9,859,265.95	69,520.63	9,347,596.74
Total	16,951,197.60	2,186,144.46		9,859,265.95	69,520.63	9,347,596.74

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 actually written off during the period

√Applicable □ Not applicable

Unit: Yuan
Currency: RMB

Item	Amount written off

Other receivables actually written off	9,859,265.95

Of which other receivables written off was significant:

√Applicable □Not applicable

Unit: Yuan
Currency: RMB

Name of unit	Nature of other receivables	Amount written off	Reason for write- off	Write-off procedures performed	Whether caused by related transaction
Transaction unit 1	Current accounts	9,818,470.96	Unrecoverable	Bad debt write-off approval procedures	/
Total	/	9,818,470.96	/	/	/

Explanation for writing off other receivables:

□ Applicable √Not applicable

(6). Other accounts receivable with top five closing balances as categorised by debtors

√Applicable □Not applicable

Unit: Yuan
Currency: RMB

Name	Fund nature	Closing balance	Aging	Proportion of total closing balance accounting for other accounts receivable (%)	Closing balance of bad debt provisions
Transaction unit 2	Export tax rebate	12,205,739.46	Within 1 year	10.30	
Transaction unit 3	Export tax rebate	3,908,124.79	Within 1 year	3.30	
Transaction unit 4	Current accounts	3,073,728.39	Within 1 year	2.59	16,598.13
Transaction unit 5	Current accounts	2,498,842.88	Within 1 year	2.11	13,493.75
Transaction unit 6	Current accounts	1,680,000.00	Within 1 year	1.42	
Total	/	23,366,435.52	/	19.72	30,091.88

(7). Receivables involving government grants

□Applicable √Not applicable

(8). Other receivables derecognised 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	1,164,111,645.75	496,471.99	1,163,615,173.76	993,717,519.01		993,717,519.01
Goods in process	1,350,932,019.44	558,287.88	1,350,373,731.56	1,600,285,146.12		1,600,285,146.12
Goods in stock	655,273,239.52		655,273,239.52	610,449,751.28		610,449,751.28
Goods in transit	72,412,111.97		72,412,111.97	57,993,029.02		57,993,029.02
Total	3,242,729,016.68	1,054,759.87	3,241,674,256.81	3,262,445,445.43		3,262,445,445.43

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

√Applicable □Not applicable

Unit: Yuan
Currency: RMB

Item	Opening balance	Amount increased during the period		Amount decreased during the period		Closing balance
		Accrual	Other	Reversed or transfer	Other	
Raw materials		558,298.80		61,826.81		496,471.99
Goods in process		687,037.36		128,749.48		558,287.88
Goods in stock						
Reusable materials						
Consumable biological assets						
Contract performance cost						
Total		1,245,336.16		190,576.29		1,054,759.87

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

□Applicable √Not applicable

(4). Description of the contract performance costs amortised 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	431,384,265.95	49,679,113.30	381,705,152.65	397,851,795.59	42,851,855.94	354,999,939.65
Total	431,384,265.95	49,679,113.30	381,705,152.65	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	Accrual for the period	Reversed during the period	Transfer / written off during the period	Reason
Impairment provision	6,822,183.67			
Total	6,822,183.67			/

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 due within one year		
Other debt investments due within one year		
Finance leases	432,359,979.01	641,167,056.20

Including: earnings of finance leases not realized	29,770,154.33	31,618,966.26
Total	432,359,979.01	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				
	Balance of book value	Proportion (%)	Bad debt provisions	Provision ratio (%)	Book value	Balance of book value	Proportion (%)	Bad debt provisions	Provision ratio (%)	Book value
Bad debt provisions made on single item	103,646,615.72	19.28	96,129,530.86	92.75	7,517,084.86	115,137,989.37	15.64	82,874,092.34	71.98	32,263,897.03
Bad debt provisions made on portfolio basis	433,878,412.22	80.72	9,035,518.07	2.08	424,842,894.15	621,033,167.40	84.36	12,130,008.23	1.95	608,903,159.17
合计	537,525,027.94		105,165,048.93		432,359,979.01	736,171,156.77		95,004,100.57		641,167,056.20

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

Name	Closing balance			
	Carrying amount	Bad debt provisions	Provision ratio (%)	Reasons for provision
Customer 24	19,155,507.62	19,155,507.62	100.00	The customer is unable to repay
Customer 25	18,829,298.36	18,829,298.36	100.00	The customer is unable to repay
Customer 26	12,250,664.70	12,250,664.70	100.00	The customer is unable to repay
Customer 27	12,190,499.02	12,190,499.02	100.00	The customer is unable to repay
Customer 28	7,858,784.86	7,858,784.86	100.00	The customer is unable to repay
Customer 29	6,480,286.16	6,480,286.16	100.00	The customer is unable to repay
Customer 30	4,896,388.03	3,917,110.42	80.00	The customer is unable to repay and intends to recover assets to offset the debts
Customer 31	3,087,382.60	3,087,382.60	100.00	The customer is unable to repay
Others	18,897,804.37	12,359,997.12	65.40	- Expected risk of recovery
Total	103,646,615.72	96,129,530.86		/

Remark 2: Accrual for the period

Category	Opening balance	Accrual	Recovered or reversed	Transfer or Written off	Other changes	Closing balance
Bad debt provisions	95,004,100.57	11,286,182.37		1,745,273.81	620,039.80	105,165,048.93
Total	95,004,100.57	11,286,182.37		1,745,273.81	620,039.80	105,165,048.93

Remark 3: The closing balance of the non-current asset due within 1 year for the period decreased by 32.52% as compared to the closing balance of last year, mainly due to the decrease in the financial leasing business of the Company during the period.

13. Other current assets

√Applicable □Not applicable

Unit: Yuan
Currency: RMB

Item	Closing balance	Opening balance
Costs of obtaining contract	645,571.73	
Input VAT to be deducted	189,070,550.82	139,054,937.85
Prepaid taxes	29,241,800.28	24,813,901.55
Wealth management products	118,107,500.00	8,280,090.00
Total	337,065,422.83	172,148,929.40

Additional description

The closing balance of the other current asset for the period increased by 95.80% as compared to the closing balance of last year, mainly due to more wealth management products at amortised cost purchased by the Company and the increase in input VAT to be deducted during the period.

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

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

Other description:

□Applicable √Not applicable

15. Other debt investments

(1) Other debt investments

☐Applicable √Not applicable

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

☐Applicable √Not applicable

(3) Provision for impairment

☐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

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
	Carrying amount	Bad debt provisions	Book value	Carrying amount	Bad debt provisions	Book value	
Finance lease payment	262,838,844.42	3,674,028.41	259,164,816.01	195,986,119.64	3,022,025.01	192,964,094.63	
Including: unrealized financial earnings	9,998,403.73		9,998,403.73	6,057,784.66		6,057,784.66	
Recovered payments for goods sold by installments							
Recovered payments for labour service by installments							
Total	262,838,844.42	3,674,028.41	259,164,816.01	195,986,119.64	3,022,025.01	192,964,094.63	/

(2). 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 entire duration	Expected credit loss for the entire duration (credit	

		(no credit impairment)	impairment occurred)	
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	661,233.65			661,233.65
Reversal in the current period				
Transfer in the current period				
Write-off in the current period				
Other changes	-9,230.25			-9,230.25
Balance as of 31 December 2021	3,674,028.41			3,674,028.41

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

☐Applicable ✓Not applicable

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

☐Applicable ✓Not applicable

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

□Applicable √Not applicable

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

□Applicable √Not applicable

Other description

□Applicable √Not applicable

17. Long-term equity investments

✓Applicable ☐Not applicable

Unit: Yuan
Currency: RMB

Invested unit	Opening balance	Change from increasing or decreasing during the period								Closing balance	Closing balance of impairment provision
		Investment increased	Investment	Profits and losses confirmed	Other comprehensive	Other equity changes	Cash dividends or profit	Impairment provisi	Others		

			decreased	under the equity method	income adjustment		declared or issued	on provided			
II. Associates											
Qinghai Salt Lake Lanke Lithium Industry Co., Ltd.	1,840,472,655.28			3,845,654,422.79		1,778,352.31	2,961,651,979.26			2,726,253,451.12	
Foshan KEDA Ceramic Technology Co., Ltd.	187,539,458.67			-408,721.53						187,130,737.14	
Zhangzhou Juming Graphite Material Co., Ltd.	26,274,994.69			8,472,325.01			2,940,000.00			31,807,319.70	
Sichuan Guangxing Lithium Battery Technology Co., Ltd.	16,549,871.09			5,704,161.35		102,331.68	4,800,000.00			17,556,364.12	
Jiangsu Zhongchuang Qingyuan Technology Co., Ltd.	12,081,043.26		12,313,717.73	232,674.47							
Maanshan Qingshan Electricity Selling Co., Ltd.	5,376,947.54			14,536.82						5,391,484.36	
Anhui KEDA Yuli Automobile Technology Co., Ltd.	2,359,576.61		1,095,274.19	-1,264,302.42							
Anhui Ganghua KEDA Smart Energy Co., Ltd.	1,544,278.73			23,658.15						1,567,936.88	
Guangdong Keda Nanyue New Energy Venture Capital Partnership (Limited Partnership)		150,000,000.00		-544,134.34						149,455,865.66	
Subtotal	2,092,198,825.87	150,000,000.00	13,408,991.92	3,857,884,620.30		1,880,683.99	2,969,391,979.26			3,119,163,158.98	
Total	2,092,198,825.87	150,000,000.00	13,408,991.92	3,857,884,620.30		1,880,683.99	2,969,391,979.26			3,119,163,158.98	

Other description

The closing balance of long-term equity investments in the current period increased by 49.09% 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.	4,003,984.13	3,820,562.02
Changde City Avenue New Material Technology Co., Ltd.	1,913,420.34	3,000,000.00
Foshan Zhongtao Union Technology Co., Ltd.		1,260,000.00
Foshan Uniceramics Development Co., Ltd.		504,000.00
Total	5,917,404.47	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	5,000,000.00	5,000,000.00
Total	5,000,000.00	5,000,000.00

Other description:

□Applicable √Not applicable

20. Investment properties

Measurement model of 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, 130,982,694.29	2,936,739,595.20
Fixed asset disposal		
Total	3, 130,982,694.29	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	19,551,365.53	214,788,346.16	535,620,926.39	32,367,273.10	16,592,381.89	818,920,293.07

(1) Purchase	19,551,365.53		97,207,011.19	32,367,273.10	16,557,047.32	165,682,697.14
(2) Transferred from construction in progress		214,788,346.16	438,413,915.20			653,202,261.36
(3) Increase from business combinations						
(4) Foreign exchange translation difference					35,334.57	35,334.57
3. Decrease during the current period	3,420,135.24	216,752,752.90	806,747,350.37	16,185,905.59	6,762,769.85	1,049,868,913.95
(1) Disposal or retirement		115,307,704.34	693,265,804.51	13,494,860.41	6,340,816.96	828,409,186.22
(2) Transfer into construction in progress		53,973,804.58				53,973,804.58
(3) Disposal of subsidiaries		9,196,501.73	2,391,887.92	28,480.00	421,952.89	12,038,822.54
(4) Foreign exchange translation difference	3,420,135.24	38,274,742.25	111,089,657.94	2,662,565.18		155,447,100.61
4. Closing balance	86,048,521.03	2,297,929,731.20	2,324,932,284.53	115,924,894.09	113,124,631.68	4,937,960,062.53
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		125,313,497.61	205,541,837.98	11,350,215.65	10,311,648.84	352,517,200.08
(1) Accrual		125,313,497.61	205,541,837.98	11,350,215.65	10,140,184.25	352,345,735.49
(2) Increase from business combinations						
(3) Foreign exchange translation difference					171,464.59	171,464.59
3. Decrease during the current period		88,362,850.65	273,456,102.85	11,005,807.15	5,953,641.72	378,778,402.37
(1) Disposal or retirement		37,603,789.87	247,618,137.24	10,414,917.64	5,701,496.30	301,338,341.05
(2) Transfer into construction in progress		37,983,093.97				37,983,093.97
(3) Disposal of subsidiaries		5,243,224.22	1,710,359.34	27,056.00	252,145.42	7,232,784.98
(4) Foreign exchange translation difference		7,532,742.59	24,127,606.27	563,833.51		32,224,182.37
4. Closing balance		678,011,913.82	905,255,804.79	62,339,360.84	80,251,049.60	1,725,858,129.05
III. Impairment provision						
1. Opening balance		69,121,418.78	410,928,338.09			480,049,756.87
2. Increase during the current period			23,072,555.57			23,072,555.57
(1) Accrual			23,072,555.57			23,072,555.57
(2) Increase from business combinations						
3. Decrease during the current period		42,330,207.06	379,672,866.19			422,003,073.25
(1) Disposal or retirement		42,330,207.06	379,672,866.19			422,003,073.25
4. Closing balance		26,791,211.72	54,328,027.47			81,119,239.19
IV. Book value						
1. Closing book value	86,048,521.03	1,593,126,605.66	1,365,348,452.27	53,585,533.25	32,873,582.08	3,130,982,694.29

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	Remark
Houses and buildings	61,821,236.80	20,751,418.99	26,791,211.72	14,278,606.09	
Machinery and equipment	50,325,494.27	14,171,104.88	31,255,471.90	4,898,917.49	
Electronic equipment and others	637,958.19	604,108.85		33,849.34	
Total	112,784,689.26	35,526,632.72	58,046,683.62	19,211,372.92	

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	30,526,279.96
Machinery and equipment	156,240.02

(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	676,298,157.93	301,903,481.46
Project materials		
Total	676,298,157.93	301,903,481.46

Other description:

√Applicable □ Not applicable

The closing balance of construction in progress in the current period increased by 124.01% as compared to the closing balance of last year, mainly due to the investment for construction in progress made by the subsidiaries, Keda Senegal, Keda Ghana and Fujian Keda New Materials.

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
Phase II of Senegal Ceramic Factory Project	155,999,843.30		155,999,843.30			
Phase I of Fujian Keda Engineering Project	126,285,562.38		126,285,562.38	14,556,254.62		14,556,254.62
Ghana Ceramic Factory Sanitary Ware Project	88,938,222.80		88,938,222.80			
Large-scale High-end Intelligent Equipment Manufacturing Digital Factory Project	85,064,123.06		85,064,123.06	461,558.68		461,558.68
Keda Manufacture Technology Transformation Project	39,903,629.48		39,903,629.48			
Phase II of Zambia Ceramics Factory Project	35,507,834.38		35,507,834.38			
Tanzania Ceramics Factory Technology Transformation Project	21,164,827.97		21,164,827.97			
Phase V of Ghana Ceramics Factory Project	17,246,009.81		17,246,009.81			
Equipment and installation	11,205,303.86		11,205,303.86	18,725,882.49		18,725,882.49
Phase I of Kisumu Ceramics Factory Project				144,657,726.84		144,657,726.84
Phase IV of Ghana Ceramics Factory Project				56,771,561.39		56,771,561.39
Phase I of Zambia Ceramics Factory Project				5,473,393.70		5,473,393.70
Other sporadic projects	94,982,800.89		94,982,800.89	61,257,103.74		61,257,103.74
Total	676,298,157.93		676,298,157.93	301,903,481.46		301,903,481.46

(2) Changes of 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 during the period	Other decreases during the current period	Closing balance	Proportion of accumulated project investment in budget (%)	Project progress	Accumulated amount of interest capitalisation	Including: interest capitalisation amount in the current period	Capitalisation rate of interest in the current period (%)	Sources of financing
Project of manufacturing base for digital ceramics equipment	218,503,810.18	28,258,438.45	11,272,568.77	39,531,007.22			99.31	100.00%				Raising+self-financing
Phase I of Kisumu Ceramics Factory Project	262,146,106.00	144,657,726.84	118,594,966.64	263,252,693.48			100.57	100.00%				Self-raised
Phase IV of Ghana Ceramics Factory Project	178,240,400.00	56,771,561.39	115,241,292.14	172,012,853.53			102.89	100.00%				Self-raised
Large-scale High-end Intelligent Equipment Manufacturing Digital Factory Project	500,000,000.00	461,558.68	84,602,564.38			85,064,123.06	17.01	17.01%				Raising+self-financing
Phase I of Fujian Keda Engineering Project	488,177,200.00	14,466,631.98	223,911,675.89	112,092,745.49		126,285,562.38	69.26	69.26%				Self-raised

Ghana Ceramic Factory Sanitary Ware Project	156,093,814.00		88,938,222.80			88,938,222.80	56.98	56.98%				Self-raised
Phase II of Senegal Ceramics Factory Project	251,645,453.85		167,513,380.58	11,513,537.28		155,999,843.30	66.57	66.57%				Self-raised
Total	2,054,806,784.03	244,615,917.34	810,074,671.20	598,402,837.00		456,287,751.54	/	/			/	/

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

□Applicable √Not applicable

Other description

□Applicable √Not applicable

Project Materials

(1). Project materials

□Applicable √Not applicable

23. Productive biological assets

(1). Productive biological assets with 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	2,053,458.48	2,053,458.48
(1) Accrual	2,053,458.48	2,053,458.48
3. Decrease during the current period		
(1) Disposal		
4. Closing balance	4,106,916.96	4,106,916.96
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	8,213,833.67	8,213,833.67
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 right	Application software	Patent right	Total
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	24,345,076.93	21,815,693.04	1,117,007.09	47,277,777.06
(1) Purchase	24,345,076.93	21,790,221.56	1,117,007.09	47,252,305.58
(2) Internal research and development				
(3) Increase from business combinations				

(4) Foreign exchange translation difference		25,471.48		25,471.48
3. Decrease during the current period	16,446,646.2	349,230.04	966,450.00	17,762,326.24
(1) Disposals	9,945,963.9	349,230.04		10,295,193.94
(2) Disposal of subsidiaries	6,500,682.30		966,450.00	7,467,132.30
4. Closing balance	965,574,662.02	40,779,612.18	66,778,665.21	1,073,132,939.41
II. Cumulative amortisation				
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	23,745,660.24	11,506,012.65	2,092,430.27	37,344,103.16
(1) Accrual	23,745,660.24	11,477,075.46	2,092,430.27	37,315,165.97
(2) Foreign exchange translation difference		28,937.19		28,937.19
3. Decrease during the current period	4,010,044.97	349,230.04		4,359,275.01
(1) Disposals	1,943,845.67	349,230.04		2,293,075.71
(2) Disposal of subsidiaries	2,066,199.30			2,066,199.30
4. Closing balance	120,962,289.19	19,263,948.05	65,727,086.94	205,953,324.18
III. Impairment provision				
1. Opening balance				
2. Increase during the current period				
(1) Accrual				
3. Decrease during the current period				
(1) Disposals				
4. Closing balance				
IV. Book value				
1.Closing book value	844,612,372.83	21,515,664.13	1,051,578.27	867,179,615.23
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 expenditure

□Applicable √Not applicable

28. Goodwill

(1). Original book value of goodwill

√Applicable □ Not applicable

Unit: Yuan
Currency: RMB

Name of investee or matters forming goodwill	Opening balance	Increase during the current period	Decrease during the current period	Closing balance
		Formed by business combinations	Disposal	
Guangdong 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 Machinery Co., Ltd.	202,726,972.41		14,811,525.16	187,915,447.25
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 Borui 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		14,811,525.16	1,291,592,420.19

(2). Goodwill impairment provision

√Applicable □ Not applicable

Unit: Yuan
Currency: RMB

Name of investee or matters forming 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	39,062,013.95		232,664,477.89
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	39,062,013.95		378,363,269.21

(3). Information about the cash-generating unit or groups of units in which the goodwill is located

□Applicable √Not applicable

(4). Describe 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 rate, the discount rate, the forecast period, if applicable) and the recognition method of goodwill impairment loss.

√Applicable □ Not applicable

The recoverable amount of goodwill is calculated according to the present value of the future cash flow of the cash-generating unit, and the expected future cash flow is determined according to the cash flow forecast based on the financial budget for the next five years approved by the Management. The key assumptions used in the impairment test include: sales growth rate, gross profit margin and discount rate. The Company determines the above key data based on historical experience and market development forecast. The discount rate adopted by the Company is the pre-tax interest rate reflecting the time value of the current market currency and the specific risk of the relevant cash-generating unit.

Item	Key parameters	Remark
Forecast period	2023 to 2027 (the following is the stability period)	

Growth rate in the forecast period	Based on industry practice, market change, business model, production capacity, production and marketing rate and combined with the Company's comprehensive management judgment	
Growth rate in the stability period	Keep flat	
Profit rate	Calculate based on predicted income, costs, expenses, etc.	
Discount rate (Weighted average cost of capital WACC)	11.83%-14.41%	

(5). Influences of goodwill impairment test

√Applicable □ Not applicable

At the end of 2022, the Company forecasted the recoverable amount of the cash-generating unit where the goodwill was located. The recoverable amount of the cash-generating unit where the goodwill was located was determined based on the present value of the expected recoverable cash flow in the future. The future cash flow was based on the estimation of future business development and profit realisation by the management of the Company. After various goodwill impairment tests, it was found that:

(1) For the cash-generating unit of the holding subsidiary Henan KDNEU International Engineering Co., Ltd., based on the non-optimistic outlook of future profit realisation and future cash flow by the management, the impairment for the goodwill was fully accrued after testing.

(2) Except for the impairment of the cash-generating unit of Henan KDNEU International Engineering Co., Ltd., there was no sign of impairment in other cash-generating units where goodwill was located.

Other description:

☐Applicable √ Not applicable

29. Long-term deferred expenses

√ Applicable ☐Not applicable

Unit: Yuan
Currency: RMB

Item	Opening balance	Increase during the current period	Amortisation this period	Other decrements	Closing balance
Decoration fee for the leased house	158,403.47		158,403.47		
Loan front-end fees	15,419,124.24	4,710,193.61	3,429,002.83	1,283,558.49	15,416,756.53
Total	15,577,527.71	4,710,193.61	3,587,406.30	1,283,558.49	15,416,756.53

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	244,944,669.53	47,709,215.61	197,732,489.13	39,601,698.16
Deductible deficit	907,469,073.02	137,785,542.29	822,137,928.58	125,506,495.22
Government grants	76,900,419.55	11,535,062.93	26,654,158.00	3,998,123.70
Others	28,206,717.95	4,177,908.08	27,256,568.59	5,734,738.60
Total	1,257,520,880.05	201,207,728.91	1,073,781,144.30	174,841,055.68

(2) Non-offset deferred income tax liabilities

√Applicable □ Not applicable

Unit: Yuan
Currency: RMB

Item	Closing balance		Opening balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Assets appraisal and appreciation of HLT	14,954,991.89	2,243,248.72	15,824,615.45	2,373,692.26
Assets appraisal and appreciation of SureMaker	5,993,081.12	898,962.20	6,654,619.64	998,192.97
Assets appraisal and appreciation of KDNEU			3,246,345.59	486,951.85
Assets appraisal and appreciation of Jiangsu Kehang	20,728,182.85	3,109,227.43	26,285,755.91	4,324,391.88
Assets appraisal and appreciation of Welko	26,152,348.85	7,296,505.33	26,152,348.85	7,296,505.33
Fair value change of financial assets	901,251.44	135,187.72		
Total	68,729,856.15	13,683,131.40	78,163,685.44	15,479,734.29

(3) Deferred income tax assets or liabilities presented by net amount after offseting

□Applicable √ Not applicable

(4). Breakdown of unrecognised deferred income tax assets

√Applicable □ Not applicable

Unit: Yuan
Currency: RMB

Item	Closing balance	Opening balance
Deductible deficit	793,374,115.99	783,577,473.29
Impairment provision of fixed assets	81,119,239.19	480,049,756.87
Impairment provision of other current assets		92,012,305.74
Impairment provision of other assets	154,736,589.34	137,471,467.87
Total	1,029,229,944.52	1,493,111,003.77

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

√Applicable □Not applicable

Unit: Yuan
Currency: RMB

Year	Ending amount	Beginning amount	Remark
2022		99,132,293.20	
2023	72,103,394.21	74,464,432.50	
2024	48,556,170.47	48,704,802.11	
2025	33,590,632.48	43,070,267.44	
2026	48,694,900.86	53,254,602.97	
2027	108,821,650.53		
2028	55,320,112.25	94,353,175.80	
2029			
2030	255,487,133.82	272,693,246.72	
2031	88,711,909.86	97,904,652.55	
2032	82,088,211.51		
Total	793,374,115.99	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
Prepaid equipment purchase	44,157,133.94		44,157,133.94	39,031,712.39		39,031,712.39
Intermediary fees paid after share reform	418,867.92		418,867.92			
Total	44,576,001.86		44,576,001.86	39,031,712.39		39,031,712.39

32. Short-term loans

(1). Classification of short-term loans

√Applicable ☐Not applicable

Unit: Yuan
Currency: RMB

Item	Closing balance	Opening balance
Guaranteed loan	209,408,751.52	144,859,544.09
Pledged loan	255,000,000.00	188,799,494.06
Mortgage loan	128,751,432.93	54,860,905.31
Credit loan	413,160,000.00	393,025,711.97
Pledged loan + guaranteed loan		87,123,262.57
Mortgage loan+guaranteed loan		42,980,000.00
Total	1,006,320,184.45	911,648,918.00

Description of short-term loans classification:

Remark 1: Details of guaranteed loan are described as follows:

Borrower	Guarantor	Guarantee mode	Currency	Amount in original currency	Amount converted into RMB
Anhui Keda Electromechanical Co., Ltd.	Keda Industrial Group Co., Ltd.	Warranted guarantee	RMB	20,018,333.33	20,018,333.33
Fujian Keda New Energy Technology Co., Ltd.	Keda Industrial Group Co., Ltd.	Warranted guarantee	RMB	66,800,000.00	66,800,000.00
Anhui Keda Clean Energy Co., Ltd.	Keda Industrial Group Co., Ltd.	Warranted guarantee	RMB	29,000,000.00	29,000,000.00
Anhui Keda Huadong New Energy Vehicle Travel Service Co., Ltd.	Keda Industrial Group Co., Ltd., Anhui Qilian New Energy Technology Co., Ltd., Zhu Hongjun, Wang Yun	Warranted guarantee	RMB	8,000,000.00	8,000,000.00
Anhui Keda Huadong New Energy Vehicle Travel Service Co., Ltd.	Zhu Hongjun, Wang Yun	Warranted guarantee	RMB	1,700,000.00	1,700,000.00
Forwell International (HK) Co., Limited	Keda Industrial Group Co., Ltd.	Warranted guarantee	USD	7,000,000.00	48,632,500.00
Forwell International (HK) Co., Limited	Keda Industrial Group Co., Ltd.	Warranted guarantee	EUR	4,756,016.36	35,257,918.19
Total					209,408,751.52

Remark 2: The pledged loan of RMB255,000 thousand was the loan applied by the subsidiaries Foshan KEDA Electromechanica and Fujian Keda New Energy to the bank with acceptance bills as pledge.

Remark 3: Mortgage loan of RMB128,751.4 thousand was the loan applied by the subsidiaries Keda Ghana, Keda Kenya and Anhui New Material and Fujian Keda New Energy to the bank with real estates and machinery equipment as collateral.

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

□Applicable √Not applicable

Including the important overdue short-term loans as follows:

□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	3,510,240.00	5,649,665.27	
Including:				

Forward foreign exchange settlement hedging	747,365.27		747,365.27	
Futures contract	1,392,060.00	3,510,240.00	4,902,300.00	
Total	2,139,425.27	3,510,240.00	5,649,665.27	

Additional description:

√ Applicable □Not applicable

The closing balance of financial liabilities held for trading in the current period decreased by 100.00% as compared with the closing balance of last year, mainly due to the change in the fair value of the futures contracts in the current period.

34. Derivative financial liabilities

□Applicable √Not applicable

35. Notes payable

(1). List of notes payable

√ Applicable □Not applicable

Unit: Yuan
Currency: RMB

Type	Closing balance	Opening balance
Commercial acceptance bill		
Bank acceptance bill	685,516,312.19	745,183,013.84
Total	685,516,312.19	745,183,013.84

The total amount of notes payable due but unpaid at the end of the period was nil.

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

Company	Amount of bank acceptance bill issued at the end of the period
Anhui Keda Electromechanica Co., Ltd.	73,777,632.50
Anhui Keda Clean Energy Co., Ltd.	9,322,395.74
Anhui KEDA New Materials Co., Ltd.	42,200,000.00
Foshan DLT Technology Co., Ltd.	30,630,000.00
Foshan HLT Industry Co., Ltd.	20,060,000.00
Foshan KEDA Electromechanica Co., Ltd.	102,489,888.56
Fujian Keda New Energy Technology Co., Ltd.	37,565,425.75
Guangdong KEDA Hydraulic Technology Co., Ltd.	1,439,304.00
Henan KDNEU International Engineering Co., Ltd.	44,797,634.51
Jiangsu Kehang Environmental Protection Co., Ltd.	58,489,031.13
Keda Industrial Group Co., Ltd.	213,865,000.00
Sichuan KEDA Clean Energy New Material Co., Ltd.	50,880,000.00
Total	685,516,312.19

36. Accounts payable

(1) List of accounts payable

√ Applicable ☐Not applicable

Unit: Yuan
Currency: RMB

Item	Closing balance	Opening balance
Within 1 year	1,276,587,021.20	1,578,578,972.43
1 to 2 years	129,275,751.51	173,640,630.49
2 to 3 years	43,514,171.59	60,232,434.60
More than 3 years	79,861,329.09	98,903,860.59
Total	1,529,238,273.39	1,911,355,898.11

(2) Important accounts payable with aging 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	10,464,483.84	Within the credit period
Supplier 8	3,360,000.00	Within the credit period
Supplier 9	3,358,780.49	Within the credit period
Supplier 10	3,328,400.00	Within the credit period
Total	37,712,375.33	/

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	1,115,363,767.07	1,370,891,048.91
1 to 2 years	293,059,008.88	237,580,207.83
2 to 3 years	38,907,389.85	78,324,865.53
More than 3 years	122,827,303.27	56,705,873.81
Total	1,570,157,469.07	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 benefits	184,806,674.29	1,160,220,392.08	1,121,492,208.52	223,534,857.85
II. Post-employment benefits - defined contribution plan		54,342,656.08	54,342,656.08	
III. Termination benefits		16,228,875.61	16,228,875.61	
IV. Other benefits due within one year				
Total	184,806,674.29	1,230,791,923.77	1,192,063,740.21	223,534,857.85

(2) List of short-term benefits

√ 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	1,047,071,543.40	1,008,343,359.84	223,534,857.85
II. Employee welfare expenses		60,540,885.66	60,540,885.66	
III. Social insurance expenses		24,878,016.20	24,878,016.20	
Including: medical insurance premiums		23,321,109.37	23,321,109.37	
Industrial injury insurance expense		1,556,906.83	1,556,906.83	
Birth insurance premium				
IV. Housing fund		25,425,065.09	25,425,065.09	
V. Labour-union funds and employee education funds		2,304,881.73	2,304,881.73	
VI. Short-term compensated absences				
VII. Short-term profit sharing plan				
Total	184,806,674.29	1,160,220,392.08	1,121,492,208.52	223,534,857.85

(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		53,286,032.85	53,286,032.85	
2. Unemployment insurance expense		1,056,623.23	1,056,623.23	
3. Enterprise annuity payment				
Total		54,342,656.08	54,342,656.08	

Other description:

□Applicable √ Not applicable

40. Taxes payable

√Applicable □Not applicable

Unit: Yuan
Currency: RMB

Item	Closing balance	Opening balance
VAT	36,629,163.60	40,773,362.93
Corporate income tax	81,048,981.26	44,529,471.45
Individual income tax	3,891,063.57	2,903,863.37
Urban maintenance and construction	1,314,819.75	2,054,966.81
House property tax	1,753,203.42	1,720,133.43
Land use tax	974,738.46	1,091,430.19
Education fee extra	876,604.23	1,478,845.84
Embankment fee	69,232.51	78,189.65
Stamp duty	861,909.42	395,304.56
Other taxes	192,674.61	17,575.00
Total	127,612,390.83	95,043,143.23

41. Other payables

List of items

√Applicable □Not applicable

Unit: Yuan
Currency: RMB

Item	Closing balance	Opening balance
Interest payable		
Dividends payable	34,791,301.44	
Other payables	145,507,387.87	135,707,186.60
Total	180,298,689.31	135,707,186.60

Other description:

□Applicable √ Not applicable

Interest payable

(1). List of classification

□Applicable √Not applicable

Dividends payable

□Applicable √Not **applicable**

(1). List of classification

√Applicable □ Not applicable

Unit: Yuan
Currency: RMB

Item	Closing balance	Opening balance
Dividends of ordinary shares	34,791,301.44	
Total	34,791,301.44	

Other payables

(1). Other payables listed by fund nature

√Applicable □Not applicable

Unit: Yuan
Currency: RMB

Item	Closing balance	Opening balance
Current accounts	122,963,317.28	113,300,506.04
Other current accounts	17,893,979.65	19,044,940.08
Withholding individual income tax	815,288.94	1,383,101.18
Deposit	3,834,802.00	1,978,639.30
Total	145,507,387.87	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 1 year

√Applicable □Not applicable

Unit: Yuan
Currency: RMB

Item	Closing balance	Opening balance
Long-term loans due within 1 year	569,507,280.85	510,623,921.75
Bonds payable due within 1 year		
Long-term accounts payable due within 1 year		

Lease liabilities due within 1 year		
Total	569,507,280.85	510,623,921.75

Additional description:

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

Item	Closing balance	Opening balance
Pledged loan	1,143,557.57	20,000,000.00
Guaranteed loan	101,894,439.12	136,187,963.17
Mortgage loan	122,215,355.51	104,786,435.98
Mortgage loan+guaranteed loan	185,312,667.77	228,455,663.63
Credit loan	156,333,740.88	21,193,858.97
Mortgage loan+ pledged loan	2,607,520.00	
Total	569,507,280.85	510,623,921.75

Remark 2: Breakdown of guaranteed loan is 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	18,225,370.85	18,225,370.85
Fujian Keda New Energy Technology Co., Ltd.	Keda Industrial Group Co., Ltd.	Warranted guarantee	RMB	5,000,000.00	5,000,000.00
Anhui Keda Huadong New Energy Vehicle Travel Service Co., Ltd.	Zhu Hongjun, Wang Yun	Warranted guarantee	RMB	1,500,000.00	1,500,000.00
Forwell International (HK) Co., Limited	Keda Industrial Group Co., Ltd.	Warranted guarantee	USD	2,861,837.28	19,882,614.50
Keda (Ghana) Ceramics Company Limited	Keda Industrial Group Co., Ltd.	Warranted guarantee	EUR	2,780,000.00	20,469,934.56
Keda (SN) Ceramics Company Limited	Keda Industrial Group Co., Ltd.	Warranted guarantee	EUR	5,000,000.00	36,816,519.21
Total					101,894,439.12

Remark 3: The pledged loan of RMB1,143.6 thousand was the loan applied by Dangtu Kean, Maanshan Keci and Wuhu Kean to the bank with the charge right as pledge.

Remark 4: The mortgage loan of RMB122,215.4 thousand was the loan obtained by the subsidiaries Foshan Keda Electromechanica, Anhui New Materials, Anhui Xincheng Financing, HLT, Fujian Keda New Energy and Keda Kenya with houses, land and their own equipment as collateral.

Remark 5: The mortgage loan + guaranteed loan of RMB185,312.7 thousand was the loan obtained by the subsidiaries Anhui Xincheng Financing and Keda Tanzania with the guarantee of Keda Group, and by the subsidiaries Keda Senegal, Keda Zambia, Keda Ghana and Keda Kisumu with the guarantee of Keda Group and Sunda Group and with their own lands and equipment as collateral.

Remark 6: The mortgage loan + pledged loan of of RMB2,607.5 thousand was the loan obtained by the subsidiaries Maanshan Kean, Maanshan Taixin, Hefei Kemao and Guangdong Keda Smart Energy with the charge right and their own equipment as pledge and collateral respectively.

44. Other current liabilities

Other current liabilities

√Applicable □Not applicable

Unit: Yuan

Currency: RMB

Item	Closing balance	Opening balance
Output tax to be transferred	126,209,117.93	149,079,628.35
Endorsed and undue notes are not derecognised at the end of the period	11,283,400.00	
Total	137,492,517.93	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
Pledged loan	7,705,912.72	195,000,000.00
Mortgage loan	264,139,708.76	291,277,456.11
Guaranteed loan	123,865,666.66	604,109,418.45
Credit loan	557,218,466.03	389,171,199.40
Mortgage loan+guaranteed loan	518,321,343.51	55,240,560.46
Mortgage loan+ pledged loan	18,902,655.00	
Total	1,490,153,752.68	1,534,798,634.42

Description of Long-term loans classification:

Remark 1：The pledged loan of RMB7,705.9 thousand was the loan applied by the subsidiaries Dangtu Kean, Wuhu Kean and Maanshan Keci to the bank by using the charge right as pledge.

Remark 2: The mortgage loan of RMB264,139.7 thousand was the loan obtained by the subsidiaries Foshan Keda Electromechanica, Anhui Xincheng Financing, HLT, HLT Technology, Anhui New Material, Fujian Keda New Energy and Keda Kenya with houses, lands and equipment as collateral.

Remark 3: Breakdown 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	44,950,800.00	44,950,800.00
Guangdong Xincheng Financing Leasing Co., Ltd.	Keda Industrial Group Co., Ltd.	Warranted guarantee	RMB	2,464,347.86	2,464,347.86
Anhui KEDA Huadong New Energy Vehicle Travel Service Co., Ltd.	Zhu Hongjun, Wang Yun	Warranted guarantee	RMB	3,000,000.00	3,000,000.00
Forwell International (HK) Co., Limited	Keda Industrial Group Co., Ltd.	Warranted guarantee	USD	2,861,837.28	19,882,614.50
Keda (Ghana) Ceramics Company Limited	Keda Industrial Group Co., Ltd.	Warranted guarantee	EUR	7,275,000.00	53,567,904.30
Total					123,865,666.66

Remark 4: The mortgage loan + guaranteed loan of RMB518,321.3 thousand was the loan applied by the subsidiary Anhui Xincheng Financing to the bank with the guarantee of Keda Group, and by subsidiaries Keda

Senegal, Keda Zambia, Keda Ghana and Keda Kisumu with the guarantee of Keda Group and Sunda Group and with their own real estates as collaterals.

Remark 5: The mortgage loan + pledged loan of of RMB18,902.7 thousand was the loan obtained by the subsidiaries Maanshan Kean, Maanshan Taixin, Hefei Kemao and Guangdong Keda Smart Energy with the charge right and their own equipment as collaterals.

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

Unit: Yuan
Currency: RMB

Item	Closing balance	Opening balance
Lease liabilities	8,589,330.92	10,498,160.65
Total	8,589,330.92	10,498,160.65

48. Long-term payables

List of items

□Applicable √Not applicable

Other description:

□Applicable √Not applicabl

Long-term accounts payable

(1) List of long-term accounts payable by fund nature

□Applicable √Not applicable

Special accounts payable

(1). List of special payable by fund nature

□Applicable √Not applicable

49. Long-term employee payroll payable

□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	1,107,332.48	
Compensation related to pending litigations	98,521,800.00	187,592,351.57	
Total	99,652,527.18	188,699,684.05	/

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

The closing balance of the estimated liabilities in the current period was RMB188,699.7 thousand, of which ①RMB96,521.8 thousand was the estimated liabilities due to the Company's accrual of the Kehang's litigation according to the "Civil Judgment" [(2019) Su 01 Min Chu No. 2893] issued by Nanjing Intermediate People's Court of Jiangsu Province; ② RMB91,070.6 thousand was the litigation estimated liabilities of Keda Lithium Industry 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 revenue

Deferred earnings

√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	39,296,329.38	4,726,159.83	44,970,169.55	Special fund granted by the government
Total	10,400,000.00	39,296,329.38	4,726,159.83	44,970,169.55	/

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
Special fund for major emerging industries for key technology development and industrialization of new energy vehicle high performance graphene based composite electrode anode material		18,666,258.00		2,640,822.57		16,025,435.43	Asset-related
Support fund for green industry service system construction		17,086,471.38		142,387.26		16,944,084.12	Asset-related
Support fund for lithium anode material production project		3,543,600.00		442,950.00		3,100,650.00	Asset-related
Total	10,400,000.00	39,296,329.38		4,726,159.83		44,970,169.55	

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 based composite electrode anode material		18,666,258.00
Green industrial service system construction fund support project of Shunde District		5,194,000.00

Demonstration application of key technologies of roadheader hydraulic pump and motor	4,743,400.00	4,719,400.00
Key technology and application of industrialization of heavy-duty variable electronically controlled axial piston pump for large-scale pressure forming machinery	4,412,500.00	5,782,500.00
Key technology and equipment for high-speed online intelligent visual inspection of ceramic tile grading and color separation	3,420,000.00	1,140,000.00
Lithium battery anode material production project		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	3,000,000.00	1,800,000.00
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
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
Internet Benchmark Project	900,000.00	
Key technology for industrialization of high-pressure axial piston pump for aluminum extrusion press	645,000.00	
Guangdong Provincial Key Laboratory for Ceramic Machinery Energy Saving and Environmental Protection Technology Enterprises	500,000.00	500,000.00
Other projects	1,402,646.49	660,000.00
Total	4,883,546.49	68,039,290.60

53. Share capital

√Applicable □Not applicable

Unit: Yuan
Currency: RMB

	Opening balance	Increase and decrease of change this time (+, -)					Closing balance
		Issuance of new shares	Stock dividend	Conversion of accumulation fund into shares	Others	Subtotal	
Total shares	1,888,419,929.00	60,000,000.00				60,000,000.00	1,948,419,929.00

Additonal description:

In accordance with 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) issued by the China Securities Regulatory Commission and the approval of relevant domestic and foreign regulatory authorities, the Company completed the issuance of GDR in July 2022. The number of GDR issued in the offering is 12,000,000, of which each GDR represents 5 A shares of the Company, and the corresponding number of new basic A shares is 60,000,000 shares. Upon the listing of the new basic A shares corresponding to the GDRs issued in the offering, the total share capital of the Company has changed to 1,948,419,929 shares.

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	1, 227,393,363.16	38,667,499.38	2, 892,884,899.52
Other capital reserves	200,102,224.66	37,172,166.97	70,694,964.46	166,579,427.17
Total	1,904,261,260.40	1, 264,565,530.13	109,362,463.84	3, 059,464,326.69

Additional descriptions, including the changes in increase and decrease in the current period and the reasons for changes:

Remark 1: The capital reserve – share premium increased by RMB1,227,393,363.16 in the current period, of which RMB1,080,210,317.86 is due to the Company’s issuance of GDR to increase capital reserves; RMB70,694,964.46 was due to the Company’s 2020 employee stock ownership plan in the first phase of unlocking and increasing capital reserves; RMB43,357,452.79 was due to the implementation of equity incentives to increase capital reserves by subsidiaries Fujian Keda New Energy and Anhui Keda Industrial in the current period; RMB33,130,628.05 was due to the increase in capital reserve by the Company's purchase or disposal of minority equity in subsidiaries.

Remark 2: The capital reserve - share premium decreased by RMB38,667,499.38 in the current period, due to the Company buying or disposing minority stakes of its subsidiaries in order to decrease capital reserves.

Remark 3: The capital reserve - other capital reserve increased by RMB37,172,166.97 in the current period, mainly due to the amortisation of the Company's 2020 employee stock ownership plan expenses to increase the capital reserves in the current period.

Remark 4: Capital reserves - other capital reserves decreased by RMB70,694,964.46 in the current period, due to the first phase release of the Company's 2020 employee stock ownership plan to adjust the share premium.

56. Treasury stock

√Applicable □Not applicable

Unit: Yuan

Currency: RMB

Item	Opening balance	Increase during the current period	Decrease during the current period	Closing balance
Treasury stock		500,000,213.13		500,000,213.13
Total		500,000,213.13		500,000,213.13

Additional descriptions, including the changes in increase and decrease in the current period and the reasons for changes:

The Company held the 14th meeting of the eighth board of directors and the thirteenth meeting of the eighth board of supervisors on 23 August 2022 and reviewed and approved the "Proposal on Repurchase of the Company's Shares", agreeing that the Company will use its own funds or other legal funds to repurchase shares through centralized bidding transactions. The total repurchase funds shall not be less than RMB250 million and not more than RMB500 million, and the share repurchase price shall not exceed RMB20 per share (inclusive).

As of 1 December 2022, the Company has repurchased a total of 30,563,538 shares of the Company through centralized bidding transactions, accounting for 1.57% of the Company's total share capital. The highest price of the repurchase transactions was RMB17.30 per share, and the lowest price was RMB15.37 per share. The average repurchase price was RMB16.36 per share with total payment of RMB500,000,213.13 (including transaction costs such as stamp duty and commission).

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	Minus: profits and losses included in other comprehensive income previously and transferred in the current period	Minus: retained earnings included in other comprehensive income previously and transferred in the current period	Minus: income tax	After tax attributable to parent company	After tax attributable to non-controlling shareholders	
I. Other comprehensive income not reclassified as profits or losses		-2,667,157.55				-2,753,365.94	86,208.39	-2,753,365.94
Including: changes from re-measuring or re-defining benefit plan								
Other comprehensive income that cannot be transferred to profits and losses under equity method								
Changes in fair value of other equity instrument investments		-2,667,157.55				-2,753,365.94	86,208.39	-2,753,365.94

Changes in fair value of the Company's own credit risk								
II. Other comprehensive income reclassified as profits and losses	-110,427,080.90	-213,164,886.59				-91,095,149.50	-122,069,737.09	-201,522,230.40
Including: other comprehensive income transferred to profits and losses 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	-213,164,886.59				-91,095,149.50	-122,069,737.09	-201,522,230.40
Total of other comprehensive income	-110,427,080.90	-215,832,044.14				-93,848,515.44	-121,983,528.70	-204,275,596.34

58. Special reserve

√Applicable □Not applicable

Unit: Yuan
Currency: RMB

Item	Opening balance	Increase during the current period	Decrease during the current period	Closing balance
Safety production fund		4,390,105.11		4,390,105.11
Total		4,390,105.11		4,390,105.11

Note: The special reserve for the period increased by RMB4,390.1 thousand, mainly due to the safety production expenses accrued for the subsidiaries Anhui Keda Electromechanical in accordance with the notice issued by the Ministry of Finance (Caizi [2022] No. 136).

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	40,814,356.50		385,996,805.25
Discretionary surplus reserves	10,168,213.70			10,168,213.70
Reserve funds				
Enterprise development funds				
Other				
Total	355,350,662.45	40,814,356.50		396, 165,018.95

60. Undistributed profits

√Applicable □Not applicable

Unit: Yuan
Currency: RMB

Item	This period	Last period
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 opening 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
Plus: net profit attributable to parent company's owners in the period	4, 250,931,759.12	1,005,757,290.67
Minus: withdraw statutory surplus reserves	40,814,356.50	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		
Undistributed profits at the end of the period	6, 684,315,895.33	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 this period		Amount incurred last period	
	Income	Cost	Income	Cost
Main business	11,147,385,818.12	7,865,630,519.93	9,782,917,382.77	7,243,947,391.77
Other business	9,810,807.74	5,959,596.05	13,762,345.66	8,473,306.27
Total	11,157,196,625.86	7,871,590,115.98	9,796,679,728.43	7,252,420,698.04

Additional description

Main business (by product)

Product description	Amount incurred this period		Amount incurred last period	
	Operating revenue	Operating expenses	Operating revenue	Operating expenses
Building material machinery and equipment	5,607,670,586.58	4,149,405,536.37	5,764,108,807.68	4,583,274,206.09
Building ceramics	3,275,708,871.33	1,856,368,347.11	2,344,996,292.53	1,281,109,162.48
Clean and environmental protection project	696,068,954.40	619,179,269.59	836,753,008.62	744,990,722.42
Lithium battery material	1,209,514,184.38	1,010,447,830.64	432,140,929.07	366,617,721.82
Finance leases	53,093,306.73	10,244,941.44	68,544,558.19	14,552,238.70
Others	305,329,914.70	219,984,594.78	336,373,786.68	253,403,340.26
Total	11,147,385,818.12	7,865,630,519.93	9,782,917,382.77	7,243,947,391.77

Main business (by region)

Name of region	Amount incurred this period		Amount incurred last period	
	Operating revenue	Operating expenses	Operating revenue	Operating expenses
Domestic	4,947,296,264.60	3,856,094,510.24	5,166,723,381.59	4,147,995,250.97
Abroad	6,200,089,553.52	4,009,536,009.69	4,616,194,001.18	3,095,952,140.80
Total	11,147,385,818.12	7,865,630,519.93	9,782,917,382.77	7,243,947,391.77

Remark: Total sales amount of the top five customers was RMB1,740,669.6 thousand (tax excluded), accounting for 15.62% of sales revenue.

(2). The status of revenue generated by the contract

□Applicable √Not applicable

Description 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 this period	Amount incurred last period
Urban maintenance and construction	14,981,260.01	10,055,200.03
Education fee extra	9,331,630.48	7,272,586.68
House property tax	15,010,759.84	14,267,971.95
Land use tax	9,256,112.86	7,845,802.68
Vehicle and vessel use tax	107,716.60	127,554.49
Stamp duty	5,625,208.35	4,381,539.59

Embankment protection fee	984,126.94	1,034,151.34
Environmental protection tax	57,654.60	24,621.53
Other taxes	3,010,664.55	2,064,680.99
Total	58,365,134.23	47,074,109.28

63. Selling expenses

√Applicable □Not applicable

Unit: Yuan
Currency: RMB

Item	Amount incurred this period	Amount incurred last period
Employee remunerations	223,014,985.46	217,564,771.49
Travel expenses	51,443,938.67	43,026,826.63
Transport expenses	123,592,041.67	110,668,507.55
Entertainment expense	30,339,771.56	24,500,529.61
Expenses for advertising and business promotion	18,678,966.16	18,358,332.19
After-sales service fee	30,270,426.29	27,944,137.34
Others	75,076,920.90	65,408,487.39
Total	552,417,050.71	507,471,592.20

64. Administrative expenses

√Applicable □Not Applicable

Unit: Yuan
Currency: RMB

Item	Amount incurred this period	Amount incurred last period
Employee remunerations	349,449,224.64	266,251,761.20
Office expenses	35,291,622.50	26,608,285.41
Water and electricity charges	17,682,165.45	11,532,393.28
Travel expenses	33,247,264.31	21,388,102.22
Audit and consultancy fee	51,618,498.75	42,187,967.28
Depreciation and rentals	82,531,722.09	75,310,088.97
Amortization of intangible assets	37,152,976.97	24,824,758.55
Equity incentive fee	87,016,090.06	124,299,317.65
Others	102,842,533.87	54,874,928.14
Total	796,832,098.64	647,277,602.70

65. R&D expenses

√Applicable □Not applicable

Unit: Yuan
Currency: RMB

Item	Amount incurred this period	Amount incurred last period
Material expenses	157,099,478.16	133,262,751.46
Labour expenses	127,507,642.32	130,374,006.71
Depreciation and amortization	11,891,989.47	12,545,277.75
Other expenses	29,640,627.88	25,455,953.83

Total	326,139,737.83	301,637,989.75

66. Financial costs

√Applicable □Not applicable

Unit: Yuan
Currency: RMB

Item	Amount incurred this period	Amount incurred last period
Interest expense	108,087,861.23	91,410,231.12
Minus: interest income	-34,429,392.38	-12,854,265.42
Exchange profits and losses	-34,629,726.01	1,772,721.00
Handling charge	13,464,062.98	16,670,873.37
Total	52,492,805.82	96,999,560.07

Additional description:

The amount of financial expenses incurred in the current period decreased by 45.88% as compared with the amount incurred in the same period of the previous year, mainly due to the the increase in foreign exchange gain and the interest income of the Company in the current period.

67. Other income

√Applicable □Not applicable

Unit: Yuan
Currency: RMB

Project	Amount during the current period	Amount during the previous period
VAT refund on demand	18,379,897.04	25,761,688.03
Special fund credited for digital and intelligent demonstration factory in Foshan	13,000,000.00	25,000,000.00
Special fund for promoting foreign economic cooperation in Foshan	8,719,140.05	3,270,049.35
Digital and intelligent transformation project for manufacturing industry	6,470,000.00	
Tax preferences through credit for VAT input tax addition	5,781,128.61	11,488,977.92
Green Manufacturing System Integration Project	4,830,000.00	4,830,000.00
Maanshan Economic and Technological Development Zone Management Committee' s Public Transportation Operaton Subsidy	4,236,372.00	2,246,616.00
The 2020 Provincial Fund Support Project for Strong Manufacturing Construction under Anhui Provincial Department of Economy and Information Technology	3,284,000.00	3,940,000.00
Financial Leasing Business Fund Support Project under Shunde Science and Technology Bureau	2,965,320.00	
Special subsidies for key technology development and industrialization of high-performance graphene-based composite electrode anode material for new energy vehicle	2,640,822.57	2,587,781.00
Fiscal incentive income from Maanshan Economic and Technological Development Zone Management Committee	2,148,072.00	973,674.00
HLT Industrial Support Fund	1,500,000.00	1,500,000.00
Key technology and application of industrialization of heavy-duty variable electric control axial piston pump for large pressure forming machine	1,370,000.00	
One-off allowance for workers in Foshan	1,055,665.00	
The industrial policy encashment fund by Maanshan Economic and Technological Development Zone Management Committee	1,023,000.00	1,034,150.00

First batch of new material development and demonstration application projects	1,020,000.00	
Key Areas for improving defective products and key technology research projects proposed by Dangtu County Economic and Information Bureau	1,000,000.00	
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
Supporting fund for municipal industry support policies in 2020	958,870.00	
Position stabilization subsidies	954,061.90	2,612,918.17
Special funds for industrial internet benchmark demonstration project	900,000.00	2,980,000.00
Subsidy for Longma Project	900,000.00	902,000.00
Infrastructure Subsidy Project	793,532.60	
Technological Innnovation Enterprise Fund in 2020	715,000.00	
Turnkey project for flue gas dust removal, desulfurization and denitrification	700,000.00	
Special fund for promoting high quality economic development in Foshan	588,316.07	1,597,463.79
Foshan Science and Technology Bureau’s R&D subsidy for high-tech enterprises y	507,584.00	1,054,600.00
Intellectual Property Sudsidy Fund	503,559.00	2,649,888.00
Rewards for high-growth small and micro enterprises granted by Dangtu County Economic and Information Technology Bureau	500,000.00	
Lithium Anode Material Production Project	442,950.00	
Conversion fund from Modern Service Industry Policy	186,560.00	757,100.00
Technology Center Innovation Capacity Building Project		5,000,000.00
Application Insurance subsidies for the first batch of key new materials in 2020		4,420,000.00
R&D Subsidy for Newpower clean coal gasification system of Anhui Keda Clean Energy		3,500,000.00
Turnkey project for the production and technology transformation of clean coal gasification		3,000,000.00
Corporate R&D Subsidy and Special Fund granted by Economic Development Bureau of Zhengdong New District Management Committee, Zhengzhou City		2,881,300.00
Special fund for advanced equipment development of manufacturing industry in west bank of the Pearl River		2,512,820.00
Engineering and demonstration research project of ceramic furnace flue gas multi-pollutant collabourative deep emission reduction technology		2,000,000.00
Subsidy for high-tech enterprise certification		1,075,000.00
Scientific and Technological Achievement Transformation Project Fund for 2017 granted by Tinghu District Finance Bureau		1,000,000.00
Guangdong Science and Technology Award Supporting Fund for 2020		1,000,000.00
Political Fund for Supporting Digital Economic Development in 2020		1,000,000.00
Special Fund for Advanced Enterprises of Scientific and Technological Innovation Globalization granted by Shunde District Science and Technology Bureau		1,000,000.00

Special fund for leading enterprises		750,000.00
Other incentives	11,378,339.76	10,656,522.76
Total	101,452,190.60	135,482,549.02

68. Income from investment

√Applicable □Not applicable

Unit: Yuan
Currency: RMB

Item	Amount incurred this period	Amount incurred last period
Long-term equity investments income under the equity method	3,857,884,620.30	446,703,284.12
Investment income from disposal of long-term equity investments	6,179,906.70	9,197,114.74
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	1,831,478.65	6,445,136.17
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 of debt restructuring	-1,269,156.84	-137,139.00
Other		
Total	3,865,215,848.81	462,208,396.03

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.	3,845,654,422.79	443,940,566.61
Jiangsu Zhongchuang Qingyuan Technology Co., Ltd.	232,674.47	1,820,139.11
Maanshan Qingshan Electricity Selling Co., Ltd.	14,536.82	-249,548.25
Anhui Ganghua KEDA Smart Energy Co., Ltd.	23,658.15	53,466.43
Sichuan Guangxing Lithium Battery Technology Co., Ltd.	5,704,161.35	1,490,171.28
Foshan KEDA Ceramic Technology Co., Ltd.	-408,721.53	-394,757.00
Zhangzhou Juming Graphite Material Co., Ltd.	8,472,325.01	3,938,006.69
Anhui KEDA Yuli Automobile Technology Co., Ltd.	-1,264,302.42	-768,712.44
Anhui Hudu KEDA Fluid Machinery Co., Ltd.		-3,126,048.31
Guangdong Keda Nanyue New Energy Venture Capital Partnership (Limited Partnership)	-544,134.34	

Total	3,857,884,620.30	446,703,284.12

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.	-3,106,891.80	
Chuzhou KEDA Smart Energy Technology Co., Ltd.	1,268.71	
Anhui Hudu KEDA Fluid Machinery Co., Ltd.		-4,477,386.84
Foshan Zhuolitai Machinery Co., Ltd.	13,494,521.71	
Jiangsu Zhongchuang Qingyuan Technology Co., Ltd.	-4,513,717.73	
Anhui KEDA Yuli Automobile Technology Co., Ltd.	304,725.81	
Total	6,179,906.70	9,197,114.74

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	

69. Net exposure hedging revenue

□Applicable √Not applicable

70. Fair value change revenue

√Applicable □Not applicable

Unit: Yuan
Currency: RMB

Sources of income from change in fair value	Amount incurred this period	Amount incurred last period
Financial assets held for trading	8,965,032.67	6,350,734.21
Including: gains from changes in the fair value from derivative financial instruments		
Financial liabilities held for trading	124,232.71	-4,682,748.88
Investment properties measured at fair value		
Total	9,089,265.38	1,667,985.33

71. Credit impairment loss

√Applicable □Not applicable

Unit: Yuan

Currency: RMB

Item	Amount incurred this period	Amount incurred last period
Bad debt loss of notes receivable	170,691.04	-82,359.20
Bad debt loss of accounts receivable	-62,861,226.84	-31,444,336.65
Bad debt loss of other receivables	-2,186,144.46	-4,308,204.49
Impairment loss of debt investments		
Impairment loss of other debt investments		
Bad debt loss of long-term receivables	-661,233.65	471,271.93
Bad debt loss of non-current assets due within one year	-11,286,182.37	6,206,457.39
Total	-76,824,096.28	-29,157,171.02

72. Asset impairment loss

√Applicable □Not applicable

Unit: Yuan
Currency: RMB

Item	Amount incurred this period	Amount incurred last period
I. Bad debt loss		
II. Stock depreciation loss and contract performance cost impairment loss	-1,245,336.16	
III. Impairment loss of long-term equity investments		
IV. Impairment loss of investment properties		
V. Impairment loss of fixed assets	-23,072,555.57	
VI. Impairment loss of project materials		
VII. Impairment loss of construction in progress		
VIII. Impairment loss of productive biological assets		
IX. Impairment loss of oil and gas assets		
X. Impairment loss of intangible assets		
XI. Goodwill impairment provision	-39,062,013.95	-4,694,036.50
XII. Others	92,012,305.74	
XIII. Impairment loss of contract assets	-6,822,183.67	-2,762,563.06
Total	21,810,216.39	-7,456,599.56

Other description:

The amount of impairment losses on assets incurred in the current period decreased by 392.50% as compared to the amount incurred in the same period of the previous year, mainly because the provision VAT retention credits of a subsidiary (namely Shenyang KEDA Clean Energy) in prior year was reversed during the current period.

73. Income from assets disposal

√Applicable □Not applicable

Unit: Yuan
Currency: RMB

Item	Amount incurred this period	Amount incurred last period
Gains or losses on disposal of fixed assets	-15,832,294.31	-25,680,327.21
Gains or losses on disposal of intangible assets	1,093,022.48	3,442,186.27
Total	-14,739,271.83	-22,238,140.94

74. Non-operating revenue

Non-operating revenue situation

√Applicable □Not applicable

Unit: Yuan
Currency: RMB

Item	Amount incurred this period	Amount incurred last period	Amount included in current non-recurring profit and loss
Total gains from disposal of non-current assets	590,454.65		590,454.65
Including: gains from disposal of fixed assets	590,454.65		590,454.65
Gains on disposal of intangible assets			
Gains on exchange of non-monetary assets			
Accepting donations			
Government grants			
Income from fines	3,630,360.23	8,537,673.78	3,630,360.23
Customer default revenue	3,046,283.31	9,696,607.11	3,046,283.31
Others	13,941,106.92	9,216,659.52	13,941,106.92
Total	21,208,205.11	27,450,940.41	21,208,205.11

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 this period	Amount incurred last period	Amount included in current non-recurring profit and loss
Total losses on disposal of non-current assets	7,057,707.97	897,111.32	7,057,707.97
Including: losses on disposal of fixed assets	7,057,707.97	897,111.32	7,057,707.97
External donations	1,105,043.02	4,349,851.53	1,105,043.02
Compensation related to pending litigations	90,571,000.00	2,000,000.00	90,571,000.00
Late fees and fines	5,968,530.87	1,472,034.70	6,517,514.87
Others	9,044,426.35	10,763,877.97	8,495,442.35
Total	113,746,708.21	19,482,875.52	113,746,708.21

76. Income tax expenses

(1) Table of income tax expenses

√Applicable □Not applicable

Unit: Yuan
Currency: RMB

Item	Amount incurred this period	Amount incurred last period
Current income tax	138,796,128.46	52,868,630.04
Deferred income tax	-28,163,276.12	-23,595,787.51
Total	110,632,852.34	29,272,842.53

(2) Adjustment process of accounting profits and income tax expenses

√Applicable □Not applicable

Unit: Yuan
Currency: RMB

Item	Amount incurred this period
Total profit	5, 312,825,332.62
Income tax calculated at statutory / applicable tax rates	796,923,799.89
Impact of different tax rates applied to subsidiaries	357,346,057.23
Impact of adjusting income tax in previous periods	-8,987,081.10
Impact of non-taxable income	-964,472,645.18
Impact of non-deductible cost, expense and loss	30, 985,118.94
Impact of deductible losses on the use of unrecognised deferred tax assets in the previous period	-39,842,817.97
Impact of deductible temporary differences or deductible losses of unrecognised deferred tax assets in the current period	42,224,331.98
Additional deduction	-103,543,911.45
Income tax	110,632,852.34

Other description:

□Applicable √Not applicable

77. Other comprehensive income

√Applicable □Not applicable

See the notes 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 this period	Amount incurred last period
Government grants	105,303,238.22	103,475,726.36
Interest income	34,429,392.38	12,854,265.42
Others	52,198,885.29	40,064,835.75
Total	191,931,515.89	156,394,827.53

(2). Other cash paid related to operating activities

√Applicable □Not applicable

Unit: Yuan
Currency: RMB

Item	Amount incurred this period	Amount incurred last period
Office expenses	75, 712,062.47	56,671,466.47
Water and electricity charges	130,179,175.90	109,942,676.36
Travel expenses	122,309,287.36	107,010,902.81
Transport expenses	151,029,744.77	144,502,864.01
Entertainment expense	45,078,444.90	33,131,332.58
Rentals	46,147,273.61	41,557,093.36
Repair expenses	60,674,412.06	55,293,072.39
Expenses for advertising and business promotion	26,096,987.50	21,436,416.76
Audit and consultancy fee	54,678,230.06	49,316,683.34
Others	175,982,432.89	83,086,898.84
Total	887,888,051.52	701,949,406.92

(3). Other cash received related to investment activities

√Applicable □Not applicable

Unit: Yuan
Currency: RMB

Item	Amount incurred this period	Amount incurred last period
Principal of wealth management products recovered	500,773,904.81	882,587,078.28
Margin of futures recovered	15,176,938.23	2,554,137.77
Total	515,950,843.04	885,141,216.05

(4). Other cash paid related to investment activities

√Applicable □Not applicable

Unit: Yuan
Currency: RMB

Item	Amount incurred this period	Amount incurred last period
Principal paid for purchasing wealth management products	1,672,703,936.52	929,129,506.60
Margin paid for futures	8,022,742.00	15,597,850.00
Difference of cash received from the disposal of the subsidiary less than the book cash at the time the subsidiary was sold	186,386.32	
Total	1,680,913,064.84	944,727,356.60

(5). Other cash received related to financing activities

√Applicable □Not applicable

Unit: Yuan
Currency: RMB

Item	Amount incurred this period	Amount incurred last period

Acceptance bill margin	292,672,785.46	166,122,698.81
Letter of guarantee margin	77,613,025.75	59,066,180.02
Cash received from sale of minority equity	11,186,898.00	6,593,441.00
Other margins	9,570,015.77	6,543,245.59
Transfer payment of employee stock ownership plan received		86,226,880.00
Total	391,042,724.98	324,552,445.42

(6). Other cash paid related to financing activities

√Applicable □Not applicable

Unit: Yuan
Currency: RMB

Item	Amount incurred this period	Amount incurred last period
Acceptance bill margin	322,417,726.63	211,686,921.99
Letter of guarantee margin	43,248,330.26	66,368,928.12
Other margins	9,633,874.34	873,170.12
Cash paid for share repurchase	500,000,213.13	
Cash paid for minority equity purchase	20,949,962.23	97,587,725.83
Other	11,365,844.50	
Total	907,615,951.09	376,516,746.06

79. Supplementary data for cash flow statement

(1). Supplementary data for cash flow statement

√Applicable □Not applicable

Unit: Yuan
Currency: RMB

Supplementary data	Current amount	Amount of the previous period
1. Cash flow adjusting net profit to operating activities:		
Net profit	5, 202,192,480.28	1,463,000,417.61
Plus: assets impairment provision	147,026,185.63	36,613,770.58
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	352,345,735.49	311,477,011.74
Amortisation of right-of-use assets	2,053,458.48	2,053,458.48
Amortisation of intangible assets	37,315,165.97	24,824,758.55
Amortisation of long-term deferred expenses	3,587,406.30	2,697,026.53
Losses due to disposal of fixed assets, intangible assets and other long-term assets (income marked with “-”)	14,739,271.83	22,238,140.94
Losses on scrapping of fixed assets (income marked with “-”)	6,467,253.32	897,111.32
Losses from fair value changes (income marked with "-")	-9,089,265.38	-1,667,985.33
Finance charges (income marked with "-")	118,332,802.67	105,962,469.82
Investment loss (income marked with "-")	-3,865,215,848.81	-462,208,396.03
Decrease in deferred tax assets (increase marked with "-")	-26,366,673.23	-22,122,277.86

Increase in deferred tax liabilities (decrease marked with "-")	-1,796,602.89	-1,473,509.65
Decrease in inventories (increase marked with "-")	20,771,188.62	-635,308,646.91
Decrease in operating receivables (increase marked with "-")	-284,784,434.33	70,144,483.91
Increase in operating payables (decrease marked with "-")	-736,688,626.70	236,174,821.57
Others	16,521,108.09	134,314,389.10
Net cash flows from operating activities	997,410,605.34	1,287,617,044.37
2. Major investment and financial activities that do not involve cash receipts 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	3,737,084,797.82	1,687,793,105.33
Minus: opening balance of cash	1,687,793,105.33	1,231,793,607.85
Plus: closing balance of cash equivalents		
Minus: opening balance of cash equivalents		
Net increase of cash and cash equivalents	2,049,291,692.49	455,999,497.48

(2). Net cash paid for the acquisition of subsidiaries in the current period

√Applicable □Not applicable

(3). Net cash received for 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	36,900,000.00
Foshan Zhuolitai Machinery Co., Ltd.	35,020,000.00
Henan Tailong Metallurgical Technology Co., Ltd.	1,880,000.00
Minus: Cash and cash equivalents held by the Company on the date of loss of control	245,469.44
Foshan Zhuolitai Machinery Co., Ltd.	235,900.77
Henan Tailong Metallurgical Technology Co., Ltd.	9,568.67
Plus: Cash or cash equivalents received in the current period from disposal of subsidiaries in the previous period	
Net cash received from disposal of subsidiaries	36,654,530.56

(4). Composition of cash and cash equivalents

√Applicable □Not applicable

Unit: Yuan
Currency: RMB

Item	Closing balance	Opening balance
I. Cash	3,737,084,797.82	1,687,793,105.33
Including: cash on hand	6,363,945.67	5,593,501.38

Bank deposits available for payment at any time	3,727,345,344.22	1,682,199,603.95
Other monetary funds available for payment at any time	3,375,507.93	
Deposits in the Central Bank that can be used for payment		
Deposits in other banks		
Call loans to banks		
II. Cash equivalents		
Including: bond investment due within three months		
III. Balance of cash and cash equivalents at the end of the period	3,737,084,797.82	1,687,793,105.33
Including: cash and cash equivalents restricted by parent company or subsidiary within the group		

Other description

□Applicable √Not applicable

80. Notes to items in change statement of owners' equity

Describe the names and adjusted amounts of "other" items that adjusted the closing balance of the previous year:

□Applicable √Not applicable

81. Assets with restricted ownership or use rights

√Applicable □Not applicable

Unit: Yuan
Currency: RMB

Item	Book value at the end of the period	Reason for restriction
Monetary funds	1,059,758,584.74	Negotiable certificate of deposit, argin and judicial frozen capital
Receivables financing	81,157,812.31	Used for pledge
Accounts receivable	21,834,411.37	Used for pledge
Fixed assets	1,218,533,854.00	Used for mortgage loan for projects
Intangible assets	124,528,203.33	Used for mortgage loan for projects
Total	2,505,812,865.75	/

82. Foreign currency monetary items

(1). Foreign currency monetary items

√Applicable □Not applicable

Unit: Yuan

Item	Foreign currency balance at the end of the period	Exchange rate for conversion	Balance converted into RMB at the end of the period
Monetary funds			
Including: USD	84,886,204.82	6.94750	589,746,907.99
EUR	31,832,013.59	7.41330	235,980,266.35
Hong Kong Dollar	2,508,593.63	0.88991	2,232,422.56
Pound	648.72	8.37770	5,434.78
Turkish lira	11,340,619.54	0.37093	4,206,576.01
Indian rupee	122,080,458.01	0.08340	10,181,510.20
Kenyan Schilling	386,064,207.50	0.05402	20,855,188.49

Tanzanian shilling	4,889,837,161.66	0.00290	14,180,527.77
Ghana Cedi	12,092,931.07	0.61500	7,437,152.61
CFA franc	996,309,707.03	0.01111	11,069,000.85
Zambian Kwacha	6,602,903.51	0.37723	2,490,813.29
Central African Franc	1,523,183,422.00	0.01023	15,582,166.41
Accounts receivable			
Including: USD	59,848,173.24	6.94750	415,795,183.58
EUR	19,173,469.91	7.41330	142,138,684.48
Turkish lira	851,104,426.82	0.08340	70,982,109.20
Kenyan Schilling	45,062,516.96	0.05402	2,434,277.17
Tanzanian shilling	690,352,611.68	0.00290	2,002,022.57
Ghana Cedi	7,646,193.93	0.61500	4,702,409.27
CFA franc	127,617,821.80	0.01111	1,417,834.00
Zambian Kwacha	7,926,054.72	0.37723	2,989,945.62
Other receivables			
Including: USD	256,251.93	6.94750	1,780,310.28
EUR	736,156.41	7.41330	5,457,348.31
Hong Kong Dollar	66,818.10	0.88991	59,462.10
Turkish lira	892,065.48	0.37093	330,893.85
Indian rupee	414,000.00	0.08340	34,527.60
Kenyan Schilling	99,187,395.02	0.05402	5,358,103.08
Tanzanian shilling	1,322,144,246.72	0.00290	3,834,218.32
Ghana Cedi	14,396,829.93	0.61500	8,854,050.41
CFA franc	258,280,837.74	0.01111	2,869,500.11
Zambian Kwacha	2,120,860.46	0.37723	800,052.19
Central African Franc	46,469,686.22	0.01023	475,384.89
Long-term receivables			
Including: USD	21,501,232.11	6.94750	149,379,810.08
EUR	60,242.81	7.41330	446,598.02
Pound	16,128.00	8.37770	135,115.55
Short-term loans			
Including: USD	11,242,962.41	6.94750	78,110,481.34
EUR	11,074,644.16	7.41330	82,099,659.55
Accounts payable			
Including: USD	6,470,137.13	6.94750	44,951,277.71
EUR	15,077,676.00	7.41330	111,775,335.49
Turkish lira	8,271,134.96	0.37093	3,068,012.09
Indian rupee	39,650,222.16	0.08340	3,306,828.53
Kenyan Schilling	307,005,126.23	0.05402	16,584,416.92
Tanzanian shilling	2,120,482,223.20	0.00290	6,149,398.45
Ghana Cedi	43,453,548.24	0.61500	26,723,932.17
CFA franc	713,785,779.90	0.01111	7,930,160.01
Zambian Kwacha	10,943,955.17	0.37723	4,128,388.21
Swiss franc	2,106.50	7.51380	15,827.82
Other payables			
Including: USD	9,920,332.33	6.94750	68,921,508.86
EUR	715,205.56	7.41330	5,302,033.38
Turkish lira	6,333,982.78	0.37093	2,349,464.23
Kenyan Schilling	30,488,060.19	0.05402	1,646,965.01
Tanzanian shilling	497,830,062.39	0.00290	1,443,707.18
Ghana Cedi	5,882,501.85	0.61500	3,617,738.64
CFA franc	51,486,693.71	0.01111	572,017.17
Zambian Kwacha	2,169,047.97	0.37723	818,229.97
Non-current liabilities due within one year			
Including: USD	14,740,625.66	6.94750	102,410,496.77
EUR	19,393,171.18	7.41330	143,767,395.90
Long-term loans			
Including: USD	23,543,655.46	6.94750	163,569,546.31
EUR	62,390,034.87	7.41330	462,516,045.52

(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	Registration place	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., Ltd.	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 Schilling
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 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 (HK) Co., Ltd.	Hong Kong	6,000.00	USD	Import and export trade	Sales	USD
Keda Zambia Ceramics CompanyLimited	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
Keda Cote D'ivoire Ceramics Company Limited	Cote d'Ivoire	10,000.00	West African Franc	Manufacturing industry	Tile production	West 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	Presentation item	Amount credited to profit or loss for the period
VAT refund on demand	18,379,897.04	Other income	18,379,897.04
Special fund credited for digital and intelligent demonstration factory in Foshan	13,000,000.00	Other income	13,000,000.00
Special fund for promoting foreign economic cooperation in Foshan	8,719,140.05	Other income	8,719,140.05
Digital and intelligent transformation project for manufacturing industry	6,470,000.00	Other income	6,470,000.00
Tax preferences through credit for VAT input tax addition	5,781,128.61	Other income	5,781,128.61
Green Manufacturing System Integration Project	4,830,000.00	Other income	4,830,000.00
Maanshan Economic and Technological Development Zone Management Committee' s Public Transportation Operaton Subsidy	4,236,372.00	Other income	4,236,372.00
The 2020 Provincial Fund Support Project for Strong Manufacturing Construction under Anhui Provincial Department of Economy and Information Technology	3,284,000.00	Other income	3,284,000.00
Financial Leasing Business Fund Support Project under Shunde Science and Technology Bureau	2,965,320.00	Other income	2,965,320.00
Special subsidies for key technology development and industrialization of high-performance graphene-based composite electrode anode material for new energy vehicle	2,640,822.57	Other income	2,640,822.57
Fiscal incentive income from Maanshan Economic and Technological Development Zone Management Committee	2,148,072.00	Other income	2,148,072.00
HLT Industrial Support Fund	1,500,000.00	Other income	1,500,000.00
Key technology and application of industrialization of heavy-duty variable electric control axial piston pump for large pressure forming machine	1,370,000.00	Other income	1,370,000.00
One-off allowance for workers in Foshan	1,055,665.00	Other income	1,055,665.00
The industrial policy encashment fund by Maanshan Economic and Technological Development Zone Management Committee	1,023,000.00	Other income	1,023,000.00
First batch of new material development and demonstration application projects	1,020,000.00	Other income	1,020,000.00
Key Areas for improving defective products and key technology research projects proposed by Dangtu County Economic and Information Bureau	1,000,000.00	Other income	1,000,000.00
SME (Private Economic Development) Policy Reward in 2021	1,000,000.00	Other income	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	Other income	1,000,000.00
Supporting fund for municipal industry support policies in 2020	958,870.00	Other income	958,870.00
Position stabilization subsidies	954,061.90	Other income	954,061.90
Special funds for industrial internet benchmark demonstration project	900,000.00	Other income	900,000.00
Subsidy for Longma Project	900,000.00	Other income	900,000.00
Infrastructure Subsidy Project	793,532.60	Other income	793,532.60
Technological Innnovation Enterprise Fund in 2020	715,000.00	Other income	715,000.00
Turnkey project for flue gas dust removal, desulfurization and denitrification	700,000.00	Other income	700,000.00
Special fund for promoting high quality economic development in Foshan	588,316.07	Other income	588,316.07
Foshan Science and Technology Bureau’s R&D subsidy for high-tech enterprises y	507,584.00	Other income	507,584.00
Intellectual Property Sudsidy Fund	503,559.00	Other income	503,559.00
Rewards for high-growth small and micro enterprises granted by Dangtu County Economic and Information Technology Bureau	500,000.00	Other income	500,000.00
Lithium Anode Material Production Project	442,950.00	Other income	442,950.00
Conversion fund from Modern Service Industry Policy	186,560.00	Other income	186,560.00
Other incentives	11,378,339.76	Other income	11,378,339.76
Total	101,452,190.60	Other income	101,452,190.60

(2). Information of government grant refund

□Applicable √Not applicable

Other description

85. Other

□Applicable √Not applicable

VIII. Changes in the scope of consolidation

1. Merger of enterprises not under common controls

□Applicable √Not applicable

2. Merger of enterprises under common control

□Applicable √Not applicable

3. Reverse purchase

□Applicable √Not applicable

4. Disposal of subsidiaries

Whether there is a situation that single disposal of investment in subsidiaries leads to loss of controlling power

√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 Point in time of loss of control	Difference between the disposal price and the share of net assets of the subsidiary entitled to which the disposal investment corresponds to the consolidated financial statements	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 gains or losses from remaining equity at fair value	Methods for determination and major assumptions of the fair value of the remaining equity on the date of loss of control	Amount of other comprehensive income relating to the equity investment of the original subsidiary transferred into investment profit or loss
Henan Tailong Metallurgy Technology Co., Ltd.	188.00	100.00	Disposal	2022-5-31	The date of the transfer of actual controlling right	-310.69						
Chuzhou Keda Smart Energy Technology Co., Ltd.	22.95	51.00	Disposal	2022-5-31	The date of the transfer of actual controlling right	0.13						
Foshan Zhuolitai Machinery Co., Ltd.	3,502.00	100.00	Disposal	2022-7-31	The date of the transfer of actual controlling right	1,349.45						

Other description:

□Applicable √Not applicable

5. Changes in the scope of merger due to other reasons

Describe changes of merging scope by other causes (such as: newly founded subsidiaries and liquidating subsidiaries) and related conditions:

√Applicable □Not applicable

Name	Acquisition method
Shaoguan Keda Machinery Manufacturing Co., Ltd.	Newly established
Guangdong Keda New Energy Equipment Co., Ltd.	Newly established
Kami Material Co., Ltd	Newly established
Anhui Keda Hydraulic Technology Co., Ltd.	Newly established
Guangde Kean Photovoltaic Power Generation Co., Ltd.	Newly established
Kunshan Boyue New Energy Technology Co., Ltd.	Newly established
Maanshan Zhengpugang New District Taixin New Energy Technology Co., Ltd.	Newly established

Hefei Lunuo New Energy Co., Ltd.	Newly established
Dangtu Keda New Energy Technology Co., Ltd.	Newly established
Maanshan Keci New Energy Technology Co., Ltd.	Newly established
Hefei Kemao New Energy Co., Ltd.	Newly established
Maanshan Keda Cigao New Energy Co., Ltd.	Newly established
Langxi Kean New Energy Technology Co., Ltd.	Newly established
Maanshan Kegu New Energy Co., Ltd.	Newly established
Foshan Keshiming New Energy Technology Co., Ltd.	Newly established
Foshan Kesheng New Energy Technology Co., Ltd.	Newly established
Foshan Kexin New Energy Technology Co., Ltd	Newly established
Anhui Keda Lithium Battery Equipment Co., Ltd.	Newly established
Foshan Branch of Anhui Kean Power Engineering Co., Ltd.	Newly established
Keda Cote D'ivoire Ceramics Company Limited	Newly established

6. Others

□Applicable √Not applicable

IX. Interests in Other Entities

1. Interests in other entities

(1) Composition of enterprise group

√Applicable □Not applicable

Name of subsidiary	Principal place of business	Place of registration	Nature of business	Percentage of shareholding (%)		Acquisition method
				Direct	Indirect	
Anhui Keda Electromechanical Co., Ltd.	Maanshan Economic and Technological Development Zone, Anhui Province	Maanshan 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		100.00	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 Borui Energy Technology Co., Ltd.	Dangtu Technological Development Zone, Ma'anshan City, Anhui Province	Dangtu Technological 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.	China (Sichuan) Pilot Free Trade Zone Chengdu High-tech Zone	China (Sichuan) Pilot Free Trade Zone Chengdu High-tech Zone	Manufacturing		100.00	Establishment
Anhui Keda 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

Anhui Keda Huadong New Energy Vehicle 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		100.00	Establishment
Changzhou KEDA Electricity Selling Co., Ltd.	Zhonglou Economic Development Zone, Changzhou	Zhonglou Economic Development Zone, Changzhou	Business service		100.00	Establishment
Anhui KEDA Keneng Electricity Selling Co., Ltd.	Xuanzhou District, Xuancheng, Anhui Province	Xuanzhou District, Xuancheng, Anhui Province	Business service		100.00	Establishment
Anhui Kean 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, Ma'anshan 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.	Wanshi District, Wuhu City	Wanshi District, Wuhu City	Manufacturing		100.00	Combination not under common control
KEDA (Shenyang) Clean Energy Gas Co., Ltd.	Faku Economic Development Zone, Liaoning	Faku Economic Development Zone, Liaoning	Manufacturing	93.00		Establishment
Guangdong KEDA Smart Energy Technology Co., Ltd.	Shunde District, Foshan	Shunde District, Foshan	Business service		95.00	Establishment
Anhui Keda 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	42.61	1.11	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
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 Kexing Environmental Protection Co., Ltd.	Yancheng Environmental Protection Industry Park, Jiangsu	Yancheng Environmental Protection Industry Park, Jiangsu	Manufacturing	100.00		Combination not under common control
Ningxia Kehang Environmental Protection Engineering Co., Ltd.	Pingluo, Ningxia	Pingluo, Ningxia	Manufacturing		100.00	Combination not under common control

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
Guangdong KEDA Lithium Industry Co., Ltd.	Shunde District, Foshan City	Shunde District, Foshan City	Manufacturing	100.00		Combination not under common control
Foshan Keda Electromechanical 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 Electromechanical (Hong Kong) Co., Ltd.	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		63.00	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.	Baohe Economic Development Zone, Hefei	Baohe Economic Development Zone, Hefei	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 International 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.	Zhenjiang District, Shaoguan City, Guangdong Province	Zhenjiang 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
Guangdong KEDA New Energy Equipment Co., Ltd.	Shunde District, Foshan City, Guangdong Province	Shunde District, Foshan City, Guangdong Province	Manufacturing	90.00	9.98	Establishment
Keda Cote D'ivoire Ceramics Company Limited	Cote D'ivoire	Cote D'ivoire	Manufacturing		51.00	Establishment

Anhui Keda Hydraulic Technology Co., Ltd.	Maanshan Economic and Technological Development Zone, Anhui Province	Maanshan Economic and Technological Development Zone, Anhui Province	Manufacturing		100.00	Establishment
Hefei Lunuo New Energy Co., Ltd.	Changfeng County, Hefei City, Anhui Province	Changfeng County, Hefei City, Anhui Province	Business service		100.00	Establishment
Maanshan Keci New Energy Technology Co., Ltd.	Yushan District, Ma'anshan City, Anhui Province	Yushan District, Ma'anshan City, Anhui Province	Business service		100.00	Establishment
Hefei Kemao New Energy Co., Ltd.	Baohe District, Hefei City, Anhui Province	Baohe District, Hefei City, Anhui Province	Business service		100.00	Establishment
Maanshan Keda Cigao New Energy Co., Ltd.	Cihu High-tech Zone, Ma'anshan City, Anhui Province	Cihu High-tech Zone, Ma'anshan City, Anhui Province	Business service		100.00	Establishment
Langxi Kean New Energy Technology Co., Ltd.	Langxi County, Xuancheng City, Anhui Province	Langxi County, Xuancheng City, Anhui Province	Business service		100.00	Establishment
Foshan Kesheng New Energy Technology Co., Ltd.	Shunde District, Foshan City, Guangdong Province	Shunde District, Foshan City, Guangdong Province	Business service		100.00	Establishment
Foshan Kexin New Energy Technology Co., Ltd	Shunde District, Foshan City, Guangdong Province	Shunde District, Foshan City, Guangdong Province	Business service		100.00	Establishment
Foshan Keshiming New Energy Technology Co., Ltd.	Gaoming District, Foshan City, Guangdong Province	Gaoming District, Foshan City, Guangdong Province	Business service		100.00	Establishment
Maanshan Kegu New Energy 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

(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
Tilemaster Investment Limited	49.00%	49,701.39	21,191.81	94,490.62
Qinghai Weili New Energy Material Co., Ltd.	46.38%	39,579.02		52,392.02

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

Name of	Closing balance	Opening balance

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
Tilemaster Investment Limited	188,394.36	186,110.91	374,505.27	89,247.83	92,419.44	181,667.27	136,404.32	148,531.98	284,936.30	64,652.23	60,710.04	125,362.27
Qinghai Weili New Energy Material Co., Ltd.	64,537.26	48,955.85	113,493.11	530.57		530.57	56.05	29,298.88	29,354.93	1,768.26		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
Tilemaster Investment Limited	327,570.89	101,431.41	76,512.56	64,827.74	234,499.63	81,787.74	74,932.92	44,046.66
Qinghai Weili New Energy Material Co., Ltd.		85,336.40	85,336.40	-65,717.14		9,850.31	9,850.31	0.67

(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 in which the share of owners' equity in a subsidiary change and the subsidiary is still under control

√Applicable □Not applicable

(1). Description of the change of the owners' equity share in the subsidiary

√Applicable □Not applicable

① In January 2022, Anhui KEDA Investment, our subsidiary, purchased the 6.21% equity interests of Jiangsu Kehang held by non-controlling shareholders at a consideration of RMB12,030 thousand. Following

the completion of equity transfer, the shareholding of the Company in Jiangsu Kehang changed from 93.79% to 100%.

② In March 2022, the Company invested RMB117.6916 million in net assets per share to increase the capital of Fujian Keda New Energy. Meanwhile, the Company's four partnerships (employee stock ownership platform) jointly funded by key management personnel and key employees increased the capital of Fujian Keda New Energy by RMB41.4093 million. After the capital increase, Fujian Keda New Energy's paid-in capital increased to RMB245.5 million. The Company's shareholding ratio in Fujian Keda New Energy has changed to 55.01%; In June 2022, the Company transferred 2.85% of Fujian Keda New Energy's shares to Gongqingcheng Kexin Investment Partnership (employee stock ownership platform) for RMB9.7405 million, and the Company's shareholding ratio in Fujian Keda New Energy changed to 52.16%; from June to August 2022, the Company and the non-controlling shareholders Baisitong and Beiterui increased the capital contribution to Fujian Keda respectively, of which the capital increase of Keda amounted to RMB64.1501 million. Baisitong and Beiterui increased the capital contribution of RMB35.8499 million to Fujian Keda New Energy respectively. After the completion of the capital increase, the paid-in capital of Fujian Keda New Energy increased from RMB245.50 million to RMB 288.8764 million. The Company's shareholding in Fujian Keda New Energy has changed to 53.96%.

③ From March to December 2022, the Company transferred its equity interests of 100.00% in Anhui New Material to its subsidiary Fujian Keda New Energy at a consideration of RMB341,306.5 thousand.

(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

	Increase in equity attributable to the owners of parent company	Decrease in equity attributable to the owners of parent company
Purchase cost/disposal consideration	19,856.96	16,665.54
--Cash	19,856.96	16,665.54
--Fair value of non-cash assets		
Total purchase cost/disposal consideration	19,856.96	16,665.54
Less: Share of net assets of the subsidiaries calculated based on the equity interest proportion acquired /disposed	18,185.27	15,547.55
Difference	1,671.69	1,117.99
Including: Adjustment to capital reserves	-1,671.69	1,117.99
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 Guangdong 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 in Lanke Lithium Industry, and indirectly holds 43.58% of the shares in 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	308,327.53		87,569.30	
Non-current assets	252,083.54		249,666.86	
Total assets	560,411.07		337,236.16	
Current liabilities	102,557.61		61,115.10	
Non-current liabilities	3,719.78		4,314.78	
Total liabilities	106,277.39		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	197,911.46		118,453.18	
Adjustments	74,713.89		65,594.08	
--Goodwill	52,366.92		52,366.92	
--Unrealized profits of internal transactions				

--Others	22,346.97		13,227.16	
Book value of equity investments in associates	272,625.35		184,047.26	
Fair value of equity investments in associates with public quotation				
Operating revenue		1,149,484.31		185,308.64
Net profit		791,612.68		91,383.40
Net profit of discontinued operations				
Other comprehensive income				
Total comprehensive income		791,612.68		91,383.40
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). Unrecognised 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 structed 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 minimises 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. Liquidity 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 liquidity 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 31 December 2022, the Company's financial assets and financial liabilities are presented at undiscounted contractual cash flows by maturity date as follows:

Unit: Yuan Currency: RMB

Item	31 December 2022				
	Book value	Total value	Within 1 year	1-3 years	More than 3 years
Monetary funds	4,796,813,382.56	4,796,813,382.56	4,796,813,382.56		

Financial assets held for trading	397,962,373.33	397,962,373.33	397,962,373.33		
Notes receivable	75,047,382.31	75,047,382.31	75,047,382.31		
Accounts receivable	1,591,009,847.45	1,591,009,847.45	1,289,364,754.53	284,989,827.83	16,655,265.09
Receivables financing	266,154,517.25	266,154,517.25	266,154,517.25		
Other receivables	113,958,752.66	113,958,752.66	963,37,370.50	13,347,540.51	4,273,841.65
Non-current assets due within one year	432,359,979.01	432,359,979.01	432,359,979.01		
Other current assets	337,065,422.83	337,065,422.83	337,065,422.83		
Long-term receivables	259,164,816.01	259,164,816.01		259,164,816.01	
Other non-current financial assets	5,000,000.00	5,000,000.00		5,000,000.00	
Subtotal	8,274,536,473.41	8,274,536,473.41	7,691,105,182.32	562,502,184.35	20,929,106.74
Bank loan	3,065,981,217.98	3,065,981,217.98	1,575,827,465.30	1,490,153,752.68	
Notes payable	685,516,312.19	685,516,312.19	685,516,312.19		
Accounts payable	1,529,238,273.39	1,529,238,273.39	1,276,587,021.20	172,789,923.10	79,861,329.09
Other accounts payable	180,298,689.31	180,298,689.31	126,181,760.86	43,130,268.54	10,986,659.91
Subtotal	5,461,034,492.87	5,461,034,492.87	3,664,112,559.55	1,706,073,944.32	90,847,989.00

Continued

Unit: Yuan
Currency: RMB

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		
Financial assets held for trading	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	4,244,014,018.21	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	
Financial liabilities held for trading	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 payables	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	Fair value at the end of the period			
	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) Financial assets held for trading	7.99	39,788.25	500.00	40,296.24
1. Financial assets at fair value through profit or loss	7.99	39,788.25	500.00	40,296.24
(1) Debt instrument investment		36,045.99		36,045.99
(2) Equity instrument investment			500.00	500.00
(3) Derivatives financial assets	7.99	3,742.26		3,750.25
2. Those designated as financial assets at fair value through profit or loss				
(1) Debt instrument investment				
(2) Equity instrument investment				
(II) Other debt investments				
(III) Other equity instrument investments			591.74	591.74
(IV) Investment properties				
1. Leased land use rights				
2. Leased buildings				
3. Land use right held and ready to be transferred after appreciation				
(V) Biological assets				
1. Consumptive biological assets				
2. Productive biological assets				
(VI) Receivables financing			26,615.45	26,615.45
Total assets continuously measured at fair value	7.99	39,788.25	27,707.19	67,503.43
(VII) Financial liabilities held for trading				
1. Financial liabilities at fair value through profit or loss				
Of which: Trading bonds issued				
Derivative financial liabilities				
Others				
2. Those designated as financial liabilities at fair value through profit or loss				
Total liabilities continuously measured at fair value				
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

The fair value of hedging instruments for futures contracts is determined using first-level inputs. The settlement price of the corresponding futures contract on the Shanghai Futures Exchange on the balance sheet date is used as an important reference for assessing its fair value.

3. Continuous and non-continuous second-level fair value measurement items, valuation techniques adopted and qualitative and quantitative information of 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. Continuous and non-continuous third-level fair value measurement items, valuation techniques adopted and qualitative and quantitative information of 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. Continuous third-level fair value measurement items, adjustment information between beginning and ending book value and sensitivity analysis of 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. Information on the parent company of the Enterprise

□ Applicable√ Not applicable

2. Information on the Company's subsidiaries

See the notes for details of the Company's subsidiaries

□ Applicable√ Not applicable

Unit: Ten Thousand Yuan
Currency: RMB

Full name of subsidiary	Enterprise type	Place of registration	Legal representative	Business nature	Registered capital	Percentage of shareholding (%)	Percentage of voting rights (%)	Unified social credit code
Anhui KEDA Industrial Co., Ltd.	Company limited by shares	Ma'anshan Economic and Technological Development Zone, Anhui Province	Chen Xinjiang	Manufacturing industry	10,000.00	80.00	80.00	91340500675 89409XX
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	100.00	100.00	91340521355 187820D
Fujian KEDA New Energy Technology Co., Ltd	Limited liability company	Luofeng Industrial Park, Taihua Town, Datian County, Sanming City, Fujian Province	Dai Tao	Manufacturing industry	44,363.16	53.96	53.96	91350425MA 2YNNXG0K
Anhui Keda Borui Energy Technology Co., Ltd.	Limited liability company	Dangtu Development Zone, Ma'anshan City, Anhui Province	Zhang Shaobo	Manufacturing industry	800.00	51.00	51.00	91340521MA 2N1EB218
Anhui Keda Purui Energy Technology Co., Ltd.	Limited liability company	Dangtu Economic Development Zone, Ma'anshan City, Anhui Province	Zhang Shaobo	Manufacturing industry	5,200.00	51.00	51.00	91340521MA 2RJLKP8P
Sichuan Keda Clean Energy New Material Co., Ltd.	Limited liability company	China (Sichuan) Pilot Free Trade Zone Chengdu High-tech Zone	Xu Jianshe	Manufacturing industry	5,000.00	100.00	100.00	91510100MA 6AFBR19Y
Anhui Keda New Energy Vehicle Sales Co., Ltd	Limited liability company	Ma'anshan Economic and Technological Development	Xu Jianshe	Business service industry	1,000.00	100.00	100.00	91340500MA 2MTEPE07

		Zone, Anhui Province						
Anhui Keda Huadong New Energy Vehicle Travel Services 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 Technology Co., Ltd.	Limited liability company	Ma'anshan Economic and Technological Development Zone, Anhui Province	Zhang Feng	Business service industry	20,001.00	53.00	53.00	91340500MA2MT7G34X
Jiangsu Keda Power Co., Ltd.	Limited liability company	Jiangning District, Nanjing, Jiangsu Province	Zhang Feng	Business service industry	20,100.00	100.00	100.00	91320115MA1P1QC122
Changzhou Keda Electricity Selling Co., Ltd.	Limited liability company	Zhonglou Economic Development Zone, Changzhou	Zhang Feng	Business service industry	100.00	100.00	100.00	91320411MA1R8ME22R
Anhui Keda Kenang Electricity Selling Co., Ltd.	Limited liability company	Xuanzhou District, Xuancheng, Anhui Province	Zhang Feng	Business service industry	2,100.00	100.00	100.00	91340100MA2MXP9E0B
Anhui Kean Power Engineering Co., Ltd.	Limited liability company	Ma'anshan Economic and Technological Development Zone, Anhui Province	Zhang Feng	Business service industry	10,000.00	100.00	100.00	91340500066503989D
Sixian Keda New Energy Technology Co., Ltd.	Limited liability company	Sixian, Suzhou, Anhui Province	Zhang Feng	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	Zhang Feng	Business service industry	2,000.00	60.00	60.00	91341202MA2NR4H91F
Wuhu Keda Xinmingfeng Electromechanical Co., Ltd.	Limited liability company	Wanshi District, Wuhu City	Zhou Peng	Manufacturing industry	5,000.00	100.00	100.00	91340221666624276X0
Shenyang Keda Clean Engery Gas Co., Ltd.	Limited liability company	Faku Economic Development Zone, Liaoning	Ma Liang	Manufacturing industry	100,000.00	93.00	93.00	91210124550792268N
Guangdong Keda Smart Energy Technology Co., Ltd.	Limited liability company	Shunde, Foshan	Zhang Feng	Business service industry	20,001.00	95.00	95.00	91440606MA53N01N91
Anhui Keda Clean Energy Co., Ltd.	Joint Stock Company	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, Foshan	Yang Jun	Manufacturing industry	4,851.43	43.72	43.72	91440606568290581X
Foshan HLT Machinery Co., Ltd.	Limited liability company	Sanshui Central Science and Technology Industrial Zone, Foshan	Yang Xuexian	Manufacturing industry	14,060.00	100.00	100.00	91440600712393666R

Foshan DLT Technology Co., Ltd.	Limited liability company	Sanshui Central Science and Technology Industrial Zone, Foshan	Chen Tian	Manufacturing industry	10,000.00	100.00	100.00	91440607MA4UNRGA45
Anhui Keda Investment Co., Ltd	Limited liability company	Ma'anshan Economic and Technological Development Zone	Zeng Fei	Business service industry	25,000.00	100.00	100.00	913405006986740300
Henan Keda Dongda International Engineering Co., Ltd.	Limited liability company	Zhengzhou Area (Zhengdong) Business Outer Ring Road, Henan Pilot Free Trade Zone	Zhao Pengxi	Manufacturing industry	5,000.00	100.00	100.00	914101007067856557
Jiangsu Kexing Environmental Protection Co., Ltd.	Joint stock companywith limited liability	Yancheng Environmental Industrial Park, Jiangsu	Long Yuzhou	Manufacturing industry	38,636.36	100.00	100.00	913209026086112210
Ningxia Kexing 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 Materials Co., Ltd.	Limited liability company	Dongchuan Industrial Zone, Xining, Qinghai Province	Zeng Fei	Manufacturing industry	8,681.76	53.62	53.62	91632900679184650E
Guangdong Keda Lithium Co., Ltd.	Limited liability company	Shunde, Foshan	Zeng Fei	Manufacturing industry	100,000.00	100.00	100.00	916300006791880023
Foshan Keda Electrical Co., Ltd.	Limited liability company	Shunde, Foshan	He Weidong	Manufacturing industry	27,334.00	100.00	100.00	91440606MA51BFQE8A
Foshan Keda Ceramics Technology Co., Ltd.	Limited liability company	Shunde, Foshan	Qiu Hongying	Manufacturing industry	500.00	100.00	100.00	91440606MA534JQK1E
Guangzhou Artget Technology Co., Ltd.	Limited liability company	Panyu, Guangzhou	Zhang Heping	Manufacturing industry	1,000.00	63.00	63.00	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	913405006808132 82J
Suzhou Keda Smart Energy Technology Co., Ltd.	Limited liability company	Suzhou, Anhui Province	Xiang Jing	Business service industry	500.00	51.00	51.00	91341302MA2W4MYLX8
Wuhu Keda Smart New Energy Technology Co., Ltd.	Limited liability company	Wuhu, Anhui Province	Zhang Feng	Business service industry	1,200.00	100.00	100.00	91340222MA2W7K7P18
Hefei Binhu Keda Smart Energy Co., Ltd.	Limited liability company	Baohe Economic Development Zone, Hefei	Zhang Feng	Business service industry	1,000.00	100.00	100.00	91340111MA2WBGD22X
Anhui Hengwang Smart Energy	Limited liability company	Bowang District, Ma'anshan, Anhui Province	Zhu Hongjun	Business service industry	1,000.00	51.00	51.00	91340506MA2WMGLG8H

Technology Co., Ltd.								
Maanshan Kean New Energy Technology Co., Ltd.	Limited liability company	Yushan District, Ma'anshan, Anhui Province	Zhang Feng	Business service industry	100.00	100.00	100.00	91340500MA2XK3E90X
Wuhu Kean Energy Technology Co., Ltd.	Limited liability company	Jiujiang District, Wuhu, Anhui Province	Zhang Feng	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	73,500.00	100.00	100.00	91440607MA56FY8T46
Toyo Hydraulic Technology (Dalian) Co., Ltd.	Limited liability company	Jinzhou District, Dalian, 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, Foshan, Guangdong Province	Zhang Feng	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	Zhang Feng	Business service industry	100.00	100.00	100.00	91340521MA8MYRYQX4
Guangde Kean Photovoltaic Power Generation Co., Ltd.	Limited liability company	Guangde, Xuancheng, Anhui	Zhang Feng	Business service industry	100.00	100.00	100.00	91341822MA8N02WA38
Kunshan Boyue New Energy Technology Co., Ltd.	Limited liability company	Kunshan, Suzhou, Jiangsu Province	Zhang Feng	Business service industry	100.00	100.00	100.00	91320583MA26UQCT4R
Shaoguan Keda Machinery Manufacturing 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, Anhui Province	Li Ting	Manufacturing industry	2,000.00	100.00	100.00	91340500MA8NDDRN9J
Maanshan Zhengpugang New District Taixin New Energy Technology Co., Ltd.	Limited liability company	Yushan District, Ma'anshan, Anhui Province	Zhang Feng	Business service industry	100.00	100.00	100.00	91340500MA2WT0TTXB
Dangtu Keda New Energy Technology Co., Ltd.	Limited liability company	Dangtu County, Ma'anshan City, Anhui Province	Zhang Feng	Business service industry	100.00	100.00	100.00	91340521MA8N13RC67
Guangdong Keda New Energy Equipment Co., Ltd.	Limited liability company	Shunde, Foshan, Guangdong Province	Chen Shuifu	Manufacturing industry	5,000.00	99.98	99.98	91340521MA8N13RC67
Anhui Keda Hydraulic Technology Co., Ltd.	Limited liability company	Ma'anshan Economic and Technological Development Zone, Anhui Province	Yang Jun	Manufacturing industry	2,000.00	100.00	100.00	91440606MABMRNAQ3D

Hefei Lunuo New Energy Co., Ltd.	Limited liability company	Changfeng County, Hefei, Anhui Province	Zhang Feng	Business service industry	100.00	100.00	100.00	91340500MA8PB2FW7D
Maanshan Keci New Energy Technology Co., Ltd.	Limited liability company	Yushan District, Ma'anshan, Anhui Province	Zhang Feng	Business service industry	100.00	100.00	100.00	91340121MA8NUMXP0D
Hefei Kemao New Energy Co., Ltd.	Limited liability company	Baohe District, Hefei, Anhui Province	Zhang Feng	Business service industry	100.00	100.00	100.00	91340111MA8NU3H96U
Maanshan Keda Cigao New Energy Co., Ltd.	Limited liability company	Cihu High-tech Zone, Ma'anshan, Anhui Province	Zhang Feng	Business service industry	100.00	100.00	100.00	91340111MA8NU3H96U
Langxi Kean New Energy Technology Co., Ltd.	Limited liability company	Langxi County, Xuancheng, Anhui Province	Zhang Feng	Business service industry	100.00	100.00	100.00	91340500MA8P8QPQ0Q
Foshan Kesheng New Energy Technology Co., Ltd.	Limited liability company	Shunde, Foshan, Guangdong Province	Zhang Feng	Business service industry	100.00	100.00	100.00	91341821MA8LGUD10D
Foshan Kexin New Energy Technology Co., Ltd	Limited liability company	Shunde, Foshan, Guangdong Province	Zhang Feng	Business service industry	100.00	100.00	100.00	91440606MA7M5A3W5M
Foshan Keshiming New Energy Technology Co., Ltd.	Limited liability company	Gaoming District, Foshan City, Guangdong Province	Zhang Feng	Business service industry	100.00	100.00	100.00	91440606MA7MK86L0W
Maanshan Kegu New Energy Co., Ltd.	Limited liability company	Ma'anshan Economic and Technological Development Zone, Anhui Province	Zhang Feng	Business service industry	100.00	100.00	100.00	91440608MABMPTRK87

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.	Limited Liability Company	Hong Kong	Li Yuejin	Import and export trade	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	Limited Liability Company	Hong Kong	Li Qing	Import and export trade	6,000.00	100.00	100.00
KEDA Industrial (Hong Kong) Limited	Limited Liability Company	Hong Kong	Li Qing	Import and export trade	5,870.48	100.00	100.00
Xincheng International	Limited Liability Company	Hong Kong	Li Qing	Import and export trade	2,000.00	100.00	100.00

(Hong Kong) Co., Ltd.							
Guangdong Xincheng Financing Leasing Co., Ltd.	Limited Liability Company	Shunde District, Foshan City	Wang Gang	Business service industry	2,700.00	100.00	100.00
Anhui Xincheng Financing Leasing Co., Ltd.	Limited Liability Company	Ma'anshan Economic and Technological Development Zone, Anhui	Wang Gang	Business service industry	3,500.00	100.00	100.00
Keda Holding (Mauritius) Limited	Limited Liability Company	Mauritius	/	Business service industry	5,371.33	100.00	100.00
Brightstar Investment Limited	Limited Liability Company	Mauritius	/	Business service industry	5,369.20	51.00	51.00
Tilemaster Investment Limited	Limited Liability Company	Mauritius	/	Business service industry	9,763.20	51.00	51.00
Keda (Kenya) Ceramics Company Limited	Limited Liability Company	Kenya	/	Manufacturing industry	100.00	51.00	51.00
Keda (Ghana) Ceramics Company Limited	Limited Liability Company	Ghana	/	Manufacturing industry	100.00	51.00	51.00
Keda (Tanzania) Ceramics Company Limited	Limited Liability Company	Tanzania	/	Manufacturing industry	100.00	51.00	51.00
Keda (SN) Ceramics Limited	Limited Liability Company	Senegal	/	Manufacturing industry	100.00	51.00	51.00
Kami Colourcera Private Limited	Limited Liability Company	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 liability	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 trade	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

Unit: Ten Thousand
CFA franc Currency: XOF

Full name of subsidiary	Enterprise type	Registered address	Legal representative	Business nature	Registered capital	Proportion of shareholding(%)	Percentage of voting rights (%)
Keda Cote D'ivoire Ceramics Company Limited	Limited Liability Company	Cote D'ivoire	/	Manufacturing industry	100.00	51.00	51.00

3. Information on the joint ventures and associates of the Company

See the notes on key joint ventures or associates of the Company

√ Applicable □Not applicable

Unit: Ten Thousand Yuan
Currency: RMB

Name of investee	Enterprise type	Registration place	Legal representative	Business nature	Registered capital	Proportion of shareholding of the enterprise (%)	Voting share ratio of the enterprise at the investee (%)	Unified Social Credit Code
Associates								
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
Maanshan Qingshan Electricity Selling Co., Ltd.	Limited Liability Company	Dangtu Economic and Technological 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	91440606MA4UUWAC43
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
Guangdong Keda Nanyue New Energy Venture Capital Partnership (Limited Partnership)	Limited partnership	Nanhai District, Foshan City	/	Capital market service	25,101.00	59.76	40.00	91440605MABTRA5H94

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

Other description

□ Applicable √ Not applicable

4. Other related parties

√ Applicable □ Not applicable

Name of other related parties	Relation between other related parties and the enterprise
Sunda Group Co., Ltd	Others
Guangdong Hongyu Group Co., Ltd.	Others
Macrolink Holdings 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, labour	83,825.04	44,725.16
Qinghai Salt Lake Lanke Lithium Industry Co., Ltd.	Lithium carbonate	51,096.14	3,008.32
Sichuan Guangxing Lithium Battery Technology Co., Ltd.	Processing fee	43.96	82.72
Anhui Ganghua Keda Smart Energy Co., Ltd.	Services	11.06	71.44
Guangdong Hongyu Group Co., Ltd	Tile and others	5.70	18.71
Maanshan Qingshan Electricity Selling Co., Ltd.	Services	2.16	6.19
Anhui Keda Yuli Automobile Technology Co., Ltd.	Auto and services	43.55	0.08
Jiangsu Zhongchuang Qingyuan Technology Co., Ltd.	Raw material	104.20	
Zhangzhou Juming Graphite Material Co., Ltd.	Processing fee and raw material	1,673.28	2,054.46
Suqian Weidao New Energy Technology Co., Ltd.	Raw material		444.04
Hunan Liling Hongguan Kiln Porcelain Industry Co., Ltd.	Ceramic	71.73	

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	58,197.38	21,359.06
Guangdong Hongyu Group Co., Ltd	Ceramic machinery and anode material	15,234.56	11,046.75
Foshan Sanshui Hongyuan Ceramics Enterprise Co., Ltd.	Ceramic machinery and equipment	1.29	451.38
Jiangsu Zhongchuang Qingyuan Technology Co., Ltd.	Denitrification project	169.97	163.47
Anhui KEDA Yuli Automobile Technology Co., Ltd.	Services	27.72	16.99
Maanshan Qingshan Electricity Selling Co., Ltd.	Services	7.00	7.00
Zhangzhou Juming Graphite Material Co., Ltd.	Calcined coke, processing fee and others	2,715.03	3,834.03
Hunan Hualian Porcelain Industry Co., Ltd.	Ceramic machinery and equipment, hydraulic pump	63.93	1,071.73
Hunan Hualian Torch Porcelain Insulator & Electrical Apparatus Co., Ltd.	Ceramic machinery and equipment		325.00
Macrolink Insurance Broker Co., Ltd.	Insurance services		25.20

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 recognised in the current period	Rental income recognised in the previous period
Anhui KEDA Yuli Automobile Technology Co., Ltd.	Sites	10.23	39.82

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
Foshan KEDA Ceramic Technology Co., Ltd.	Buildings					480.00	480.00				
Guangdong Hongyu Group Co., Ltd	Buildings					21.54	25.82				

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.	11,840.22	2020-1-2	2024-5-20	No
Guangdong Xincheng Financing Leasing Co.,Ltd.	2,068.97	2022-4-26	2024-5-7	No
Anhui KEDA Industrial Co., Ltd.	2,000.00	2022-6-13	2023-6-12	No
Anhui KEDA Industrial Co., Ltd.	620.02	2022-7-27	2023-1-27	No
Anhui KEDA Industrial Co., Ltd.	129.64	2022-7-12	2023-3-12	No
Anhui Keda Clean Energy Co., Ltd.	2,900.00	2022-3-10	2023-5-27	No
Anhui Keda Clean Energy Co., Ltd.	724.22	2022-7-26	2023-5-29	No
Anhui Keda Clean Energy Co., Ltd.	362.53	2021-6-30	2023-8-31	No
Foshan DLT Technology Co., Ltd.	1,378.40	2022-7-22	2023-6-27	No
Foshan KEDA Electromechanical Co., Ltd.	6,139.25	2022-7-21	2023-6-22	No
Henan KDNEU International Engineering Co., Ltd.	3,583.81	2022-7-4	2023-5-28	No
Anhui KEDA Huadong Electric Vehicle Travel Service Co., Ltd.	408.00	2022-11-22	2023-11-22	No
Fujian Keda New Energy Technology Co., Ltd.,	11,675.08	2021-8-21	2026-12-24	No
Anhui KEDA New Material Co., Ltd	994.00	2022-7-1	2023-6-15	No
Forwell International (HK) Co., Limited	USD1272.37	2022-5-13	2024-5-3	No
Forwell International (HK) Co., Limited	EUR475.60	2022-6-17	2023-6-16	No
Forwell International (HK) Co., Limited	USD16.10	2022-7-6	2023-6-12	No
Xincheng International (Hong Kong) Co., Ltd.	USD454.20	2022-1-6	2024-2-22	No
Keda (Ghana) Ceramics Company Limited	USD2272.73	2020-12-3	2027-12-15	No
Keda (Ghana) Ceramics Company Limited	EUR1,005.5	2021-7-21	2026-1-30	No
Keda (Tanzania) Ceramics Company Limited	USD233.33	2018-7-6	2023-7-6	No
Kdea (SN) Ceramics Company Limited	EUR1811.89	2019-7-22	2027-12-15	No
Keda Zambia Ceramics Company Limited	EUR 2,398.95	2021-11-22	2027-12-15	No
Keda Ceramics Interational Company Limited	EUR 2,467.59	2022-9-30	2028-12-15	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	1,923.70	1,171.81

(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, key management personnel and key employees of the Company and its subsidiaries proposed to increase the capital of Fujian Keda New Energy by RMB41,409.3 thousand 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.

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	Contribution Amount (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	Vice President, Board Secretary	120.6
6	Peng Hengxiang	Chairman of the Supervisory Committee and Director of Audit Supervision	40.2

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 million of registered capital) to the employee shareholding platform, Kexin Partnership, at RMB9,740.5 thousand. 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 contribution included the transfer of equity interest amounting to RMB9,740.5 thousand 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.	9,630.22	89.71	2,556.75	2.33
Accounts receivable	Hunan Hualian Porcelain Industry Co., Ltd.	98.36	8.46	104.63	1.17
Accounts receivable	Hunan Hualian Torch Electric Porcelain Electric Appliance Co., Ltd.	16.25	2.86	16.25	0.18
Accounts receivable	Jiangsu Zhongchuang Qingyuan Technology Co., Ltd.			51.97	2.68
Accounts receivable	Maanshan Qingshan Electricity Selling Co., Ltd.			72.52	0.02
Accounts receivable	Guangdong Hongyu Group Co., Ltd.	3,409.14	198.27		
Accounts receivable	Anhui KEDA Yuli Automobile Technology Co., Ltd.	23.51	0.47	18.83	0.08
Dividend receivable	Sichuan Guangxing Lithium Battery Technology Co., Ltd.	480.00			
Other receivables	Zhangzhou Juming Graphite Material Co., Ltd.			562.90	1.35
Other receivables	Anhui KEDA Yuli Automobile Technology Co., Ltd.	135.73		300.36	0.08
Other receivables	Guangdong Hongyu Group Co., Ltd.	7.09		7.09	
Notes receivable	Zhangzhou Juming Graphite Material Co., Ltd.	1,170.00			
Advance payments	Guangdong Hongyu Group Co., Ltd.	61.84			
Advance payments	Jiangsu Zhongchuang Qingyuan Technology Co., Ltd.			78.76	

(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.		664.62
Accounts payable	Jiangsu Zhongchuang Qingyuan Technology Co., Ltd.		2.50
Other payables	Foshan KEDA Ceramic Technology Co., Ltd.	3,314.50	2,834.50
Notes payable	Zhangzhou Juming Graphite Material Co., Ltd.	550.00	

Notes payable	Qinghai Salt Lake Lanke Lithium Industry Co., Ltd.	5,088.00	

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

Other description

1. 2020 Employee Stock Ownership Plan

The Company held the 32nd Meeting of the 7th Board of Directors and the 3rd Extraordinary Shareholders' Meeting in 2020 on 13 November 2020 and 30 November 2020 respectively, reviewed and approved 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 in the total share capital of the Company was 2.28%, and the transfer price was RMB2 per share. According to the relevant provisions of the Company's 2020 Employee Stock Ownership Plan, the duration of the Company's current employee stock ownership plan is 36 months. After 12 months from the date when the draft employee stock ownership plan is reviewed and approved by the Shareholders' Meeting of the Company and the Company announces the last transfer of the underlying shares to the name of the employee stock ownership plan, it will be released in two phases, with an interval of 12 months for each phase, and the unlocking proportion is 50.0% and 50.0%.

2. Employee shareholding platform 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, key management personnel and key employees of the Company and its subsidiaries increased the capital of Fujian Keda New Energy by RMB41,409,300 through 4 jointly invested and established limited partnerships at a price of RMB1.0648 per registered capital.

3. Equity transfer of Fujian Keda New Energy

In order to further improve the Company's long-term incentive and interest sharing mechanisms, and promote the common growth and development of the management and the Company, the Company transferred its equity interests of 2.85% in Fujian Keda New Energy based on the net asset per share of Fujian Keda New Energy as at 31 March 2022 (corresponding to the capital contribution of registered capital of RMB7 million) to the employee shareholding platform, Kexin Partnership, at a price of RMB9,740.5 thousand. Meanwhile, our directors Yang Xuexian and Zhang Zhonghua increased the capital contribution to Kexin Partnership with senior management Li Yuejin for the purpose of settling the consideration of the equity transfer of Fujian

Keda New Energy. The amount of capital increase includes the equity transfer of RMB9,740.5 thousand and the relevant transaction taxes.

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	19,868.46
Total amount of expenses recognised by equity-settled share-based expense in the current period	9,100.88

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 Contingencies

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]. From 20 July 2022 to 22 July 2022 and on 11 January 2023, the first trial and second trial were conducted in the Supreme People's Court respectively and the second-instance judgment is still pending. As of 31 December 2022, the Company has confirmed the estimated liabilities of RMB96,521,800.00 according to the "Civil Judgment" ((2019) Su 01 Min Chu No. 2893).

(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 lawsuits to the court for the infringement of technical secrets by the Company and its subsidiaries Jiangsu Kehang, KEDA (Anhui) Clean Energy and other related parties, with a claim amount of RMB295,293,900. In 2021, the Company and its subsidiary raised objections to the jurisdiction of the 4 lawsuits. From January to February 2022, the Court of Final Appeal successively made rulings on the 4 lawsuits and rejected the appeals of the Company and its subsidiary regarding the jurisdiction objections. In February 2023, the Company and its subsidiary received the legal documents, including the "Civil Order", the "Notice on Filing of Lawsuit ", and the "“Complaint" served by the Nanjing Intermediate People's Court. Jiangnan Environmental Protection has completed the application to the Nanjing Intermediate People's Court to withdraw the 4 lawsuits and re-filed the lawsuit regarding the 4 incidents to the Nanjing Intermediate People's Court. The trial date for the case has not yet been determined.

(3) **[(2021) Yue 06 Min Chu No. 119] Feng Jun requested the Company and its subsidiary Guangdong 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 Guangdong 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 Guangdong KEDA Lithium Industry was established. The lawsuit requested Guangdong 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 Guangdong 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, Guangdong KEDA Lithium Industry and the Company filed an appeal to the Higher People’s Court of Guangdong Province on 11 July 2022. The Higher People’s Court of

Guangdong Province conducted the trial on 7 February 2023 and the second-instance judgment has not yet been ruled out. As of 31 December 2022, the Company has confirmed the estimated liabilities of RMB91,070,551.57 according to the "Civil Judgment" ((2021) Yue 06 Min Chu No. 119).

XV Matters after balance sheet date

1. Important non-adjustment matters

□ Applicable ✓Not applicable

2. Profit distribution

✓Applicable □ Not applicable

Unit: yuan Currency type: RMB

Profit or dividend to be distributed	1,304,142,345.88
Profits or dividends announced upon review and approval	

On 14 April 2023, after review and approval at the twenty-first meeting of the 8th session of the board of directors, the 2022 profit distribution plan of the Company is as follows: Based on the total number of shares of the Company entitled to the profit distribution of 1,917,856,391 shares (the total share capital of 1,948,419,929 shares less 30,563,538 shares in the special securities account for the repurchase of shares of the Company), it is proposed to distribute cash dividends of RMB6.8 (tax inclusive) for every 10 shares to all shareholders, with the total cash dividends of RMB1,304,142,345.88 (tax inclusive). The plan shall be valid only after being approved by the general meeting 2022.

3. Sales return

□ Applicable ✓Not applicable

4. Description of Matters after the Balance Sheet Date

In order to deepen the Company's cooperation with Salt Lake City’s high-quality enterprises in industry chain and strengthen the Company's lithium battery material business strategy and investment layout, the Company held the 18th meeting of the 8th Session of the Board of Directors and the 16th meeting of the 8th Session of the Board of Supervisors on 7 December 2022, and reviewed and approved the "Proposal on Foreign Investment and Participation in the Establishment of Investment Funds", agreeing that the Company and its holding subsidiary Qinghai Weili signed the "Jiaxing Keda Jinhong Salt Lake Industry Equity Investment Partnership (Limited Partnership) Partnership Agreement". The total capital contribution of RMB1.3 billion was used for subscribing 99.99% shares of the Salt Lake Industrial Fund initiated and established by Xining Hongxi Fund Management Co., Ltd. as general partner. As of 15 February 2023, the Salt Lake Industry Fund has completed the fundraising with a total of RMB1.30 billion raised. From 1 February 2023 to 17 February 2023, the Salt Lake Industrial Fund completed the cumulative purchase of 50,353,500 shares of Qinghai Salt Lake Industrial Co., Ltd. through block trade, accounting for 0.93% of the total share capital of Salt Lake. The cumulative purchase amount was RMB1.286 billion, accounting for 98.93% of the fundraising scale of the Salt Lake Industry Fund. For details, please refer to the relevant announcement 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		-9,555.27	9,555.27		9,555.27	9,555.27

Clean energy services achieved the operating profit from discontinued operation attributable to the owners of parent company of RMB95.5527 million in the current period, mainly because the impairment of value-added tax credits provided for the subsidiary Shenyang Keda in previous years was reversed in the current period.

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

3.1.1.1 Issuance of GDR

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.

3.1.1.2 Dispute over the resolution of the shareholders' meeting of Shenyang KEDA Clean Energy [(2021) Liao 0124 Min Chu No. 2225]

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" served 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
Within 1 year	
Including: breakdown within 1 year	
Within 1 year	531,927,830.67
Subtotal within 1 year	531,927,830.67
1 to 2 years	124,489,134.22
2 to 3 years	22,029,827.49
More than 3 years	11,173,794.23
Total	689,620,586.61

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		
	Amount	Proportion (%)	Amount	Provision ratio (%)		Amount	Proportion (%)	Amount	Provision ratio (%)	Book value
Bad debt provision made on single item	29,425,703.57	4.27	14,221,364.18	48.33	15,204,339.39	11,216,555.54	2.00	11,216,555.54	100.00	
Including:										
Bad debt provision made on portfolio basis	660,194,883.04	95.73	41,699,659.32	6.32	618,495,223.72	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	362,444,419.89	52.55	41,699,659.32	11.51	320,744,760.57	400,026,963.69	71.24	17,654,357.54	4.41	382,372,606.15
Payment for goods from subsidiaries	297,750,463.15	43.18			297,750,463.15	152,009,580.55	26.76			150,262,888.19
Total	689,620,586.61	/	55,921,023.50	/	633,699,563.11	561,506,407.42	/	28,870,913.08	/	532,635,494.34

Bad debt provision made on single item:

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Name	Closing balance			
	Balance of book value	Bad debt provision	Provision ratio（%）	Reasons for provision
Customer 2	17,516,000.00	5,183,813.11	29.59	Expected risk of recovery
Customer 6	3,408,152.50	536,000.00	15.73	Expected risk of recovery
Others	8,501,551.07	8,501,551.07	100.00	Expected risk of recovery
Total	29,425,703.57	14,221,364.18	48.33	/

Description of bad debt provision made on single item:

□Applicable √Not applicable

Bad debt provision made on portfolio basis:

√Applicable □Not applicable

Provisions made on 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	238,202,680.4	10,006,672.09	4.20
1 to 2 years	99,589,802.36	17,382,570.3	17.45
2 to 3 years	18,046,010.76	8,751,844.25	48.50
3 to 5 years	3,667,893.29	2,620,539.62	71.45
More than 5 years	2,938,033.06	2,938,033.06	100.00
Total	362,444,419.9	41,699,659.32	11.51

Recognition criteria and description of bad debt provision made on 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

(2). 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	28,870,913.08	28,735,969.58	40,199.50	1,726,058.66		55,921,023.50
Total	28,870,913.08	28,735,969.58	40,199.50	1,726,058.66		55,921,023.50

Where there was substantial amount of bad debt provision recovered or reversed in the current period:

□Applicable √Not applicable

(3). Accounts receivable with actual write-off in the current period

√Appicable □Not applicable

Unit: Yuan Currency: RMB

Item	Amount subject to write-off
Accounts receivable with actual write-off	1,726,058.66

Where there was substantial amount of accounts receivable subject to write-off

√Appicable □Not applicable

Unit: Yuan Currency: RMB

Unit name	Nature of accounts receivable	Amount of write-off	Reason for write-off	Write-off procedures performed	Whether the amount is arising from related party transaction
Customer 14	Payment for goods	904,028.20	Unrecoverable	Bad debt write-off approval procedures	No
Total	/	904,028.20	/	/	/

Description of accounts receivable subject to write-off:

□Applicable √Not applicable

(4). 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
Xincheng International (Hong Kong) Co., Ltd.	119,279,187.78	17.30	

Forwell International (HK) Co., Limited	60,692,717.84	8.80	
Customer 10	57,970,877.97	8.41	2,375,997.89
Brightstar Investment Limited	46,136,749.58	6.69	
Anhui Xincheng Financing Leasing Co., Ltd.	35,430,000.00	5.14	
Total	319,509,533.17	46.34	2,375,997.89

(5). Accounts receivable derecognised due to transfer of financial assets

□Applicable √Not applicable

(6). Amount of assets and liabilities arising from transfer of accounts receivable and continuous involvement

□Applicable √Not applicable

Other description:

□Applicable √Not applicable

4. Other receivables

Listing of items

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest receivables		
Dividend receivables	211,096,750.00	
Other receivables	1,298,694,152.28	929,586,253.03
Total	1,509,790,902.28	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

(4). Dividend receivables

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Project (or invested unit)	Closing balance	Opening balance
Keda Holding (mauritius) Limited	106,296,750.00	
Guangdong Keda Lithium Industry Co., Ltd.	100,000,000.00	
Sichuan Guangxing Lithium Battery Technology Co., Ltd.	4,800,000.00	
Total	211,096,750.00	

(5). Substantial amount of dividend receivables aged more than 1 year

□Applicable √Not applicable

(6). 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
Within 1 year	
Including: breakdown within 1 year	
Within 1 year	679,817,522.79
Subtotal within 1 year	679,817,522.79
1 to 2 years	397,333,817.05
2 to 3 years	211,826,323.61
More than 3 years	228,934,999.99
Total	1,517,912,663.44

(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	1,498,082,817.17	915,436,751.49
Other current accounts	7,882,581.80	5,502,198.29

Export tax rebate	11,261,264.47	8,637,303.25
Security deposit	686,000.00	10,000.00
Total	1,517,912,663.44	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 loss in the next 12 months	Expected credit loss for the entire duration (no credit impairment)	Expected credit loss for the entire duration (credit impairment occurred)	
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	-	-	-	-
Accrual in the current period	214,032.75	-	142,355.56	356,388.31
Reversal in the current period	-	-	-	-
Transfer in the current period	-	-	-	-
Write-off in the current period	-	-	-	-
Other changes	-	-	-	-
Balance as at 31 December 2022	333,504.99	-	218,885,006.17	219,218,511.16

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	

		Accrual	Recovery or reversal	Transfer or write-off	Other changes	Closing balance
Bad debt provision	218,862,122.9	356,388.31				219,218,511.2
Total	218,862,122.9	356,388.31				219,218,511.2

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

(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	377,500,000.00	Within 3 years	24.87	
Shenyang KEDA Clean Energy Gas Co., Ltd.	Current accounts	235,480,000.00	Within 5 years	15.51	218,742,650.61
Jiangsu Kehang Environmental Protection Co., Ltd.	Current accounts	160,490,494.72	Within 2 years	10.57	
Keda (Ghana) Ceramics Company Limited	Current accounts	145,897,500.00	Within 1 years	9.61	
Keda Zambia Ceramics Company Limited	Current accounts	125,055,000.00	Within 1 year	8.24	
Total	/	1,044,422,994.72	/	68.80	218,742,650.61

(7). Receivables involving government subsidies

□Applicable √Not applicable

(8). Other receivables derecognised 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

5. 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	6,897,697,123.36	600,000,000.00	6,297,697,123.36	6,504,070,446.03	600,000,000.00	5,904,070,446.03
Investment in associates and joint ventures	322,043,985.49		322,043,985.49	171,990,348.33		171,990,348.33
Total	7,219,741,108.85	600,000,000.00	6,619,741,108.85	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 current period	Closing balance of provision for impairment
Guangdong 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	1,132,200.00	400,000,000.00	3,130,200.00		
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	2,331,000.00		155,827,500.00		
Forwell International (HK) Co., Limited	45,000,000.00	362,745,100.00		407,745,100.00		
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	372,008,200.00	10,757,322.67	451,194,477.33		
Anhui Keda Smart Energy Technology Co., Ltd.	1,498,500.00		832,500.00	666,000.00		
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.		42,000,000.00		42,000,000.00		
Guangdong Keda New Energy Equipment Co., Ltd.		25,000,000.00		25,000,000.00		
Total	6,504,070,446.03	805,216,500.00	411,589,822.67	6,897,697,123.36		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 recognised under the equity method	Adjustments to other comprehensive income	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others		
II. Associates											
Foshan KEDA Ceramic Technology Co., Ltd.	155,440,477.24			-408,721.53						155,031,755.71	
Sichuan Guangxing Lithium Battery Technology Co., Ltd.	16,549,871.09			5,704,161.35		102,331.68	4,800,000.00			17,556,364.12	
Guangdong Keda Nanyue New Energy Venture Capital Partnership(Limited Partnership)		150,000,000.00		-544,134.34						149,455,865.66	
Subtotal	171,990,348.33	150,000,000.00		4,751,305.48		102,331.68	4,800,000.00			322,043,985.49	
Total	171,990,348.33	150,000,000.00		4,751,305.48		102,331.68	4,800,000.00			322,043,985.49	

6. 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	2,364,624,453.61	1,812,324,728.27	3,092,114,141.64	2,618,839,688.80
Other operations	7,145,811.38	4,125,572.12	9,076,050.06	4,314,392.20
Total	2,371,770,264.99	1,816,450,300.39	3,101,190,191.70	2,623,154,081.00

(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

7. 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	566,628,500.00	227,049,990.00
Income from long-term equity investments accounted for under the equity method	4,751,305.48	-2,030,634.03
Investment income from disposal of long-term equity investments	-59,710,364.67	-1,385,432.49
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	1,404,341.39	4,443,815.22
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	513,073,782.20	228,077,738.70

Other description:

（1） Investment income from long-term equity investments accounted for under the cost method:

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred last period
Keda Holding (Mauritius) Limited	217,948,500.00	194,429,890.00
Anhui KEDA Industrial Co., Ltd.		32,000,000.00
Guangdong Keda Lithium Industry Co., Ltd.	348,680,000.00	
Guangdong Keda Hydraulic Technology Co., Ltd.		620,100.00
Total	566,628,500.00	227,049,990.00

（2） Income from long-term equity investments accounted for under the equity method:

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred last period
Sichuan Guangxing Lithium Battery Technology Co., Ltd.	5,704,161.35	1,490,171.28
Foshan KEDA Ceramic Technology Co., Ltd.	-408,721.53	-394,757.00
Anhui Hudu Keda Fluid Machinery Co., Ltd.		-3,126,048.31
Guangdong Keda Nanyue New Energy Venture Capital Partnership (Limited Partnership)	-544,134.34	
Total	4,751,305.48	-2,030,634.03

(3) Investment income from disposal of long-term equity investments:

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred last period
Fujian Keda New Energy Technology Co.,Ltd	-1,016,822.67	
Anhui Keda New Materials Co.,Ltd	-58,693,542.00	
Guangdong Keda Hydraulic Technology Co., Ltd.		2,244,274.12
Anhui Hudu Keda Fluid Machinery Co,Ltd		-3,629,706.61
Total	-59,710,364.67	-1,385,432.49

(4) Investment income from disposal of financial assets held-for-trading:

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred last period
Wealth management products	1,404,341.39	4,443,815.22
Total	1,404,341.39	4,443,815.22

(5) 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	-21,206,525.15	
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	77,317,024.04	
Profit or loss on debt restructuring	-1,269,156.84	
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	3,604,644.57	
Reversal of provision for impairment of receivables and contract assets which are tested individually for impairment losses	26,684,251.16	
Share-based payment	-55,116,844.18	
Investment income from disposal of long-term equity investments	6,179,906.70	
Reversal provision for impairment of other current assets	92,012,305.74	
Other non-operating income and expenses other than those mentioned above	-86,097,108.87	
Less: Income tax effect	10,628,499.52	
Effect of minority interest	-6,583,273.72	
Total	38,063,271.37	

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	46.73	2.229	2.229

Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	46.31	2.209	2.209

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: 14 April 2023

Revision on information

□Applicable √Not applicable