

Notice on Director Receiving Advance Notice on Administrative Punishment from CSRC Hubei Office for Matters Not Related to Keda

I. Basic Information

Keda Industrial Group Co., Ltd. (the "Company") (SIX: KEDA) has recently received the notice from Mr. Zhang Zhonghua, a director of the Company, that he has received the Advance Notice on Administrative Punishment (E Chu Fa Zi [2023] No. 3) issued by China Securities Regulatory Commission Hubei Office (hereinafter referred to as "CSRC Hubei Office") for matters not related to Keda. Mr. Zhang Zhonghua served as the general manager of Tus Environmental Science and Technology Development Co., Ltd. (hereinafter referred to as "TUS-EST") from 2017 to 2018, responsible for the overall operations of TUS-EST. From 2017 to 2018, TUS-EST was suspected of recognizing costs by forging false subcontracts and milestone settlement statements, forging completion percentage of relevant PPP project contracts, and confirming in advance or falsely confirming general contract income, resulting in false records of main business income and main business cost in its 2017 and 2018 annual reports. The above false presentation mainly exists in the accounting treatment of four projects in Yichang, Jinzhou, Jishou and Nanning. In three of the projects, the forged Subcontract signing sheet was signed by General Manager Zhang Zhonghua. At the same time, Mr. Zhang Zhonghua signed the annual reports of TUS-EST for 2017 and 2018, and he was the supervisor directly responsible for the existence of false records in the 2017 and 2018 annual reports. The CSRC Hubei Office decided to warn Mr. Zhang Zhonghua and impose a fine of RMB300,000.

II. Impact on the Company and Relevant Explanations

1. The subject of the punishment involved in the above Notice is not the Company, and the matters involved are not related to the Company. This matter will not affect the Company's production and operations, standard operation, etc.
2. Mr. Zhang Zhonghua will actively state and defend the above matters, and apply for hearing and appeal. The Company will continue to pay attention to the development of the above matters and timely fulfill the obligation for information disclosure in accordance with the provisions and requirements of relevant laws and regulations.

Contact information

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About Keda Industrial Group

Keda is currently the biggest and the second biggest supplier of building ceramic machinery and equipment in Asia and the world, respectively. Adhering to its mission of “green solution, greener life” and after 30 years of operation and development, Keda has successfully achieved its targets of “domestic production of ceramic machinery and equipment” and “being a strong global player in the building materials equipment industry” and completed the transformation from a single equipment manufacturer to a supplier providing complete categories of ceramic machinery and whole-plant entire production line solutions, growing into a leading enterprise in the ceramic machinery industry in China and the world. For more information, visit <http://www.kedagroup.com>.

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Disclaimer

This announcement may contain forward looking statements, estimates, opinions and projections with respect to anticipated future performance of the Company ("forward-looking statements"). These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes," "estimates," "anticipates," "expects," "intends," "may," "will" or "should" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. Forward-looking statements are based on the current views, expectations and assumptions of the management of the Company and involve significant known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Forward-looking statements should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such results will be achieved. Any forward-looking statements included herein only speak as at the date of this release. We undertake no obligation, and do not expect to publicly update, or publicly revise, any of the

information, forward-looking statements or the conclusions contained herein or to reflect new events or circumstances or to correct any inaccuracies which may become apparent subsequent to the date hereof, whether as a result of new information, future events or otherwise. We accept no liability whatsoever in respect of the achievement of such forward-looking statements and assumptions.