

Announcement on the Profit Distribution Plan in 2022

Important notice:

- Distribution per share: Cash dividend of RMB0.68 per share (tax included)
- The profit distribution will be based on the total share capital registered on the record date of the equity distribution after deducting the number of shares in the special securities account for repurchase, the exact date of which will be specified in the announcement of the implementation of the equity distribution.
- If there is a change in the total share capital of the Company prior to the record date of the equity distribution, the Company intends to maintain the same amount of distribution per share and adjust the total amount of distribution accordingly, and will announce the specific adjustment separately.

I. Content of the Profit Distribution Plan

As audited by Zhongxi CPAS (Special General Partnership), the net profit attributable to shareholders of the listed company for the year 2022 of Keda Industrial Group Co., Ltd. (hereinafter referred to as the "Company") as at 31 December 2022 was RMB4,250,931,759.12, the net profit of the parent company was RMB408,143,564.98, and the accumulated distributable profit of the parent company as at the end of the period was RMB1,349,847,099.95. As resolved by the Board of Directors, the Company intends to distribute profits for the year 2022 on the basis of the total share capital registered on the record date of equity distribution after deducting the number of shares in the special account for securities repurchase. The profit distribution plan is as follows:

The Company intends to pay a cash dividend of RMB6.8 (tax included) per 10 shares to all Shareholders. As at 31 December 2022, the number of shares in the Company's special securities account for repurchase was 30,563,538 shares and the total share capital of 1,948,419,929 shares after deducting the shares in the special securities account for repurchase was 1,917,856,391 shares, on which basis the total proposed cash dividend of RMB1,304,142,345.88 (tax included) was calculated, accounting for 30.68% of the Company's net profit for the year 2022 attributable to shareholders of the

listed company.

According to the *Guidelines for Self-regulation of Listed Companies on the Shanghai Stock Exchange No. 7—Share Repurchase* and other relevant provisions, if a listed company repurchases shares by means of centralised competitive bidding or offer in consideration of cash, the amount of share repurchases effected by a company in a year shall be deemed as cash dividends and be counted in the calculation of the cash dividend ratio for the year. Accordingly, based on the amount of share repurchases effected by the Company by way of centralized competitive bidding for 2022 of RMB500,000,213.13 (including transaction costs such as stamp duty and commission), the total cash dividend amounted to RMB1,804,142,559.01, accounting for 42.44% net profit attributable to the shareholders of the Listed Company on a consolidated basis for 2022.

If there is any change in the total share capital of the Company during the period from the date of disclosure of this announcement to the record date of the equity distribution, the Company intends to maintain the same distribution ratio per share and adjust the total distribution accordingly. Specific adjustments will be announced in the event of subsequent changes to the total share capital.

The Profit Distribution Plan has yet to be submitted to the General Meeting of the Company for consideration.

II. Decision-making Procedures Performed by the Company

i. Convening, deliberations and voting at Board Meetings

At the 21st Meeting of the 8th Board of Directors held on 14 April 2023, the Company reviewed and approved the *Profit Distribution Plan in 2022* with a voting result of 9 votes in favour, 0 votes against and 0 abstentions, and agreed to submit the resolution to the General Meeting of the Company for consideration; the Plan is in line with the profit distribution policy stipulated in the *Articles of Association* and the disclosed shareholder return plan of the Company.

ii. Opinions of Independent Directors

The Independent Directors are of the view that the *Profit Distribution Plan in 2022* is in compliance with the regulations such as *Regulatory Guidelines for Listed Companies*

No. 3—*Cash Dividends for Listed Companies* and the provisions of the *Articles of Association of the Company*, taking into full consideration the development stage of the Company, the actual operation situation and development plans, while considering the interests of investors and the sustainable development of the Company. There are no circumstances that are detrimental to the interests of Shareholders of the Company, in particular the minority shareholders. Independent Directors agreed to the Company's *Profit Distribution Plan in 2022* and agreed to submit it to the Company's General Meeting for consideration.

iii. Opinion of the Supervisory Committee

The Supervisory Committee is of the view that the Company's Profit Distribution Plan in 2022 is in the interests of the Company and all Shareholders, in compliance with the Company's current profit distribution policy and the relevant laws and regulations, and the decision-making procedures are legal and compliant. The Supervisory Committee agreed to the Company's *Profit Distribution Plan in 2022* and agreed to submit it to the Company's General Meeting for consideration.

III. Related Risk Warning

The Profit Distribution Plan has taken into account such factors as future capital requirements, cash flow position and continuous return to shareholders, and will not have a significant impact on the Company's operating cash flow or affect the normal operation and long-term development of the Company. The *Profit Distribution Plan* is subject to the approval of the Company's General Meeting, so investors are advised to pay attention to the investment risks.

Contact information

Keda Industrial Group

Jianhui Li, Director of Securities Department

securities_department@kedachina.com.cn

+86-757-23833869

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>.

Keda Industrial Group Co., Ltd., No. 1, West Huanzhen Road, Guanglong Industrial Park, Chencun Town, Shunde District, Foshan City, Guangdong Province, China.

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