

Stock Code: 600499

Company Name: Keda Group

Keda Industrial Group Co., Ltd.

Interim Report for 2023

Important Notice

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

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

III. This Interim Report has not been audited.

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

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

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

VI. Disclaimer relating to forward-looking statements

Applicable Not applicable

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

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

No

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

No

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

No

X. Material risk reminder

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

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

XI. Others

Applicable Not Applicable

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Documents Available for Inspection	Financial statements signed and sealed by legal representative, Accounting Director, and person in charge of accounting department
	The original manuscripts of all documents and announcements publicly disclosed on China Securities Journal, Securities Times, Shanghai Securities News, the website of the Shanghai Stock Exchange and the SIX Swiss 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. Formerly Known As Keda Clean Energy Co., Ltd.
Anhui Keda Industrial	Anhui Keda Industrial Co., Ltd
Keda (Anhui) Clean Energy	Keda (Anhui) Clean Energy Co., Ltd.
HLT	HLT Industry Co., Ltd.
Keda 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 Financial	Anhui Xincheng Financial and Leasing Co., Ltd
Shenyang Keda Clean Energy	Shenyang Keda Clean Energy Gas Co., Ltd.
Jiangsu Kehang	Jiangsu Kehang Environmental Protection Co., Ltd.
Anhui New Materials	Keda (Anhui) New Material Co., Ltd.
Zhangzhou Juming	Zhangzhou Juming Graphite Material Co., Ltd.
Wuhu Kean	Wuhu Kean Energy Technology Co., Ltd
DLT	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.
Qinghai Weili	Qinghai Weili New Energy Material Co., Ltd.
Lanke Lithium Industry	Qinghai Yanhu Lanke Lithium Industry Co., Ltd.
Foshan Keda Industrial	Foshan Keda Industrial Co., Ltd.
Fujian Keda New Energy	Fujian Keda New Energy Technology Co., Ltd.,
Foshan Keda Equipment	Foshan Keda Equipment Manufacturing Co., Ltd.
Shaoguan Keda	Shaoguan Keda Machinery Manufacturing Co., Ltd.
HLT Technology	HLT Technology Co., Ltd.
Anhui Keda Lithium Equipment	Keda (Anhui) Lithium Equipment Co., Ltd
Guangdong Keda New Energy Equipment	Guangdong Keda New Energy Equipment Co., Ltd
Forwell International	Forwell International (HK) Co., Limited
Chongqing Keda New Energy	Chongqing Keda New Energy Material Co., Ltd..
Foshan Kean	Foshan Kean New Energy Technology Co., Ltd
Maanshan Taixin	Maanshan Zhengpugang New District Taixin New Energy Technology Co., Ltd
Maanshan Keci	Maanshan Keci New Energy Technology Co., Ltd.
Dangtu Kean	Dangtu Kean New Energy Technology Co., Ltd.

Maanshan Kean	Maanshan Kean Photovoltaic Power Generation Co., Ltd
Hefei Kemao	Hefei Kemao New Energy Co., Ltd.
Maanshan Kegou	Maanshan Kegou New Energy Co., Ltd
Maanshan Kezhong	Maanshan Keda Kezhong New Energy Co., Ltd
Hefei Lunuo	Hefei Lunuo New Energy Co., Ltd
SinoCera Create-Tide	Shandong Sinocera Create-Tide New Materials High-Tech Co., Ltd.
Salt Lake Industry Equity	Jiaying Keda Jinhong Salt Lake Industrial Equity Investment Partnership (Limited 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 Kenya	Keda (Kenya) Ceramics Company Limited
Keda Ghana	Keda (Ghana) Ceramics Company Limited
Keda Tanzania	Keda (Tanzania) Ceramics Company Limited
Keda Senegal	Keda (SN) Ceramics Company Limited
Keda Zambia	Keda Zambia Ceramics Company Limited
Keda Cameroon	Keda Cameroon Ceramics 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
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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, Guangdong
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, Guangdong
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 Interim Report	China Securities Journal, Securities Times, Shanghai Securities News
Website of the stock exchange for disclosure of the Company's Interim Report	www.sse.com.cn
Archiving location of the Interim 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

Applicable Not applicable

VII. Main Accounting Data and Financial Indicators

(I) Key accounting data

Unit: Ten Thousand Yuan Currency: RMB

Key accounting data	Current reporting period (January - June)	Corresponding period last year	Increase or decrease for the current reporting period over corresponding period last year (%)
Operating revenue	474,690.67	565,113.24	-16.00
Net profit attributable to shareholders of the listed company	126,806.40	212,072.52	-40.21
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss	120,981.10	212,002.63	-42.93
Net cash flows from operating activities	-4,801.50	35,186.84	-113.65
	At the end of the reporting period	At the end of last year	Increase or decrease for the end of the reporting period over the end of last year (%)
Net assets attributable to shareholders of the listed company	1,105,972.99	1,138,847.95	-2.89
Total assets	2,377,474.23	2,115,242.31	12.40

(II) Key financial indicators

Key financial indicators	Current reporting period (January - June)	Corresponding period last year	Increase or decrease for the current reporting period over corresponding period last year (%)
Basic earnings per share (RMB per Share)	0.661	1.123	-41.14
Diluted earnings per share (RMB per Share)	0.661	1.123	-41.14
Basic earnings per share after deducting non-recurring profit or loss (RMB per Share)	0.631	1.123	-43.81
Weighted average return on net assets (%)	10.88	27.25	a decrease of 16.37 percentage points

Weighted average return on net assets after deducting non-recurring profit or loss (%)	10.38	27.24	a decrease of 16.86 percentage points
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Description of key accounting data and financial indicators of the Company

Applicable Not applicable

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

Applicable Not applicable

IX. Non-recurring profit or loss items and amounts

Applicable Not applicable

Unit: Yuan Currency: RMB

Non-recurring profit or loss items	Amounts	Notes (if applicable)
Profit or loss from disposal of non-current assets	-2,378,443.99	
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	55,029,545.45	
Profit or loss on debt restructuring	-100,000.00	
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	13,376,525.52	
Reversal of provision for impairment of receivables and contract assets which are tested individually for impairment losses	7,143,626.00	
Other non-operating income and expenses apart from the aforementioned items	1,439,375.45	
Less: Income tax effect	9,167,509.78	
Effect of minority interests (after tax)	7,090,057.52	
Total	58,253,061.13	

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

Applicable Not applicable

X. Others

Applicable Not applicable

Section III Management Discussion and Analysis

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

The Company's business mainly covers the production and sales of building ceramic machinery, overseas building materials, lithium-ion battery materials and machinery, a strategic investment in the lithium-ion battery business with Lanke Lithium Industry as the main entity, and hydraulic pumps, smart energy and other nurturing businesses.

(I) Summary of principle business

1. Building ceramic machinery

➤ **Business and product description:** The building materials machinery business of the Company mainly focuses on building ceramic machinery. The core products include press, kilns, grinding equipment, etc., mainly providing downstream building ceramic manufacturers with manufacturing equipment for the production of tiles. 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. By combining "equipment + accessories and consumables + services," the Company aims to achieve vertical extension and strives to become a globally leading equipment comprehensive service provider with "technology-driven, cost-leading, and supply chain globalization."



On the basis of developing traditional and dominant ceramic machinery business, the Company actively explored the cross-industry/field application of mechanical equipment. At present, the application of the Company's press equipment has been extended to the fields of

cookware pressing production, isostatic pressing/roll forming for daily-use ceramics, metal forging, aluminium extrusion press and other industries. The kiln equipment has been applied to the refractory materials and lithium-ion battery industries.

➤ **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", and has grown into a leader in the ceramics machinery industry in China and the world. It has three well-known brands, namely "KEDA", "HLT&DLT" and "ICF&Welko", and has a better brand power in the building ceramic machinery market.

(2) Advantage in 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 ceramic machinery business covering more than 50 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, expanded into accessory and consumable businesses, and covered a multi-product chain in order to meet the diversified needs of customers and to have better product supporting and service capabilities.

➤ **Business model:** The Company's building ceramic machinery business has 12 production and manufacturing bases (including the production bases for key components of equipment) in Foshan, China and Italy and other regions, 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, the Company adopts the production and operation model of "sales-oriented production", while 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, and brought forward accessories, consumables and maintenance services to rise 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 setting up sample plants, whole line investment with ultra-high cost effectiveness, and subsequent accessories maintenance services solution, the influence of the Company's ceramic machinery in Europe and U.S. markets is enhanced, and thus explored the sales growth market.

➤ **Major performance drivers:** The domestic ceramic machinery business primarily operates in the existing market, with its driving force coming from the iteration of new end products in the domestic downstream ceramic tile industry and the upgrading of ceramic machinery. In the current global economic downturn, especially in the domestic real estate market, the Company adheres to a "globalization" strategy and seizes the urbanization process in developing countries. Efforts are made to increase the proportion of overseas market share and optimize gross profit contribution. Simultaneously, the Company actively transforms from an equipment supplier to a comprehensive service provider, offering more value-added services to enhance customer loyalty. Despite the challenging market conditions both domestically and internationally and the pressure on results during the Reporting Period, the Company has continued to improve its market layout in Central Asia, Africa, Southeast Asia, and other regions, which has provided significant support to its performance. The Company's overseas ceramic machinery business has secured orders exceeding 60%.

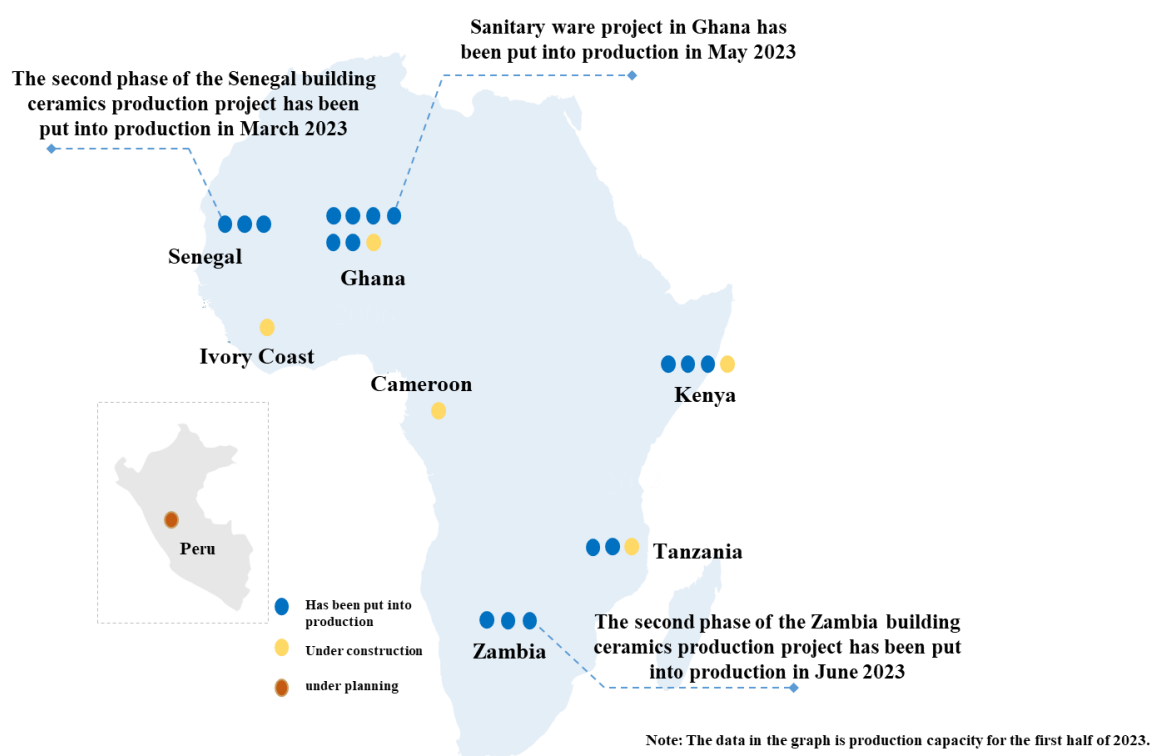
2. Overseas Building Materials Business

➤ **Business and product description:** Since 2016, in line with the national "Going Out" initiative, 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 strong demand for infrastructure and industrial products in Africa and other emerging markets, the Company is expanding its business around the "large building materials" strategy. It is gradually entering into categories such as sanitary ware and glass, forming a business structure of "ceramics + sanitary ware + glass." The Company is strategically extending its operations to regions such

as South America and Asia.

As of the end of June 2023, the Company and its strategic partners have established and operated six production bases in five countries in Africa, namely Kenya, Ghana, Tanzania, Senegal and Zambia. Currently, there are 16 building ceramic production lines and 1 sanitary ware production line in operation. In the first half of the year, the total production volume of building ceramics amounted to 70 million m² and was exported to several countries in East Africa such as Uganda, Rwanda and Malawi, as well as countries in West Africa, including Togo, Benin, Burkina Faso, and Ivory Coast. Additionally, the sanitary ware project in Ghana has been in operation since May and has already achieved a cumulative production volume of over 0.1 million pieces.

Overall Production Capacity Layout for Overseas building materials



➤ **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 is provided by the Company. Keda Group has over 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 craftsmanship that suit the specific region.

(2) Extensive channel advantages: With the help of Sunda Group, the strategic partner of the Company's overseas building materials business for many years to carry out international trade advantages and experience, the project in Africa can obtain lower raw material costs by leveraging on the advantages of channels and quickly build sales channels in the early stage of project operation.

(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. Since the Company's overseas building materials business has reached a certain scale, it has been able to utilize the local surplus funds to invest in new projects gradually from 2020. 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. In 2023, the Company renewed its partnership with IFC, which in turn provided a 5-year loan to the Company. Compared with high-interest rate bank loans in Africa, it has a better advantage in capital and financial costs.

➤ **Business model:** The Company and the strategic partner, Sunda Group, set up a joint venture to carry out the overseas building materials business, 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. Through the extensive spread of the 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 south of the Sahara Desert, and gradually replicate its successful experience in Africa to emerging markets such as South America and Asia.

➤ **Major performance drivers:** The population dividend, combined with the production and consumption gap, brings market opportunities. Demand for building materials in Africa continues to be driven by the rapid development of urbanized infrastructure and the expansion of the middle class consumer group. According to the MECS-Acimac forecast, from 2022 to 2026, Africa will be the fastest-growing region in the world for ceramic tile consumption, with a compound annual growth rate of 6.6%. Considering the lack of local building material production capacity in some emerging regions,

and taking into account factors such as current market capacity and future market growth, the Company seizes the current opportunity to invest in capacity, which is conducive to achieve local substitution for imports and gain a first-mover advantage in the market. In this regard, the Company actively expands its production capacity and enriches its building material product categories. In the first half of 2023, the Company achieved a year-on-year growth of 25% in revenue, mainly driven by the release of new production capacity. With its matured manufacturing experience, a well-established sales network, and economies of scale, the Company is confident in forming commercial barriers, thereby increasing its market share and influence in the overseas building materials market.

3. Lithium-ion battery materials business and equipment

➤ **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 anode products such as artificial graphite and silicon-carbon composite, which are applied in lithium-ion batteries. During the Reporting Period, 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 formed an integration of "calcined coke - graphitisation - artificial graphite" – and build an industrial chain layout of sodium-ion hard carbon anode material. During the Reporting Period, as Fujian Keda New Energy has successfully achieved production on its Phase I 10,000 tonnes/year artificial graphite production line, together with the production layout of the Company's Anhui factory, the Company has a production capacity of 40,000 tonnes/year for graphitization, 20,000 tonnes/year for artificial graphite, 1000 tonnes/year for silicon-carbon anode and 500 tonnes/year for lithium-titanate. Meanwhile, the production increase and technological reform project of Fujian Keda New Energy Phase I, Fujian Phase II and Chongqing Phase III that in aggregate has 100,000 tonnes of annual production capacity for artificial graphite, are under construction. With the release of production capacity in the future, the business scale and competitiveness will gradually increase.

In 2017, based on the existing anode materials related business, the Company acquired a 48.58% shareholding in Lanke Lithium Industry, a lithium extraction company in salt lakes. Currently, Lanke Lithium Industry has a production capacity of 30,000 tonnes/year of lithium carbonate and has become an important player in China's salt lake lithium extraction industry. Furthermore, in 2022, the Company's subsidiary comprehensively started adaptive

applications of core machinery and equipment in the lithium-ion battery material industry, primarily focused on the sintering process of lithium-ion materials. This includes providing sintering equipment for the production of cathode materials, anode materials, and lithium extraction from lithium mica.

➤ **Product market position and competitive advantages:** At present, the Company's lithium-ion battery anode materials business is in the construction stage. Relying on advantage of technology accumulation and self-developed equipment, the Company continuously optimizes the performance of its anode materials products to enhance their overall competitiveness. Particularly, it has achieved significant application success in the field of long-cycle artificial graphite anode materials for energy storage. Simultaneously, the Company adopts a stable and strategic approach to expand its production capacity, focusing on meeting the high-certainty demands of its customers. These projects are located close to downstream customers and lithium-ion battery production regions, enabling the Company to provide adaptive production capacity support and technical assistance more effectively to its customers. In addition, through equity connections with some of our core customers, the Company is also able to establish closer and highly efficient industrial partnerships with the downstream of the industry chain. On the lithium-ion battery materials machinery business, a cross field application for the sintering equipment of the ceramic machinery is 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.

➤ **Business model:** At present, the production and manufacture of the Company's lithium-ion battery materials business are carried out in China, and facing the domestic market. The Company 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 raw materials from qualified suppliers through price comparison as for the cost; the business model of the machinery business is consistent with that of the building ceramic machinery business.

➤ **Major performance drivers:** The Company's anode materials focus on the mid-to-high-end energy storage battery market while also providing cost-effective anode products

for the power and digital battery sectors. With the expectation of sustained growth in the new energy and energy storage industries in the long term, the Company leverages its research and production of the core equipment to bring process optimization and cost reduction. Additionally, it strategically integrates research and production within the industry chain, actively participates in building an industrial ecosystem, strengthens cooperation and synergy with other companies in the industry, and relies on downstream customer business plans and its own technological expertise to steadily expand production capacity and upgrade products through collaborative research and development. 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.

The lithium-ion battery material equipment industry is a cyclical growth sector driven by investment in production capacity by downstream lithium-ion battery manufacturers. Currently, the industry's capacity is undergoing structural adjustments. In the existing market, the demand for higher quality and lower cost lithium-ion batteries, as well as technological iterations in the battery industry, have given rise to new equipment demands. In addition, some older production lines require upgrades and technological improvements to match the increasing demands for product performance and production efficiency. Looking into the future, with the development of the power and energy storage markets, along with the growth in overseas new energy markets, the mid-to-long-term outlook for the lithium-ion battery material equipment market is optimistic. Leveraging its deep expertise in equipment manufacturing and years of experience in the lithium-ion battery material industry, the Company is actively developing various energy-saving and efficiency-enhancing solutions for the production of cathode and anode materials, which aim to optimize processes and reduce costs, providing customers with significant benefits.

4. Nurturing business supported by strategic investment

(1) Hydraulic pump business: Keda Hydraulic focuses on the development and technological innovation of high-end plunger pumps and motors, integrates hydraulic systems and provides such solutions. The core technology of “high-pressure plunger pumps” it has mastered has achieved mass localization and application. Keda Hydraulic has accumulated tens of thousands of self-developed large-displacement high-pressure plunger pumps and inclined bearing plunger motors, which are applied to leading enterprises and major national engineering projects involving industry, engineering machinery and offshore vessel, etc., and has ranked among the leading units of several national key projects and the

key enterprises of high-end high-pressure plunger pumps in China. At present, Keda Hydraulic has a manufacturing base in Foshan, Guangdong, and is planning to invest in Anhui base to improve product design and manufacturing capabilities, expand the production capacity of engineering pumps and large-displacement engineering motor, and intends to complete the industrial chain through mergers and acquisitions. In order to realize the digital transformation and upgrading, advanced production lines such as FMS digital intelligent high-efficiency flexible lights-out production line and intelligent traceable flexible assembly line with numerical control have been successively introduced by Keda Hydraulic in recent years. In 2022, it became Foshan's "Benchmark Demonstration Project of Industrial Internet Application". In reliance upon the informatization deployment alongside the arrangement and construction of a number of core digital management systems, Keda Hydraulic has realized the integrated management of enterprise information in the overall process consisting of research and development, sales, production, procurement, quality, inventory and finance.

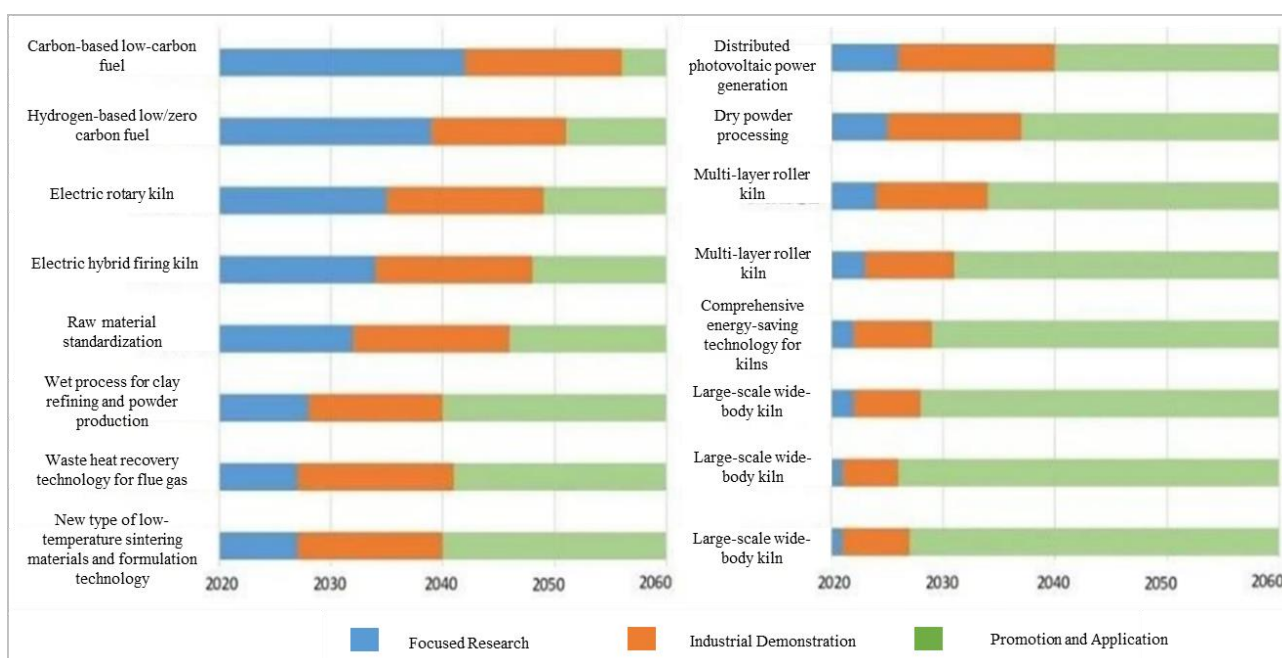
(2) Smart energy business: Keda Smart Energy is a comprehensive solution provider for distributed photovoltaic power plants that specializes in system design, EPC (engineering procurement construction), investment operation, operation and maintenance management and other life cycle services for power plant. It is committed to providing customers with green power and reducing electricity consumption costs and increase asset returns. At present, Keda Smart Energy has deployed comprehensive energy service businesses in Anhui, Guangdong, Jiangsu, Fujian and other places, serving more than 3,000 customers with an annual trading volume of electricity of over 15 billion kWh, holding 3 distribution network projects in operation, investing in the construction of 26 charging stations and developing new energy business exceeding 100 MWh, which in turn enables customers to realize the transformation of renewable energy and promote the green sustainable development.

(II) Development of the industry

1. Building ceramic machinery industry

In 2023, under the influence of multiple factors such as the in-depth adjustment of the domestic real estate industry and the increasingly strict requirements for environmental protection and sustainable development, related domestic industries suffered from operational pressure with weakening willingness to invest. In the meantime, with the implementation of the “dual carbon” policy, the China Building Ceramic & Sanitaryware Association released the white paper entitled *Low-Carbon Development Path of the Building*

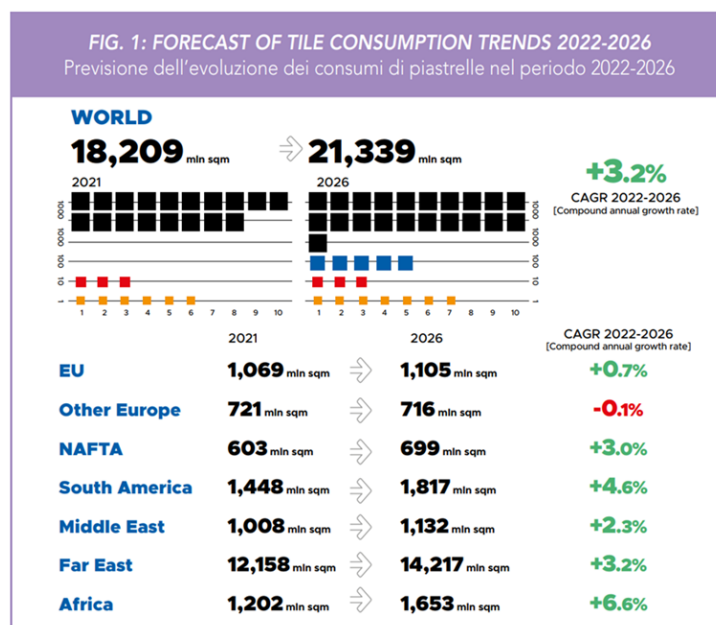
Ceramic & Sanitaryware Industry in April 2023, proposing the overall goal of “carbon peak and carbon neutrality” for the industry, i.e. carbon peak of the industry by 2025; nationwide carbon neutrality by 2060, compared with 2020, the carbon emissions in the manufacturing process of the industry has been reduced by 70%; and technical measures and paths for energy saving and carbon reduction have been proposed. Some of the Company's downstream customers are aiming at establishing core competitiveness in terms of energy-conserving and consumption-reducing technologies and digital management, whereas the industry is gradually transforming from extensive development to standardized and high-quality development. Greenization, premiumisation, and intellectualization have become the development direction of the industry.



White Paper on the *Low-Carbon Development Path of the Building Ceramic & Sanitaryware Industry* - Low-carbon technology roadmap for building ceramics production

Against such backdrop, although the ceramic machinery industry in which the Company is located is facing certain pressure due to the demand side in the short term, there are certain structural development opportunities in the medium and long term. By actively implementing technological reform and product innovation, the Company has been constantly introducing new arrivals with a focus on green and low carbon, digitalization and informatization, promoting the replacement toward advanced production capacity, and boosting the low-carbon transformation of the industry. At the same time, as a global enterprise, the international market has gradually become the driving engine of the Company's principal businesses. Under the circumstance that China's ceramic tile production is declining year by

year, according to *Ceramic Tile Market Forecast Analysis-Trend 2022-2026* of MECS-Acimac, it was estimated that in the five years from 2022 to 2026, the global ceramic tile market would increase by more than 3 billion m² from 18.2 billion m² in 2021 to 21.3 billion m² in 2026, at a compound annual growth rate of 3.2%; and the output would increase to 21.5 billion m² accordingly, representing an increase of approximately 3.2 billion m² as compared with that of 2021. To sum up, the overseas ceramic market is still resilient, and the upstream ceramic machinery market also has promising development potential.



Source / Fonte: *Ceramic Tile Market Forecast Analysis - Trend 2022-2026*, MECS - 2nd edition 2022

Currently, the global ceramic machinery industry has shown a trend that the market share is concentrated at the top leading enterprises, while there is a fragmented market share for other tail enterprises, and there is a stable market competition. On the one hand, the Company aggressively implemented its “globalization” strategy with a view to elevate its foreign market share. On the other hand, while the economies of scale and brand advantages of the Company's ceramic machinery equipment business are manifesting, the Company is also achieving vertical extension through the combination of “equipment + accessories and consumables + services” to establish itself as a global producer and service provider of buildingceramics.

2. Overseas building materials industry

In recent years, African countries have attracted a large number of foreign capital and international companies to enter the market through various measures such as strengthening economic cooperation and improving the business environment, which has promoted the rapid local development. At present, Africa is still in the preliminary stages of development,

and both infrastructure investment and real estate consumption are in the introduction stage, in which limited by the overall industrial development and income level, the per capita consumption of ceramics, sanitary ware, architectural glass and other building materials in Africa is lower than the global average. The advantages of rich raw material resources, enormous demographic dividend and the steady progress of urbanization have provided huge potential for the development of the African building materials market. According to the forecast contained in the *Ceramic Tile Market Forecast Analysis-Trend 2022-2026* of MECS-Acimac, from 2022 to 2026, Africa will be the fastest growing region in the global consumption market of ceramic tile, with a compound annual growth rate of 6.6%. With the rapid growth of demand in the African building materials market, some traders have gone through a transformation or certain building material manufacturers have chosen to enter Africa to carry out building materials business.

Based on the above background, the Company has a first-mover advantage through its matured manufacturing experience, affluent sales channels and scale effect, forming a commercial barrier for the building ceramics business. Currently, the Company is promoting the horizontal expansion of overseas building materials business from building ceramics to sanitary ware, household glass and other diverse categories, so as to realize the sustainable development of overseas building materials business, and to build a leading building materials industry group in Africa.

3. Lithium-ion battery materials and machinery industry

In recent years, the sales volume of new energy vehicles has surged which led the wave of large-scale expansion throughout the whole industry chain, meanwhile energy storage support policy has increased, with the cost of photovoltaic power generation and wind power generation continuously reducing. The advancement in lithium-ion battery technology has led to an increase in cycle counts, propelling the energy storage lithium-ion battery market into an upward development phase. According to the data of GGII and Ministry of Industry and Information Technology, although the first half of 2023 was affected by slow-down of pace, off-season and de-stocking of new energy vehicles' growth, the demands of energy and storage lithium-ion battery market in China remained buoyant, and shipment volume reached 270GWh and 87GWh respectively, representing a year-on-year increase of 33% and 67%. In this regard, the shipment volume of anode material was 720,000 tonnes, representing a year-on-year increase of 18%, of which the shipment volume of artificial graphite reached 620,000 tonnes, and proportion increased to 87%. Domestic lithium carbonate production aggregated

205 thousand tonnes, representing a year-on-year increase of 36.67%. Based on the lithium-ion battery manufacturers tend to be cautious to place order, the prices of lithium-ion battery materials generally declined during the Reporting Period, of which the prices of artificial graphite and graphitisation showed a downward trend with affluent low-end production capacity of the industry and intense price competition. The prices of lithium carbonate decreased from the highest of approximately RMB600, 000/tonnes at the end of 2022 to a low of approximately RMB180,000/tonnes the end of April 2023. As of the end of the Reporting Period, it was stable at approximately RMB300,000/tonnes.

Although the current operation of lithium-ion battery materials faced the cyclical pressures, looking ahead, the global new energy industry still showed a blossoming growth, especially driven by the increased support for new energy storage policy and the cost reduction of lithium-ion battery. The energy storage market may drive the development of lithium-ion battery materials and machinery industry together with the power battery market. For lithium-ion battery materials, building the production capacity with the low-carbon and sustainable development shall become the core competitiveness. While operation globalization, large-scale production lines, intelligent equipment, zero-carbonization production, integration of layout, and regional supporting facilities will become the development trend of anode materials enterprises in a new round of market competition. Enterprises with the advantages of cost, customer, technology and capital will maintain high capacity utilization to meet customer needs with high-quality products and services, and further enhance market share.

The Company's anode materials projects are mainly applied to mid-to-high-end energy storage sectors. In the future, with the continuous release of new production capacity and the deepening of integrated layout of industrial chain, the Company expects to gradually grow into a relatively influential lithium-ion battery anode material supplier in China by strengthening core competitiveness and profitability. At the same time, leveraging on years of experience in equipment manufacturing and accumulation of optimizing lithium-ion battery materials technology, the Company coordinates and integrates internal lithium-ion battery materials and machinery resources, independently develops a variety of equipment with energy saving and consumption reduction, such as the continuous pre-carbonization rotary kiln and a new generation of high-temperature agglomeration roller kiln. In the future, 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 to assist customers to reduce cost and increase efficiency.

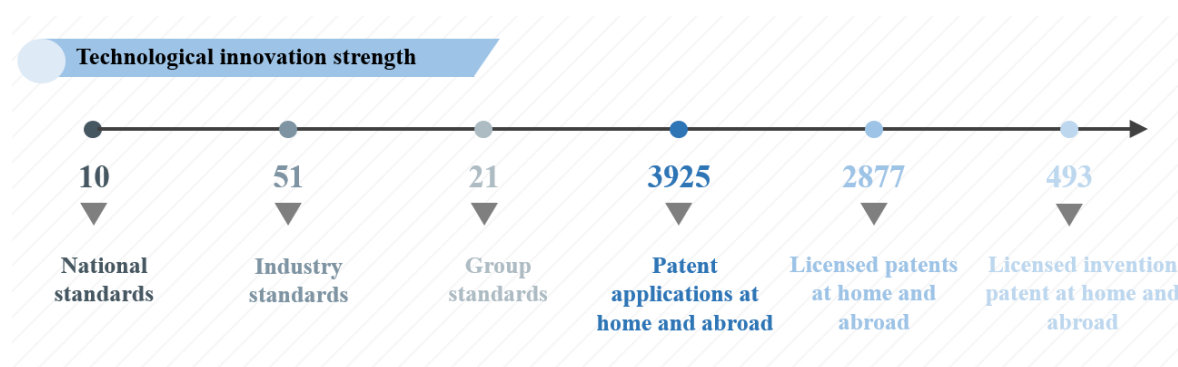
II. ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD

√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 significant national strategy of building a manufacturing powerhouse. It bases its actions on the new development stage, adheres to the new development concepts, and integrates into the new development pattern. The Company focuses on enhancing its core competitiveness and advancing high-quality development. During the Reporting Period, the Company further improved its competitiveness in the following aspects:

(I) Strengthening innovation leadership and cultivating new competitive advantages

The Company places high importance on technological innovation, embracing "innovation knows no bounds" as its core values. It always remain true to our commitment of pursuing prosperity through science and implements a product-led and technology-led development strategy. By integrating various resources and platforms, the Company has forged a powerful capacity for independent research and development of core technologies, resulting in numerous patented technologies and achievements in various industries and fields.



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. The subsidiary HLT's "a dynamic speed-controlling beam for oil circuit structure of hydraulic press" won the China Patent Excellence Award. Keda Foshan Industrial I's "high efficiency and energy saving foaming ceramic roller kiln" and "high efficiency and energy

saving intelligent wide body roller kiln" won the "First Prize of Science and Technology Progress Award" and the "Second Prize of Technology Progress Award" in Guangdong construction materials industry in 2022 respectively. Anhui New Materials's "New Energy Battery Anode Material Anhui Key Jointly-Built Discipline Laboratory" passed the joint recognition of Anhui Province Department of Science and Technology and Department of Education of Anhui Province, which is the first batch of key jointly-built discipline laboratory in Anhui Province, and also the only key jointly-built laboratory in Anhui Province that has been approved in Maanshan City. In addition, the subsidiary, Fujian Keda New Energy, was included in the list of leading industrial cultivation enterprises in Fujian Province, while HLT and DLT were awarded the recognition of "Guangdong Specialized and New SMEs".

(II) Innovation leading green development and technology boosting industrial transformation and upgrading

The Company leads the green development of the industry with the new concepts of low carbon economy and green economy, improves intelligent manufacturing and digitalization of equipment, facilitates the product quality control and cost reduction and efficiency improvement of enterprises, and accelerates the green transformation and upgrading of traditional industries. During the Reporting Period, the world's largest production capacity of continuous ball mill customized by the subsidiary Keda Foshan Industrial has successfully put into production. The system possesses the advantage of high output, low power consumption, long service life, stable performance, even slurry density and high automation and intelligence, which can conduct real-time control to the speed of ball mill according to the target production to provide digital and intelligent support for refined production, and at the same time, it equipped with a cloud control system to monitor equipment operation and production data in mobile phone, and receive fault alarm information in time, and deal with the corresponding problems remotely for achieving unattended operation. The subsidiary DLT has expanded ammonia-hydrogen technology to DFH firing kiln, an innovative achievement. The unique advanced ammonia-hydrogen combustion technology that can ensure stable combustion to achieve low carbon or even zero carbon emission will provide a new path with carbon reduction, zero-carbon combustion technology for national high temperature fuel combustion furnace, especially ceramic firing. Its high efficient, stable and clean combustion technology is an important way for ceramic industry to achieve the strategic goal of carbon peaking and carbon neutrality.

In order to promote the construction of digital factory for ceramic enterprises, Foshan ceramics and equipment industry cluster is jointly promoted by the Company, Meicloud and China Mobile during the Reporting Period, in which the upstream (Meicloud and China Mobile) provide network and data support, and the downstream (Keda Group) provides system and operational support to collaboratively empower ceramic enterprises and equipment enterprises and achieve the goals of more concise supply system, more professional remote services, more deepen industrial synergies and more efficient production and operation. Six brand enterprises in Foshan, including Newpearl Group(新明珠), Hongyu(宏宇), Xinruncheng Ceramics(新润成), Fangxiang Ceramics(方向), New Jincheng Ceramics(新锦成) and Oceano(欧神诺), entered into strategic partnership agreement with the aforesaid three parties to set up a new benchmark for the digital factory.

(III) Implementing digital lean to strengthen the cornerstone of high-quality development

The Company integrated lean into design, production and management to form a "full system with lean management", and using information tool to optimize, solidify and promote digital lean in a comprehensive manner. The Company has promoted lean production to all business units/departments, and included the indicators of lean production in the annual performance appraisal of the first person in charge and operation team of each unit. Each unit has established an independent lean team, and utilised lean improvement week through three key aspects of PMC pull-through, cost reduction and standardization, all staff independent improvement to conduct multidimensional competition and achieve significant effect on cost reduction and efficiency enhancement. At the same time, the Company defined the year of 2023 as the "Year of Process" to carry out lean management, built a process construction at different grades and levels to conduct real-time monitor process operation, further optimized the authorization system and implemented such for the process of approval through the concentrated construction of eight key processes and self-construction of small processes and facilitated the integration of process and IT, system, position, risk control and other management systems to establish a unified control. In addition, the Company set up a expert committee to promote lean design, implemented the design of innovation, quality and cost reduction based on the BPD concept, established a lean design process oriented to market demand, rapid response, equal emphasis on product R&D and order design, simultaneously promoted works such as standardization, process, intellectual property rights systematization, and improved the construction of technical channels, comprehensive training of talents, and

R&D incentive mechanism. As for the full system of lean management, the Company has integrated production informatization tools such as MES, intelligent logistics equipment, TPM equipment management, and intelligent scheduling system, design informatization tools such as PLM, EPLAN, and 3D, and management informatization tools such as SAP, EHR, administrative resource platform, and process management platform, to implement comprehensive digital lean.

(IV) Strengthening global resource allocation and enhancing international competitiveness

The Company adheres to a market-oriented approach, utilizing project collaborations as a means to actively engage in international competition and global resource allocation, thereby expanding and creating new opportunities for growth. During the Reporting Period, the Company successfully secured loan projects with overseas bank consortiums and the International Finance Corporation, totaling €400 million. These loans not only facilitate meeting the Company's rapid expansion of overseas business but also signify high recognition from the international financial market towards the Company.

At the same time, the Company has further expanded its overseas business territory by implementing localization operations, strengthening resource sharing, and synergies between its overseas operations and the China headquarters. During the Reporting Period, in the ceramic machinery business, the Company initiated the construction of the BOZUYUK factory in Turkey and established a new subsidiary in Indonesia. It also plans to establish a base in Brazil. These initiatives aim to facilitate the Company's deeper globalization through the relocation of overseas bases and facilitate the rapid growth of accessories and consumables business. Diversifying its business will increase customer loyalty while enabling overseas subsidiaries to serve as bridges connecting markets in Europe, Asia, Southeast Asia, and even the Americas, accelerating expansion into the European high-end market and promoting a more profound global presence of the Company. In addition, in terms of overseas building materials business, the Company has launched Kenya, Ghana sanitary ware and Tanzania glass projects in the past two years, leveraging on the mature sales channels and the expansion of horizontal categories to strengthen the scale effect of overseas markets.

The localization of talent is a crucial aspect of the Company's globalization management strategy. In recent years, the degree and levels of localization in overseas subsidiaries have steadily increased, with overseas local employees comprising over half of the global

workforce. Among them, Keda India improved management structure and provides an upward career path for Indian employees, the African production base increase the proportion of local employees. Overseas young employees actively integrate into Keda's corporate culture and gradually becoming the backbone of various positions.

III. Discussion and analysis on operation

In the first half of 2023, confronted with certain operating challenges such as the weak global economic recovery, the domestic real estate market downturn, and contradiction between supply and demand in the lithium-ion battery industry, the Company resolutely implemented the globalization strategy, supported the construction of overseas bases and strongholds of ceramic machinery, improved the product lines of various brands of ceramic machinery, and actively promoted the production capacity construction of overseas building materials and lithium-ion battery materials projects. During the Reporting Period, the Company realized operating revenue of RMB 4.747 billion, a year-on-year decrease of 16%; a net profit attributable to the shareholders of the listed company of RMB1.268 billion, a year-on-year decrease of 40.21%; While the performance was under pressure, the operational resilience was highlighted. As the company's overseas business revenue accounted for more than 60%, the gross profit margin of the company's main business reached 31.75%, an increase of more than 3 percentage points over the same period last year.

During the Reporting Period, the Company carried out the following main tasks:

(I) Building materials machinery

● Actively promote globalization and service-oriented development and strengthen business resilience

In the first half of 2023, under the background of weak recovery of domestic real estate market and low consumption of terminal building materials, the Company adhered to the "globalization" development strategy and actively expended overseas markets. During the Reporting Period, the Company's overall revenue of building materials machinery reached RMB 2.1 billion, of which, the Company's domestic market revenue of building materials machinery fallen sharply and affected by the domestic downstream and the retail market, while its overseas export market was relatively stable. At the same time, overseas orders for the Company's ceramic machinery business accounted for more than 60% during the Reporting Period, among which the sales region in Africa and orders from countries like Turkey and Saudi Arabia have experienced a growth of over 30%, while orders in India, Southeast Asia, the Middle East and North Africa declined compared with the same period

last year. Although the operating revenue of the Company's building materials machinery business declined, the increase in the proportion of overseas orders and the implementation of the Company's lean production projects have led to a rise in the gross profit margin of the building materials machinery business by 1.99 percentage points.

In terms of global business layout, the Company's BOZUYUK plant in Turkey laid the foundation during the Reporting Period, covering the Turkey and European markets; at the same time, the Company is preparing to set up an Indonesian subsidiary and actively exploring the establishment of a Brazilian subsidiary in order to better serve customers in Asia and America, speed up market feedback and enhance competitiveness. In terms of product line, the Company actively improves the brand product lines of "Keda", "HLT&DLT" and "ICF & Welko". At the same time, the Company realizes horizontal expansion of business through the combination of "equipment + accessories and consumables + service", and the transformation to "global building ceramic production service provider" leveraging on the Company's overseas factories. On 5 July 2023, the Company acquired 40% equity of SinoCera Create-Tide, a leading domestic ceramic color glaze enterprise. In the future, the Company will join hands with subsidiaries to promote the expansion of overseas ink and glazed materials business and help the Company's service transformation. Up to now, the Company has set up 88 service outlets and accessories warehouses around the world, which formed four major service segments that supported by the original factory accessories, consumables, post-kiln production line contracting and equipment maintenance and transformation, providing customers with omni-directional, multi-level and personalized service solutions.

● **Strengthen intelligent, green and low-carbon research and development, the exploration of multiple applications of ceramic machinery has gradually contributed to the increment**

In recent years, with the implementation of multiple dual-carbon policies, leading building ceramics enterprises have taken the lead in carrying out transformation exploration, and the Company has also accelerated the research and development of major key low-carbon technologies and promoted energy-saving and consumption-reducing technology and equipment to advance the upgrading and transformation of ceramics manufacturing to intelligent manufacturing, which effectively helps production enterprises to save energy, reduce cost and improve efficiency. During the Reporting Period, the subsidiary Keda Foshan Industrial developed hydrogen-energy hybrid combustion technology, launched hydrogen-

powered high-efficiency and energy-saving ultra-wide body roller kiln, and put forward low-carbon solutions, including a new energy-saving system for ceramic industry and the whole kiln electric heat source technology. The Joint Innovation and Research Centre for Advanced Zero Carbon Emission Technology jointly founded by subsidiary DLT, Ammonia-hydrogen Fusion Zero-carbon Combustion Technology developed by it and industrialization supporting key systems and solutions made a new breakthrough, and realized further control on nitrogen oxide emissions. The Company also set up a team to build ceramic manufacturing operation management system, integrating the whole production of ceramic with industrial Internet technology, establishing a real-time digital production management system for customers and promoting the flow management system of ceramic equipment.

At the same time, the Company continued to focus on the cross-field application of ceramic machinery. During the Reporting Period, HLT signed an order for 37 aluminum extrusion presses, with a total amount of over RMB170 million, achieving better develop. In addition, HLT's YPL2000 aluminum extrusion presses are being shipped to the production Base of Yongzhen Technology in Wuhu, Anhui Province, helping Yongzhen Technology to expand the production scale of photovoltaic frames and energy storage battery tray. In terms of kiln products, the tunnel kiln of sanitary ceramic sanitary ware of Keda (Ghana) Sanitary Ware Factory Phase I undertaken by DLT, was put into production during the Reporting Period. In addition, the contracts amount of the Company's lithium-ion battery materials and equipment business totaled RMB 0.5 billion, providing equipment and technical support for automatic crucible loading system, rotary kiln and pneumatic conveying system involving the technological transformation and phase II project of Fujian Keda New Energy and the anode materials projects of Chongqing Keda New Energy, and successively signed granulation/agglomeration kiln projects with Shinzoom, Guizhou Xinchuang and Zichen Technology.

(II) Overseas building materials: continuous release of new production capacity and steady growth in performance

As the population growth rate in Africa maintains a rising trend, urbanisation is steadily advancing, the market demand for ceramic tiles and other building materials is gradually expanding, the consumption potential of ceramic tiles by the residents of African countries continues to be released. From January to June 2023, the Company's building ceramics and sanitary ware projects in Africa went into production one after another, as of the end of the Reporting Period, the Company has operated six factories in five countries in Africa, with 16

production lines of building ceramics and one production line of sanitary ware, and a total of more than 70 million m² of building ceramic products were produced during the Reporting Period, and the Company's overseas building materials business as a whole achieved revenues of RMB1.907 billion, a year-on-year increase of 25%, and maintain a high level of profitability with a gross margin of over 43%.

The Company actively practices the strategy of “Large Building Materials” and continuously promotes the construction and release of production capacity of various production lines. During the Reporting Period, the second phase of the Senegal building ceramics production project and the second phase of the Zambia building ceramics production project were formally put into operation in March and June 2023 respectively, and production project with a daily production capacity of 4,000 pieces of ceramic sanitary ware in Ghana was put into operation in May 2023. At the same time, in March 2023, the Company formally launched the Tanzanian architectural glass production project, and the fifth phase of the Ghana building ceramics production project and production line with a daily production capacity of 4,000 pieces of ceramic sanitary ware in Kisumu, Kenya are expected to be put into production during the year. It is expected that the Company will have 17 building ceramics production lines at the end of 2023, with an annual production capacity of more than 150 million m², and 2 sanitary ware production lines, with an annual production capacity of 2.6 million pieces upon completion. In addition, the Company has established a team to examine regional structural opportunities in South America and Asia, and has completed research on a glass project in Peru.

(III) Lithium-ion battery material: steady increase in sales volume, cost reduction and efficiency enhancement to improve competitive advantage

During the Reporting Period, the 10,000 tonnes/year artificial graphite anode materials production line of the subsidiary Fujian Phase I was put into production, and the current production has reached the planned capacity; with the 10,000 tonnes/year artificial graphite production line of the subsidiary Anhui New Materials, the artificial graphite production line operated at full capacity. From January to June 2023, the production and sales of artificial graphite anode materials have doubled, graphitization processing capacity increased significantly, product production and sales balance, and revenue gradually increased. Affected by market price fluctuations, the overall profitability of the Company's anode materials business has been compressed, with operating income of RMB 0.409 billion and a decline in gross profit margin during the Reporting Period.

In the face of the competitive market environment and fast-developing industry changes, on the one hand, the Company actively promotes the upgrading of manufacturing process and deepens the path of cost reduction and efficiency enhancement to strengthen the competitiveness of its products on the basis of maintaining excellent yield rate and product consistency, including shortening the production cycle through the innovative graphite processing, and enhancing the production efficiency by self-developing the core anode materials pre-treatment equipment, improving the raw material utilisation and product recovery rate by strengthening of lean production and enhancing efficiency by developing the low-cost raw materials. In addition, the Company actively promote the construction of production improvement and technical reform of the subsidiary Fujian Base Phase I project, the 50,000-tonnes/year anode materials integration of the Fujian Base phase II project and the 50,000-tonnes/year production line project of artificial graphite anode materials of the subsidiary Chongqing base, and the construction of the above projects is expected to be completed in 2023. Currently, based on the Company's good business relationship with downstream customers, the subsequent release of the scale will also contribute to the improvement of the marginal effect.

During the Reporting Period, a joint-stock company, Lanke Lithium Industry actively promote the technical transformation project of improving quality and stabilizing production, and carry out efficient recovery trial of lithium resources in the mother liquor of lithium deposition, improve the overall yield of lithium, increase production and optimize production costs. In the first half of 2023, Lanke Lithium Industry achieved a total lithium carbonate production volume of approximately 14.1 thousand tonnes, sales volume of approximately 15.0 thousand tonnes, inventory of 3.2 thousand tonnes. In the face of highly volatile lithium carbonate market prices Lanke Lithium Industry achieved operating income of RMB 3.334 billion and net profit of RMB 1.960billion. The contribution to the Company's net profit attributable to the parent company was RMB 0.854 billion.

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

Applicable Not applicable

IV. Main Operations During the Reporting Period

(I) Main business analysis

1 Analysis statement of changes in the subjects related to the financial 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	474,690.67	565,113.24	-16.00
Operating expenses	323,939.87	403,498.42	-19.72
Selling expenses	27,944.10	26,456.07	5.62
Administration expenses	33,886.26	33,581.36	0.91
Financial expenses	-6,375.34	4,113.32	-254.99
R&D expenses	13,907.77	15,643.73	-11.10
Net cash flows from operating activities	-4,801.50	35,186.84	-113.65
Net cash flow generated from investing activities	-188,935.85	3,612.26	-5,330.41
Net cash flow generated from financing activities	155,586.48	-26,718.37	682.32

Explanation of reasons for changes in financial expenses: Financial expenses decreased by 254.99% 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 for the current period.

Explanation of reasons for the change in net cash amount from operating activities: The net cash flow from operating activities in the current period decreased by 113.65% as compared with the corresponding period of the previous year, which is mainly due to the Company's larger sales and the higher tax refund received in the same period of the previous year.

Explanation of reasons for the change in net cash amount from investment activities: The net cash flow from investing activities in the current period decreased by 5,330.41% as compared with the corresponding period of the previous year, which is mainly due to the Company's investment in Jiaxing Keda Jinhong Salt Lake Industrial Equity Investment Partnership (Limited Partnership) as well as higher payments for equipment and construction in the current period.

Explanation of reasons for changes in net cash flow from financing activities: The net cash flow from financing activities in the current period increased by 682.32% as compared with the corresponding period of previous year, which is mainly due to the Company's higher bank loans obtained in the current period.

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

Applicable Not applicable

(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	436,845.89	18.37	479,681.34	22.68	-8.93	
Financial assets held for trading	19,394.06	0.82	39,796.24	1.88	-51.27	
Notes receivable	8,974.59	0.38	7,504.74	0.35	19.59	
Accounts receivable	192,350.85	8.09	159,100.98	7.52	20.90	
Receivables financing	34,260.95	1.44	26,615.45	1.26	28.73	
Advanced payments	34,303.61	1.44	27,232.27	1.29	25.97	
Other receivables	8,300.27	0.35	11,395.88	0.54	-27.16	
Inventories	318,892.23	13.41	324,167.43	15.33	-1.63	
Contract assets	30,173.43	1.27	38,170.52	1.80	-20.95	
Non-current assets due within one year	46,118.29	1.94	43,236.00	2.04	6.67	
Other current assets	36,751.32	1.55	33,706.54	1.59	9.03	
Long-term receivables	22,753.00	0.96	25,916.48	1.23	-12.21	
Long-term equity investments	407,365.19	17.13	311,916.32	14.75	30.60	
Other equity instrument investments	97,713.62	4.11	591.74	0.03	16,412.92	
Other non-current financial assets	500.00	0.02	500.00	0.02		
Fixed assets	379,005.10	15.94	313,098.27	14.80	21.05	
Construction in progress	74,592.87	3.14	67,629.82	3.20	10.30	
Right-of-use assets	463.80	0.02	821.38	0.04	-43.53	

Intangible assets	88,340.04	3.72	86,717.96	4.10	1.87	
Goodwill	91,322.92	3.84	91,322.92	4.32		
Long-term deferred expenses	4,453.13	0.19	1,541.68	0.07	188.85	
Deferred tax assets	19,157.25	0.81	20,120.77	0.95	-4.79	
Other non-current assets	25,441.84	1.07	4,457.60	0.21	470.75	
Total assets	2,377,474.23	100.00	2,115,242.31	100.00	12.40	
Short-term loans	67,382.27	6.46	100,632.02	12.87	-33.04	
Financial liabilities held for trading	3,376.62	0.32				
Notes payable	48,007.68	4.60	68,551.63	8.77	-29.97	
Accounts payable	139,746.26	13.39	152,923.83	19.55	-8.62	
Contract liabilities	157,546.61	15.09	157,015.75	20.08	0.34	
Payroll payable	12,673.05	1.21	22,353.49	2.86	-43.31	
Taxes payable	8,304.82	0.80	12,761.24	1.63	-34.92	
Other payables	16,029.87	1.54	18,029.87	2.31	-11.09	
Non-current liabilities due within one year	85,539.72	8.19	56,950.73	7.28	50.20	
Other current liabilities	15,002.08	1.44	13,749.25	1.76	9.11	
Long-term loans	463,867.52	44.44	149,015.38	19.05	211.29	
Lease liabilities	491.15	0.05	858.93	0.11	-42.82	
Estimated liabilities	18,869.97	1.81	18,869.97	2.41		
Deferred revenue	3,989.44	0.38	4,497.02	0.58	-11.29	
Deferred tax liabilities	1,343.93	0.13	1,368.31	0.18	-1.78	
Other non-current liabilities	1,686.01	0.16	4,488.35	0.57	-62.44	
Total liabilities	1,043,857.01	100.00	782,065.76	100.00	33.47	

Further descriptions

(1) The closing balance of financial assets held for trading decreased by 51.27% as compared with the closing balance of last year, which was mainly due to more wealth management products redeemed by the Company during the period.

(2) The closing balance of long-term equity investments increased by 30.60% as compared with the closing balance of last year, which was mainly due to the investment income recognized by the Company from the joint venture Lanke Lithium Industry during the period.

(3) The closing balance of other equity instrument investments increased by 16,412.92% as compared with the closing balance of last year, which was mainly due to the Company's investment in Jiaxing Keda Jinhong Salt Lake Industrial Equity Investment Partnership (Limited Partnership) during the period.

(4) The closing balance of right-of-use assets decreased by 43.53% as compared with the closing balance of last year, which was mainly due to the decrease in long-term leased premises of subsidiaries during the period.

(5) The closing balance of long-term deferred expenses increased by 188.85% as compared with the closing balance of last year, which was mainly due to the increase in front-end loan fees of subsidiaries during the period.

(6) The closing balance of other non-current assets increased by 470.75% as compared with the closing balance of last year, which was mainly due to the increase in prepayments for equipment and construction by Fujian Keda New Energy, HLT Technology and Foshan Keda Equipment during the period.

(7) The closing balance of short-term loans decreased by 33.04% as compared with the closing balance of last year, which was mainly due to the repayment of short-term bank loans by the Company during the period.

(8) The closing balance of financial liabilities held for trading for the period was RMB 33.7662 million, which was mainly due to the change in fair value of the Company's forward foreign exchange settlement contracts during the period.

(9) The closing balance of payroll payable decreased by 43.31% as compared with the closing balance of last year, which was mainly due to the payment of year-end bonuses accrued by the Company in the previous year during the period.

(10) The closing balance of taxes payable decreased by 34.92% as compared with the closing balance of last year, which was mainly due to the decrease in enterprise income tax payable and value-added tax payable by the Company during the period.

(11) The closing balance of non-current liabilities due within one year increased by 50.20% as compared with the closing balance of last year, which was mainly due to the increase in the Company's long-term bank loans due within one year during the period.

(12) The closing balance of long-term loans increased by 211.29% as compared with the closing balance of last year, which was mainly due to the Company's new long-term bank loans during the period.

(13) The closing balance of lease liabilities decreased by 42.82% as compared with the closing balance of last year, which was mainly due to the decrease in long-term leased premises of subsidiaries during the period.

(14) The closing balance of other non-current liabilities decreased by 62.44% as compared with the closing balance of last year, which was mainly due to the government subsidised projects approved by the Company was carried forward to other 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 investment situation

1. Overall analysis of external equity investment

Applicable Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Investment amount within the reporting period	181,788.85
Number of increase or decrease variation in investment	161,716.28
Investment amount in the corresponding period of last year	20,072.57
Range of increase or decrease in investment (%)	805.66

Notes:

① From January to February 2023, the Company invested RMB1,300 million to establish Jiaxing Keda Jinhong Salt Lake Industrial Equity Investment Partnership (Limited Partnership).

② From February to June 2023, the subsidiary Fujian Keda New Energy invested RMB95 million to establish Chongqing Keda New Energy Material Co., Ltd., which is held as to 100.00% by Fujian Keda New Energy.

③ In February 2023, the Company increased the capital of Fujian Keda New Energy by RMB285 million. Upon completion of the capital increase, the Company's shareholding in Fujian Keda New Energy became 57.23%.

④ From February to March 2023, the subsidiary Anhui Keda Investment invested RMB 40.3 million to purchase 27.00% equity interest in Anhui Keda Intelligent Energy held by the original minority shareholders. Upon completion of the equity transfer, the shareholding of the subsidiary Anhui Keda Investment in Anhui Keda Intelligent Energy changed from 53.00% to 80.00%.

⑤ In March 2023, the Company increased the capital of Guangdong Keda New Energy Equipment by RMB20 million, which is held as to 99.98% by the Company.

⑥ From March to June 2023, the Company increased the capital of Shaoguan Keda by RMB38 million. Upon completion of the capital increase, the Company's shareholding in Shaoguan Keda changed from 70.00% to 80.00%.

⑦ In April 2023, the subsidiary HLT invested RMB20 million to establish HLT Ceramic Technologies Co., Ltd., which is held as to 100.00% by HLT.

(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 Fujian Keda New Enery	40,000.00	98.77	5,698.28	39,508.25	Self-financing
Ghana Sanitary Ware Project	12,609.38	100.00	3,280.94	12,174.76	Self-financing
Phase II of Zambia Ceramics Factory Project	18,389.93	100.00	13,777.18	17,327.96	Raised + Self-financing
Phase V of Ghana Ceramics Factory Project	25,150.34	66.38	14,970.01	16,694.61	Raised + Self-financing
Large-scale high-end intelligent equipment manufacturing digital factory	50,000.00	28.89	5,939.90	14,446.31	Raised + Self-financing
Construction Project of Foshan Keda Equipment	52,486.00	14.19	6,975.72	7,446.12	Raised + Self-financing
Phase II of Senegal Ceramic Factory Project	25,164.55	100.00	7,954.65	24,705.99	Self-financing
Total	223,800.19		58,596.68	132,304.00	

(3). Financial assets measured at fair value

Applicable Not applicable

Securities investment

Applicable Not applicable

Description of 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 (RMB ten thousand)	Targets of investment in the private funds during the Reporting Period	Investment of private funds as at the end of the Reporting Period (RMB ten thousand)
Guangzhou Jindayingfei 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., Yibin Libode New Materials Co., Ltd.	23,000.00
Jiaying Keda Jinhong Salt Lake Industrial Equity Investment Partnership (Limited Partnership)	99.99	130,000.00	Qinghai Salt Lake Industry Group Company Limited	128,621.79

Investments in derivatives

Applicable Not applicable

The Company considered and approved the *Resolution on Carrying out Hedging Business* at the 21st Meeting for the 8th Board of Directors held on 14 April 2023, agreeing that the Company and its subsidiaries should carry out hedging business with their own funds. The amount of security deposit and royalties for hedging business of raw materials shall not exceed RMB50 million; the maximum balance of foreign exchange rate and interest rate hedging business shall not exceed RMB1.8 billion, and the maximum balance of security deposit paid shall not exceed RMB30 million. The aforementioned quota can be applied on a revolving basis during the validity period, and the transaction amount at any point during the period (including the amount related to the re-trading of the proceeds of the aforementioned transactions) shall not exceed the considered quota.

As of 30 June 2023, the hedging business of raw materials did not take up any amount of security deposit and royalties, and the foreign exchange rate and interest rate hedging business had transactions amounting to USD 118.769 million and did not take up any security deposit amount.

(V) Disposal of significant assets and equity

Applicable Not applicable

(VI) 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	299,643.14	299,643.14	74,101.03
Tilemaster Investment Limited	Production and sales of building ceramics	USD 9,763.20	51.00	596,542.88	219,980.25	69,312.30
Qinghai Weili New Energy Material Co., Ltd.	Investment platform	8,681.76	53.62	98,067.97	97,537.40	21,132.31

(VII) Information on structured entities controlled by the Company

Applicable Not applicable

V. Other disclosures

(I) Possible risks

Applicable Not applicable

1. Macroeconomic, industrial policy and geopolitical risks

Given the weak growth of current global economic, frequent fluctuation in financial markets, rising trade protectionism, intensified geopolitical contradictions, the endogenous economic recovery is moving forward in the twists and turns, with increasing uncertainties and unpredictable factors, risks and challenges. 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 protection emission 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 Company's overseas business accounts for more than half of the total, covering more than 60 countries and regions. Trade restrictions or other impacts caused by geopolitics may adversely affect the Company's business and operations.

The Company will further strengthen the research on the changing trend of macro-economic and related industrial policies, closely follow the national strategic deployment, proactively deal with potential risks; enhance trade compliance development and risk prevention and control, strengthen the compliance review of sensitive areas and customers suppliers, timely identify transaction risks, and overcome the challenges of geopolitics on the Company's operations. At the same time, the Company will continue to consolidate its internal management, and promote the effective improvement of business development quality and the reasonable growth of quantity.

2. Risk of overseas operations and exchange rate fluctuations

The Company actively seizes the development opportunity of the international market, continues to expand the overseas business coverage, and has set up multiple overseas sales regions and subsidiaries. Because of the differences in customs, culture, politics, laws and other aspects among different countries and regions, coupled with intensified trade frictions, increasingly stringent environmental regulations and other factors, there may be certain operational and management risks in overseas investment

of the Company. In the meantime, the current global economic environment presents an unstable situation, and RMB exchange rate is relatively uncertain, therefore, the overseas subsidiaries of the Company may experience risks of profits or losses fluctuation and capital return caused by changes in exchange rate and other factors.

The Company adheres to the high-quality development of overseas business. 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, strengthened the meticulous management of overseas companies and projects, continued to deepen the reform of internal management, and reduced its operational risks in overseas business; at the same time, the Company has continued to assess the exchange rate risks, and reasonably and prudently adopt compliant financial means, such as foreign exchange hedging, to hedge against the adverse impact from exchange rate fluctuations.

3. Management and control risks associated with investments and 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 materials machinery through new establishment or mergers and acquisitions of subsidiaries, and has transformed from the traditional building materials machinery equipment supplier to services provider. In recent years, the Company has also participated in industrial fund investment, with the aim of cultivating high-quality targets and strengthening the linkage between the upstream and downstream of the industrial chain. However, under the background of more uncertain factors in the global economic situation, there may be a risk that the investment return will not be as expected or that the investment will fail. At the same time, 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 subsidiaries.

The Company's investment will be carried out closely around its strategic plan and business plan, strictly follow the principles of strategic guidance, risk control, collective decision-making and benefit assessment, and strengthen the risk control throughout the life cycle of investment projects. Moreover, by continuously improving the enterprise management system, the Company will strengthen its standardised operation and internal control construction to 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 will continue to optimise the construction of the management talent team of the Company and improve the management execution of the Company.

4. Operational risks of large litigation

The Company, its subsidiary, Jiangsu Kehang and other related parties lost the lawsuit (Case (2019) Su 01 Min Chu No. 2893) in the first instance between them and Jiangsu New Century Jiangnan Environmental Protection Co., Ltd. (江苏新世纪江南环保股份有限公司) (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 RMB295 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 RMB91 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.

(II) Other disclosures

Applicable Not applicable

Section IV Corporate Governance

I. Brief introduction of general meetings

Session of the meeting	Date	Designated website for which the resolutions were published	Disclosure date	Meeting resolution
2022 Annual General Meeting	8 May 2023	The website of the Shanghai Stock Exchange (www.sse.com.cn)	9 May 2023	14 proposals including the <i>Working Report of the Board of Directors for 2022</i> , the <i>Working Report of Board of Supervisors for 2022</i> and the <i>Working Report of Independent Directors for 2022</i> were reviewed and approved. For details, please refer to the Announcement No. 2023-036

				issued by the Company on 9 May 2023.
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Shareholders of preference shares with restored voting rights request convening extraordinary general meetings

Applicable Not applicable

Explanation on the General Meetings

Applicable Not applicable

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

Applicable Not applicable

Name	Position (s)	Changes
Huo Zhaoqiang	Director	Resignation
Chen Xuwei	Director	Election
Deng Haoxuan	Director	Election
Zuo Manlun	Director	Election
Lan Hailin	Independent Director	Election

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

Applicable Not applicable

On 14 April 2023, the Board of Directors of the Company received a written resignation application from Mr. Huo Zhaoqiang. Due to his retirement, Mr. Huo Zhaoqiang has applied for resignation from his position as a Director of the eighth session of the Board of Directors of the Company and as a member of the special committee of the Board of Directors. After his resignation, Mr. Huo Zhaoqiang ceased to hold any position in the Company, and his application for resignation took effect from the day on which it reached the Board of Directors on the same day.

Meanwhile, in order to improve the corporate governance structure, further enhance the decision-making ability and governance level of the Board of Directors of the Company, and maximise the experience and ability of Directors, the Company held the 21st Meeting of the 8th Board of Directors and the 2022 Annual General Meeting on 14 April 2023 and 8 May 2023, respectively. According to the relevant resolutions, the number of Board of Directors of the Company has increased from 9 to 12 (of which the number of independent Directors has increased from 3 to 4). Chen Xuwei, Deng Haoxuan and Zuo Manlun were elected as Directors of the eighth session of the Board of Directors of the Company, and Lan Hailin was elected as an independent Director of the eighth session of the Board of Directors of the Company. The term of office of the

four new directors shall commence from the date of consideration and approval by the general meeting of shareholders to the expiry of the term of office of the eighth session of the Board of Directors of the Company.

For details, please refer to the *Announcement on the Resignation of Directors and Addition of Directors* and the *Announcement on the Resolutions of the 2022 Annual General Meeting* disclosed by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on 15 April 2023 and 9 May 2023.

III. Proposal for profit distribution or conversion of capital reserve

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

Whether making profit distribution or converting capital reserve into share capital	No
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IV. Information about the Company's share incentive plan, employee stock ownership plan or other employee incentive measures and their impacts

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

Applicable Not applicable

(II) Events not disclosed in temporary announcement or with progress in subsequent implementation

Information on Equity Incentives

Applicable Not applicable

Other explanations

Applicable Not applicable

Information on Employee Stock Ownership Plan

Applicable Not applicable

On 13 November 2020 and 30 November 2020, the Company held the 32nd Meeting of the 7th Board of Directors and the 3rd Extraordinary Shareholders' Meeting in 2020 respectively, and reviewed and approved the *2020 Employee Stock Ownership Plan*. According to the results of share subscription, the actual establishment scale of the Employee Stock Ownership Plan in this period was RMB86,226,880. On 9 February 2021 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.

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 Transfer of Shares under the 2020 Employee Stock Ownership Plan* disclosed by the Company on 11 February 2021.

As of the date of disclosure of this Report, the shares of the two phases of the Employee Stock Ownership Plan have been released in full, and the shares of Keda Group currently it held are in the amount of 21,556,720, and the Company will subsequently dispose of the shares at an opportune time and deal with the relevant matters such as the vesting of the relevant rights and interests and the distribution of the proceeds.

Other incentive measures

Applicable Not applicable

Section V Environmental and Social Responsibilities

I. Environmental information

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

Applicable Not applicable

1. Information on pollutant discharging

Applicable Not applicable

During the Reporting Period, the Company's subsidiaries Fujian Keda New Energy and Keda Foshan Industrial were included in the list of key pollutant discharging units in 2023. The relevant environmental information of the Company's key pollutant discharging units is set out below:

(1) Fujian Keda New Energy

According to the Article 12 of the *Measures for the Administration of the List of Key Units of Environmental Supervision* (Order No. 27 of the Ministry of Ecology and Environment), "enterprises and institutions implementing key management of pollutant discharge permits as stipulated in the Classification and Management Catalogue for Discharging Licenses shall be listed as key pollutant discharging units". 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, includes the manufacturing of graphite and carbon products. Therefore, Fujian Keda New Energy was listed as a key pollutant discharging unit in 2023.

During the Reporting Period, the pollutant discharging information of Fujian Keda New Energy was as follows:

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

Distribution position of pollutant discharging outlets	Number of main outlets	Name of pollutants	Manner of outlets	Emission concentration (mg/m ³)	Total emission in the first half of 2023 (t)	Total allowable emission (t/a)	Executive standard	Excess emission
Calcination and graphitisation waste gas and other general waste gas vent	6	SO ₂	Organized emission	124	12.62	17.559	<i>Integrated Control Plan for Air Pollution of Industrial Furnace of Fujian Province</i> (Min HuanBaoDaQi (2019) No. 10), <i>Integrated Emission Standard of Air Pollutants</i> (GB16297-1996)	N/A
		NO _x		86	4.08	14.861		N/A
		Particulate matter		18.4	2.81	5.784		N/A

In 2023, 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 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 entrusted to the company qualified in solid waste (desulfurization gypsum) treatment for disposal. At the same time, the waste water in the dewatering process will be pumped back into the desulfurization tower and recycled.

(2) Keda Foshan Industrial

According to the to the Article 11 of *Measures for the Administration of the List of Key Units of Environmental Supervision* (Order No. 27 of the Ministry of Ecology

and Environment), “those who meet one of the following conditions may be listed as key environmental risk management units... (2) enterprises with facilities for self-utilization and disposal of hazardous waste; (3) enterprises holding hazardous waste operation licenses;” and Article 12 “enterprises and institutions implementing the key management of pollutant discharge permits as stipulated in the Classification and Management Catalogue for Discharging Licenses shall be listed as key pollutant discharging units.” According to the *Classification and Management Catalogue for Discharging Licenses of Fixed Pollution Sources (2019 Version)*, those who specialize in the storage, utilization, treatment and disposal of hazardous waste (including incineration power generation) belong to key management category. Keda Foshan Industrial has obtained a sewage discharge permit and a hazardous waste operation license on 10 October 2022 and 2 December 2022, respectively. Therefore, Keda Foshan Industrial was listed as a key pollutant discharging unit in 2023.

During the Reporting Period, the pollutant discharging information of Keda Foshan Industrial was as follows:

- 1) Main pollutants: waste gases and solid wastes
- 2) Names of specific pollutants: particulate matter, SO₂, NO_x, VOCs
- 3) Information on key pollutants discharging during the Reporting Period:

Distribution position of pollutant discharging outlets	Number of main outlets	Name of pollutants	Manner of outlets	Emission concentration (mg/m ³)	Standard limit (mg/m ³)	Total emission in the first half of 2023 (t)	Total allowable emission (t/a)	Executive standard	Excess emission
Incineration waste gas vent	1	Particulate matter	Organized emission	/	30	/	1.998	GB18484-2020	N/A
		SO ₂		/	100	/	3.501		N/A
		NO _x		/	300	/	14.718	GB16297-1996	N/A
Painting and combustion waste gas and other general waste gas vent	8	Particulate matter	Organized emission	ND	120	/	/	DB44/26-2001 DB44/816-2010	N/A
		SO ₂		ND	425	/	0.009		N/A
		NO _x		18	/	0.0029	0.422		N/A
		VOCs		3.24	90	0.1837	1.52		N/A

Notes: 1. “ND” refers to not detected.

2. The reason for the absence of emission concentration data related to incineration waste gas is that the hazardous waste incineration facility of Keda Foshan Industrial was not put into operation in the first half of 2023.

In 2023, Keda Foshan Industrial engaged a CMA-qualified third-party testing unit to conduct manual monitoring of waste gas, waste water, noise and other sources of pollution at 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 35 meters and 25 meters high exhaust funnel respectively after being treated by the environmental protection facilities passed the environmental protection acceptance. The general industrial solid waste generated in the production process is the production residues of refractory bricks and refractory cotton blankets, which are collected and stored in a special industrial solid waste warehouse, and are regularly collected and disposed of by qualified third-party environmental protection companies.

2. Building and operation of pollution prevention and control facilities

Applicable Not applicable

Fujian Keda New Energy has established calciner waste gas treatment facilities and facilities for crushing and screening waste gas treatment. Keda Foshan Industrial has established incineration waste gas treatment facilities, stored waste gas pre-treatment facilities as well as painting waste gas and combustion waste gas treatment facilities, which enable the emission of waste gases in compliance with the standards. Meanwhile, the above key pollutant discharging units have entered into an entrusted testing contract with qualified third-party testing institute to regularly monitor and test the waste gas discharged after treatment. Fujian Keda New Energy installed on-line monitors at its calciner waste gas vent, and signed an entrusted maintenance contract with qualified third-party operation and maintenance company, so as to regularly maintain and calibrate the online monitors to ensure the accuracy of the data. 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

During the Reporting Period, the above key pollutant discharging units both conducted the environmental impact assessment of the project construction in strict accordance with the requirements of laws and regulations, strictly implemented the “Three-Simultaneity” system of environmental protection, and carried out the completion acceptance of the projects in terms of environmental protection on schedule after completion. The above key pollutant discharging units have obtained pollutant discharge permits in accordance with the relevant provisions of the national pollutant discharge permits.

Fujian Keda New Energy passed the phased environmental protection acceptance of the technological transformation project of the newly-built graphitized anode material production line with an annual production capacity of 15,000 tons (Phase I technological transformation) on 4 March 2023, and obtained the approval (Ming Huan Ping Min [2023] No. 12) of environmental impact report on the technological transformation project of the newly-built graphitized anode material production line with an annual production capacity of 50,000 tonson on 19 May 2023.

On 23 June 2020, Keda Foshan Industrial obtained an *Approval of Environmental Impact Report of Construction Project of Manufacturing Base for Digital Ceramics Equipment of Guangdong Keda (Shunde) Clean Energy Co., Ltd.* (广东顺德科达洁能有限公司) issued by Foshan Ecological and Environment Bureau, and commenced the construction of the hazardous waste treatment facilities and installation of environmental protection facilities during the same year, and the hazardous waste treatment facilities were completed in August 2022. Keda Foshan Industrial has obtained a sewage discharge permit and a hazardous waste operation license on 10 October 2022 and 2 December 2022, respectively. During the Reporting Period, Keda Foshan Industrial entrusted Guangdong Shunde Institute of Environmental Sciences Co., Ltd. to carry out the environmental protection inspection and acceptance on 17 January 2023. According to the results of the project acceptance monitoring and on-site survey, various environmental protection measures proposed in the environmental impact assessment report and the approval as well as the environmental-friendly system of “Three-Simultaneity” have been implemented during the project construction process. The acceptance and monitoring results of various pollutants meet applicable standards and the control indicators for total volume satisfy the requirements.

4. Contingency Plans for Environmental Emergencies

Applicable Not applicable

The aforementioned key pollutant discharging units have 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 local Ecological Environment Bureau. To enhance their ability to respond to sudden environmental pollution accidents involving public crisis, the aforementioned key pollutant discharging units regularly organize 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, the above key pollutant discharging units both 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, waste water and factory noises, the testing institutes will set up sampling points at each waste gas and waste water emission outlets and noise monitoring points at plants to monitor the changes in the sources of waste gas, waste water 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

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 and Keda Foshan Industrial) 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, as well as equipped with three-waste treatment facilities for factories involved in manufacturing to control pollutant emissions throughout the process so as to achieve clean production.

The Company has built waste gas treatment facilities and sewage treatment facilities for painting, drying and shot blasting, so as to ensure that waste gas and waste water are discharged in compliance with standards. During the Reporting Period, the Company actively responded to the comprehensive remediation of volatile organic compounds in key industries in Foshan City in 2023, and renovated and upgraded the environmental protection treatment equipment in the Foshan base, so as to improve the efficiency of the collection and treatment of waste gas and waste water, further reduce the emission of pollutants and minimize the impact on the environment; for hazardous wastes, the Company transferred them to qualified units for treatment, and established a monitoring system and relevant management form ledger to closely track the situation; for the noise, the Company adopted various management measures including sound insulation, muffling, vibration damping and others based on the different nature and characteristics of the noise and sound sources to ensure that the emission within the factory boundary meets standards. At the same time, the Company has entered into an entrusted testing contract with a qualified third-party testing institute for regular testing of waste water and waste gas discharged after treatment so as to conduct the testing and monitoring of the Company's pollutant treatment; the Company implements various measures regarding to environmental policies, environmental objectives, audit results, statistical analysis of data, management reviews and corrective and preventive in accordance with the environmental management system, including the annual formulation of environmental objectives, the signing of environmental responsibility certificates with department heads at the beginning of the year, monitoring and measuring and conducting routine environmental monitoring work, in order to realize the prevention, treatment and continuous improvement of pollution. 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 adverse impact on the environment, and no major environmental incidents and pollution accidents occurred during the reporting period.

The Company takes environmental protection as an important part of its sustainable development strategy, practices the development concept of reducing pollution and carbon emissions and synergizing efficiency, adheres to the goal of steady operation and high-quality growth, integrates the environmental management system into the corporate development strategy. In addition to creating economic value, the Company is willing to assume and fulfill its environmental responsibility and seeks to "Green solution, greener life"!

3. Reasons for non-disclosure of other environmental information

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

The Company actively fulfills the mission of environmental protection and energy conservation, integrates the concept of green development into specific production process, actively explores the new methods and new measures of environmental protection and deeply promotes green manufacturing to create low-carbon factories, promote clean production, pursue energy saving and consumption reduction, and promote high-quality development.

During the reporting period, HLT Phase III, Foshan Keda Equipment, Shaoguan Keda and several projects were under construction. Before construction, the Company had hired professional Environmental Impact Assessment Company to assess the potential environmental impact, and taken corresponding measures to minimize its impact on environment, implemented the relevant environmental management systems in the process of construction, went through the relevant approval procedures and

strictly implemented the pollution prevention and control measures in “three simultaneous” system, environmental impact assessment documents and approval requirements. In early May 2023, Anhui Keda Lithium Equipment successfully passed the certifications of ISO9001 quality management system, ISO14001 environmental management system and ISO45001 occupational health and safety management system. Anhui Keda Lithium Equipment carried out precise strategy to achieve the management goals of personnel safety, quality assurance, environmental protection, customer satisfaction and enterprise benefit by conducting the effective operation and control of all internal processes of enterprise under the guidelines of three standard systems of ISO. In June 2023, the “Green Action” for improving the garden and wasteland in front of the office building of Keda India was carried out in an orderly manner and has achieved remarkable results. The “Green Action” improved local environment and increased employees and customers’ satisfaction, as well as demonstrated the Company's ecological commitment to sustainable and high-quality development.

For pollution prevention and control, the self-built 5000t/year hazardous waste incineration equipment has passed the inspection and acceptance during the Reporting period. The Company plans to operate the incineration equipment to disposal the waste production of Foshan Shunde base, and has a spare capacity to provide hazardous waste disposal services for the enterprises around Shunde. According to the requirements of Comprehensive Treatment Scheme for Volatile Organic Compounds, the Company continuously promoted the use of raw and auxiliary materials and advanced manufacturing processes and equipment with low (no) VOCs of Water-based Paint, and actively promoted the use of coating with low VOCs; In addition, the Company entrusted professional institutions to complete the management work after National Pollutant Discharge Permit in the first half of 2023 and guide and improve the daily environmental protection management system.

For energy saving, the Company conducted appropriate procurement and allocation of energy, effective allocation and operation control of energy-using equipment and facilities and reasonable control of production and service processes that have an important impact on energy consumption and energy efficiency in accordance with the relevant energy operation guidelines and performance assessment methods of energy management. The Company applied energy-saving technology, high energy-efficient equipment, reasonable matching of energy types and optimization of energy use to achieve the reasonable allocation and effective use of resources and energy in

the whole process of raw material selection, production and manufacturing, energy consumption, product packaging, storage, transportation and recovery.

Meanwhile, the Company actively advocates green office and low-carbon life. Through establishing a complete set of paperless office system, the Company reduced the printing of paper documents by electronic workflow; and advocates the reuse of one-side used paper and encourages employees to save water and electricity to reduce office costs. The Company uses white high-transmittance glass in the offices to increase lighting, phases out all original high-power spotlights in the factories with LED lights to reduce lighting electricity. With the help of new energy car rental business of subsidiaries, the Company provides green travel services for employees to go out to work on a daily basis. The Company is gradually phasing out expired fuel vehicles and replacing them with electric vehicles. Electric vehicle charging points have also been installed in the Company to encourage employees to travel with electric vehicles. The Company has set up recycling practices for used batteries.

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

Applicable Not applicable

The Company focuses on building an environmentally friendly and resource-saving enterprise, improving ecological and environmental governance capacity by promoting the development and promotion of energy-saving and emission reduction products and processes, accelerating the construction of a green manufacturing system, and contributing to the early realization of the national goal of carbon neutrality.

During the reporting period, HLT Phase III, Foshan Keda Equipment, Shaoguan Keda and several projects which are under construction are all constructing photovoltaic power generation projects. At the same time, the Company has expanded the original photovoltaic power generation of Foshan base. The photovoltaic power generation of the Foshan base totaled 2,548.10 MWh, reducing carbon dioxide emissions by 1,484.75 tonnes in the first half of 2023. The Company has invested and built over 20 distributed photovoltaic power stations in several prefecture level cities in Guangdong, Jiangsu and Anhui provinces, with a total installed capacity of approximately 40.15MW, an annual power generation of 43,697,700 kWh, an annual replacing standard coal of 13,441.4 tons, an annual reduction of carbon dioxide emissions, sulphur dioxide emissions and nitrogen oxides by 36,749.73 tons, 87.4 tons,

83.03 tons respectively, and a saving clean water of 53,748.11 tons. African Production Base have adopted measures such as photovoltaic power generation and flue gas residual heat utilisation to reduce carbon emissions.

In line with the development trend of green and low-carbon in the ceramic industry, the Company innovates the concept of low-carbon, energy conservation, green and environmental protection and integrates it into process development, and makes strategic layout in the developing and researching field of hydrogen-ammonia low-carbon-fueled technology. The subsidiary, Foshan Keda Industrial, researched and developed hydrogen-powered high energy-efficient and energy-saving extra-wide-bodied roller kilns with the advanced hydrogen-mixed burning technology, which can achieve hydrogen mixing ratio of 10%, 20%, 30% and other combustion combinations on the basis of unchanging the original kiln structure. The subsidiary, DLT, participated and jointly founded the Joint Innovation and Research Centre for Advanced Zero Carbon Emission Technology and successfully fired the world's first green manufacture tiles using pure ammonia fuel in 23 December 2022, and the second interim trial experiment was successfully completed in April 2023. The technology made breakthrough again in June 2023, achieving a further control of NO_x emissions.

II. Poverty Alleviation and Rural Revitalization Efforts

Applicable Not applicable

The Company adheres to the corporate mission of "Green Solution, Greener Life", actively contributes to poverty alleviation and rural revitalization, is care about public welfare, effectively fulfills its social responsibility, and enhances the Company's image. The subsidiaries, HLT and DLT, won the honor of "Charity Love and Dedication Enterprise" by Foshan City Sanshui District Leping Charity Association during the reporting period. In the first half of 2023, the Company and its subsidiaries invested a total of over RMB470,000 in support of poverty alleviation and rural revitalization. Domestic subsidiaries donated RMB200,000 by participating in the 2023 Guangdong (Shunde) "6·30" activities helping rural revitalization to Qiandongnan, Guizhou, donated Children's Day funds to relevant organizations, demonstrating the Company's warmth and responsibilities with actual actions. Overseas subsidiaries take the initiative to fulfill social responsibilities, enthusiastically practice public welfare undertakings, and focus on key fields of social responsibility such as disaster relief, culture and education. Keda Turkey donated RMB50,000 materials to earthquake-stricken areas

and approximately RMB20,000 scholarships, Keda Kenya donated a total of approximately RMB30,000 scholarships and Keda Ghana and Keda Tanzania donated for local community to support the launching of national activities and various public welfare activities, demonstrated the social responsibility and responsibility of Chinese-funded enterprises, and greatly enhanced the influence of the Company's brand in the local community.

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. 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. Auditing of the semi-annual report

Applicable Not applicable

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

Applicable Not applicable

VI. Matters relating to bankruptcy and restructuring

Applicable Not applicable

VII. Material litigation and arbitration

The Company had material litigation and arbitration during the reporting period

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

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

Applicable Not applicable

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

Applicable Not applicable

Unit: Ten Thousand Yuan Currency: RMB

During the reporting period:									
Prosecuting (applying) party	Responding (defending) party	Party jointly and severally liable	Type of litigation and arbitration	Basic information on litigation (arbitration)	Amount involved in litigation (arbitration)	Whether the litigation (arbitration) forms the estimated liabilities and the amount	Progress of litigation (arbitration)	Result and influence of litigation (arbitration)	Litigation (arbitration) judgment execution
Jiangsu New Century Jiangnan Environmental Protection Co., Ltd.	Jiangsu Kehang, Keda Group, Keda (Anhui) Clean Energy, Liu Huaiping	Same as the responding party	Disputes over infringement of technical secrets	On 18 October 2019, Jiangsu Kehang 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 <i>Civil Judgment</i> , 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 RMB96,521,800, 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 <i>Notice of Response</i> , 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 February 2023, the Company and its subsidiaries received legal documents such as the <i>Civil Ruling</i> , the <i>Notice of Responding to Litigation</i> and the <i>Complaint</i> 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.	/

Feng Jun	Guangdong Keda Lithium Industry, Keda Group	Keda Group	Dispute over joint venture contract	On 29 June 2021, the Company received the <i>Notice of Response</i> and other legal documents from the Foshan Intermediate People's Court of Guangdong Province (the "Foshan Intermediate Court") in relation to a lawsuit filed by Feng Jun for 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 Guangdong Keda Lithium Industry was established.	9,107.06	Yes	On 12 April 2022, RMB85,962,500 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 <i>Paper of Civil Judgment</i> from the Foshan Intermediate Court, in which the Court made its first instance judgment that granted part of the plaintiff's claim. On 11 July 2022, 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.	The Company made a provision for estimated liability of RMB91,070,600 in 2022, which affected the Company's net profit of 2022. However, given that the second instance has not yet been heard, if the result of the appeal is not consistent with that of first instance, the Company will make adjustment to the estimated liability accordingly based on the subsequent final judgment and accounting policies.	/
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(III) Further descriptions

Applicable Not applicable

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

Applicable Not applicable

During the reporting period, due to the effect of matters not related to the Company, Mr. Zhang Zhonghua, a director of the Company, received the *Prior Notification of Administrative Penalty* (E Chu Fa Zi [2023] No. 3) issued by Hubei Securities Regulatory Bureau. Mr. Zhang Zhonghua served as the general manager of Tus Environmental Science and Technology Development Co., Ltd. (hereinafter referred to as "Tus Environmental") in 2017 and 2018, being responsible for the overall work of Tus Environmental. Tus Environmental is suspected to have recognized costs by falsifying subcontracts and nodal settlement statements, fictionalized the percentage of completion of the relevant PPP project contracts, and recognized in advance or falsely recognized revenue from the general contract between 2017 and 2018, which led to the existence of false records of items such as revenue from the main business and cost of the main business in Tus Environmental's annual reports for the years 2017 and 2018. Therefore, the Hubei Securities Regulatory Bureau decided to issue a warning to Mr. Zhang Zhonghua and impose a fine of RMB300,000.

The subject of the aforesaid *Prior Notification of Administrative Penalty* is not the Company and the matters involved are not related to the Company, which will not have any impact on the production, operation and standardized operation of the Company. Mr. Zhang Zhonghua will actively make representations and defenses in respect of the aforesaid matters and file applications for hearings and appeals. The Company will continue to monitor the

progress of the aforesaid matters and fulfill its information disclosure obligations in a timely manner in accordance with the provisions and requirements of the relevant laws and regulations.

For details, please refer to the *Announcement on a Director of the Company Receiving Prior Notification of Administrative Penalty from Hubei Securities Regulatory Bureau for Non-Company Matters* published the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on 8 April 2023.

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

Applicable Not applicable

X. Major related transactions

(I) Related transactions connected with the daily operation

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

Applicable Not applicable

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

Applicable Not applicable

(1) The Company considered and adopted the *Proposal on the Change of the Provision of Guarantees for Related Parties* at the 2nd Meeting of the 8th Session of the Board of Directors held on 27 September 2021 and the first extraordinary Shareholders' Meeting in 2022 held on 5 January 2022. As a result of change of the lead bank and the amount of facility, Lanke Lithium Industry has adjusted the financing scheme of the project, re-affirming that the syndicated loan will be led by China Development Bank, Qinghai Branch, and syndicated by Industrial and Commercial Bank of China Limited, Qinghai Branch, Agricultural Bank of China Limited, Qinghai Branch, Bank of China Limited, Qinghai Branch, and China Minsheng Bank Corp., Ltd., Xining Branch, which will establish a syndicate and collectively provide a project loan of no more than RMB800 million for Lanke Lithium Industry with a term of 7 years. The Company agreed to provide a guarantee of no more than RMB388.64 million based on the proportion of 48.58% for its related party Lanke Lithium Industry to apply to the bank for a loan. The resolution is valid for one year.

In light of the actual operation of Lanke Lithium Industry, within one year after the above matters were considered and adopted by general meeting, no syndicated loan and related guarantee provided. Currently, the resolution has lapsed.

(2) The Company held the 20th Meeting of the 8th Session of the Board of Directors and the 2022 Annual Shareholders' Meeting on 3 March 2023 and 8 May 2023 respectively, and reviewed and approved the *Announcement on the Daily Connected Transactions of the Company and its Subsidiaries*, agreeing that the Company and its subsidiaries have related transactions with Guangzhou Sunda, Sunda Group and its subsidiaries in 2023, and the Company and its subsidiaries is expected to purchase raw materials and commodities of RMB1,057 million, sell building materials and raw materials of RMB956.16 million and receive labor services of RMB148.40 million from the related parties; agreeing that the Company and its subsidiaries would sell machinery equipment of RMB40.1 million from the subsidiaries of Hongyu Group; agreeing that the subsidiaries of the Company would purchase lithium carbonate of RMB400 million from the joint-stock company Lanke Lithium Industry, purchase graphite raw materials of RMB5 million from the joint-stock company Zhangzhou Juming, sell graphite raw materials of RMB7 million, and provide graphitization processing and technology consulting services of RMB30.1 million. The foregoing projected amount is the total amount inclusive of tax expected to be contracted with the relevant related parties, and sales of certain equipment parts are subject to actual shipment.

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 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 contracts for purchase of raw materials and commodities of RMB 392.2405 million, sales of building materials and raw materials of RMB 512.1517 million, receipt of labor services of RMB 186.6439 million from the related parties; the Company, its subsidiaries and the subsidiaries of Hongyu Group had entered contracts for sales of machinery equipment of RMB 0.5 million; the subsidiaries of the Company and Zhangzhou Juming had entered into contracts for purchase of graphite raw materials of RMB 4.7987 million, providing graphitization processing and technology consulting services of RMB 26.8153 and with no sales of graphite raw materials and no transaction with Lanke Lithium Industry. 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.

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

3. Matters not disclosed in temporary announcement

Applicable Not applicable

4. Matters concerning performance achievement during the reporting period shall be disclosed if performance agreements are involved

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

Description	Inquiry index
<p>The Company signed the <i>Guangzhou Jinda Yingfei Venture Capital Fund Partnership (Limited Partnership) Partnership Agreement</i> on 18 June 2021, in which the Company plans to contribute RMB10,500,000 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. (“Jinda Investment”) 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% 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.</p> <p>As of the end of the reporting period, Jinda Yingfei completed the filing procedures with the Asset Management Association of China and obtained the private investment fund filing certificate, and the Company has actually contributed RMB5 million to Jinda Yingfei.</p>	<p>For details, please refer to the <i>Announcement on Participation in the Establishment of Equity Investment Fund and Related Party Transaction</i>, the <i>Announcement on Completion of Filing and Registration of the Subscription Investment Fund</i> and <i>2022 Annual Report</i> disclosed by the Company on 19 June 2021, and 11 August 2021 and 15 April 2023.</p>

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

√Applicable □Not applicable

In August 2022, the Company entered into the *Partnership Agreement of Keda Nanyue New Energy Venture Investment Partnership (Limited Partnership)*(广东科达南粤新能源创业投资合伙企业(有限合伙)), 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, and 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. According to the Partnership Agreement, the establishment scale of Keda Nanyue shall be RMB251,010,000, and all partners have completed all the capital contribution in 2022, so Keda Nanyue has completed its fund-raising.

In October 2022 and April 2023, Keda Nanyue signed the capital increase agreements with GAC AION New Energy Automobile Co., Ltd. (GAC AION) and Yibin Libode New Materials Co., Ltd. ("Yibin Libode"), respectively, pursuant to which, Keda Nanyue intended to invest RMB199,999,973.88 to subscribe for 15,117,156 shares of GAC AION at a price of RMB13.23 per share; and invest RMB30,000,000 to subscribe for RMB8,125,700 of capital contribution of Yibin Libode at a price of RMB3.692 per share, holding 0.5982% of its equity. As of the end of the reporting period, Keda Nanyue's investment targets were GAC AION and Yibin Libode, with a total investment amount of RMB230 million, accounting for 91.63% of the total size of the 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*, *Announcement on the Progress of Investment of the Investment Funds Participated in the Establishment* and *Announcement on the Progress of Investment of the Investment Funds Participated in the Establishment* published by the

Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on 3 August 2022, 7 September 2022, 21 October 2022 and 5 April 2023, respectively.

3. Matters not disclosed in temporary announcement

Applicable Not applicable

(IV) Amounts due to or from related parties

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

Applicable Not applicable

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

Applicable Not applicable

3. Matters not disclosed in temporary announcement

Applicable Not applicable

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

Applicable Not applicable

(VI) Other major related transactions

Applicable Not applicable

(VII) Others

Applicable Not applicable

XI. Material contracts and their performance

1 Trust, Contracting and Lease

Applicable Not applicable

2 Significant guarantees performed and outstanding during the reporting period

√Applicable □Not applicable

Unit: Ten Thousand Yuan Currency: RMB

External guarantee provided by the Company (excluding guarantee for its subsidiaries)															
Guarantor	Relationship between the guarantor and the listed company	Guaranteed party	Amount of guarantee	Date of guarantee (date of executing the agreement)	Commencement date of guarantee	Expiring date of guarantee	Type of Guarantee	Status of principal debt	Collateral (if any)	Whether the performance of guarantee has been completed	Whether the guarantee is overdue	Amount of guarantee overdue	Counter guarantee	Whether it is 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															
Total guarantee for the subsidiaries incurred during the reporting period							244,109.68								
Total balance of guarantee for the subsidiaries as at the end of the reporting period (B)							302,222.92								
Total amount of the Company's guarantee (including guarantee for its subsidiaries)															
Total guarantee amount (A + B)							302,222.92								
Proportion of total guarantee amount to the net assets of the Company (%)							27.33								
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)							197,311.76								
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)							197,311.76								
Description of possible several and joint liability for undue guarantee															
Description of the guarantees															

3 Other major contracts

Applicable Not applicable

XII. Explanation of other significant matters

Applicable Not applicable

(I) Matters relating to investment

1. Investment in main business

(1) In order to strengthen the expansion of consumables business and to build a global leading building ceramic production solution provider, through the approval of the Company's internal audit process, the Company has entered into a Joint Venture Agreement with Shandong Sinocera Functional Materials Co., Ltd. ("Sinocera Materials") on 5 July 2023, and at the same time, the Company invested RMB264 million for the acquisition of 40% equity interest in SinoCera Create-Tide, a subsidiary of Sinocera Materials. Upon the completion of this acquisition, the Company and Sinocera Materials hold 40% and 60% of the equity in SinoCera Create-Tide, respectively. SinoCera Create-Tide has many years of technical expertise and extensive experience in the development and production of high-end ceramic pigment & glaze and ceramic ink, and its business scope includes the supply of a full range of ceramic pigment, glaze, ink products, and comprehensive design solutions. In the future, the Company will expand its overseas ink and pigment & glaze business, thereby contributing to the development of Company's Ceramic Machinery business.

(2) In order to actively implement the strategy of "Large Building Materials" of the Company's business in Africa, fully utilize the channel coordination advantages of the overseas building materials sector, and expand relevant diversified fields of overseas building materials business horizontally from building ceramics to sanitary ware and household glass etc., the Company held the 20th Meeting of the 8th Session of the Board of Directors on 3 March 2023, considered and approved the *Proposal on Investment*, and it was agreed that the Company's African subsidiary would invest US\$86,762,700 in the construction of an architectural glass production project in Tanzania. In addition, upon the consideration and approval of the Investment Decision-making Committee of the Company, the African Subsidiary invested US\$36,110,400 for the second phase production line of the building ceramic production project built in Zambia. 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 4 March 2023.

(3) In order to improve the integrated layout of the Company's anode materials to realize scale effect, expand the production capacity and market scale of artificial graphite, and enhance the brand and market influence of the Company's anode materials, the Company held the 19th Meeting of the 8th Session of the Board of Directors on 9 January 2023, considered and approved the *Proposal on Investment*, and agreed to the establishment of a wholly-owned subsidiary, Chongqing Keda New Energy, by its controlling subsidiary, Fujian Keda New Energy Technology, and to develop annual output of 50,000 tons of artificial graphite anode material production line project, which is expected to have a total investment of RMB1 billion. 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 10 January 2023.

2. Other investments

(1) 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 Session of the Board of Directors and the 16th meeting of the 8th Session of the 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 to sign the *Jiaying 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 Salt Lake Industrial Fund initiated and established by Xining Hongxi Fund Management Co., Ltd. as a general partner.

As of 17 February 2023, Salt Lake Industrial Fund has obtained the private equity investment fund filing certificate, completed all fundraising and completed the purchase of 50,353,500 shares of Salt Lake (SZ.000792) by means of block transactions, accounting for 0.93 % of the total share capital of Salt Lake, 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.

(2) In order to search for project resources with high synergy in new energy and new material industries and to broaden the Company's investment channels, the Company held an investment decision-making committee meeting on 8 May 2023 where the Company agreed to sign *Huade Chengzhi Zhongke Investment (Beijing) Partnership (Limited Partnership) Partnership Agreement* and contribute RMB50,000,000 to subscribe for the share of the Huade Chengzhi Zhongke Investment (Beijing) Partnership (Limited Partnership) initiated and established by Huade Chengzhi Zhongke Investment and Management (Beijing) Ltd. as a general partner. As of the end of the reporting period, the above Partnership Agreement was still undergoing the signing process. For details, please refer to the *Announcement on Outward Investment and Subscription of Shares of Investment Fund* disclosed by the Company at the Shanghai Stock Exchange (www.sse.com.cn) on 9 May 2023.

(II) 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 USD 173 million. As of the end of the reporting period, based on the exchange rate of the day settlement, the Company has utilized RMB 661 million, accounting for 57.93% of the net funds raised, with the use of funds raised in the manner consistent with the use of funds as agreed in the GDR prospectus. For details of the specific use, please refer to the *Special Report on the Deposit and Actual Use of Raised Funds in the Semi-Annual Period of 2023* disclosed by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn) on 15 August 2023.

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	15.97				-311,214,227	-311,214,227	0	0

1. State-held shares									
2. Shares owned by state-owned legal person									
3. Other domestically owned shares	311,214,227	15.97				-311,214,227	-311,214,227	0	0
Of which: shares owned by domestic non-state-owned legal person	52,994,111	2.72				-52,994,111	-52,994,111	0	0
shares owned by domestic natural person	258,220,116	13.25				-258,220,116	-258,220,116	0	0
4. Shares owned by foreign investors									
Of which: shares owned by foreign legal person									
shares owned by foreign natural person									
II. Unrestricted tradable shares	1,637,205,702	84.03				311,214,227	311,214,227	1,948,419,929	100.00
1. RMB ordinary shares	1,637,205,702	84.03				311,214,227	311,214,227	1,948,419,929	100.00
2. Domestic listed foreign shares									
3. Foreign listed foreign shares									
4. Others									
III. Total number of shares	1,948,419,929	100.00				0	0	1,948,419,929	100.00

2. Description of change in shares

Applicable Not applicable

On 24 February 2020, according to the *Reply concerning the Approval of the Non-public Offering of Shares of Guangdong Keda Clean Energy Co., Ltd* (CSRC Permit No. [2020]295) received by the Company from the CSRC, the Company offered a total of 311,214,227 shares to Liang Tongcan, Foshan Newpearl Group Co., Ltd., Xie Yuezeng in a non-public manner, and the aforesaid shares would be locked up for 36 months from the end of the offering. On 5 June 2023, this part of restricted shares would be lifted from sales restriction and listed, resulting in the number of shares subject to restrictions on sale changing to zero and the number of unrestricted tradable shares changing to 1,948,419,929. For details, please refer to the *Announcement on Circulation of Restricted Shares in Non-public Offering of 2020* disclosed by the Company at the Shanghai Stock Exchange (www.sse.com.cn) on 31 May 2023.

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

Applicable Not applicable

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

Unit: share

Shareholder's name	Number of restricted shares at the beginning of the reporting period	Number of restricted shares released during the reporting period	Number of restricted shares increased during the reporting period	Number of restricted shares at the end of the reporting period	Reasons for the restriction	Date of releasing the restricted shares
Liang Tongcan	215,824,827	215,824,827	0	0	Non-public offering of shares in 2020	2023-06-05
Foshan Newpearl Group Co., Ltd.	52,994,111	52,994,111	0	0	Non-public offering of shares in 2020	2023-06-05
Xie Yuezeng	42,395,289	42,395,289	0	0	Non-public offering of shares in 2020	2023-06-05
Total	311,214,227	311,214,227	0	0	/	/

II. Shareholders

(I) Total number of shareholders:

Total number of ordinary shareholders as of the end of the reporting period (household)	96,927
Total number of preferred shareholders with voting rights restored as of the end of the reporting period (household)	0

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

Unit: share

Top ten shareholders' shareholdings							
Shareholder's name (full name)	Increase/Decrease in reporting period	Shareholding at the end of the period	Proportion (%)	Number of shares held with restrictive sales conditions	Pledged, marked or frozen		Nature of shareholders
					Status of shares	Number	

Liang Tongcan	0	357,142,779	18.33	0	Pledged	207,800,000	Domestic natural person
Guangdong Liansu Technology Industrial Co., Ltd.	136,600,077	136,600,077	7.01	0	N/A	0	Domestic non-state-owned legal person
Lu Qin	0	125,983,334	6.47	0	N/A	0	Domestic natural person
Macrolink Holdings Co., Ltd.	0	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
Foshan Newpearl Group Co., Ltd.	0	52,994,111	2.72	0	N/A	0	Domestic non-state-owned legal person
Xie Yuezeng	0	42,395,289	2.18	0	N/A	0	Domestic natural person
Shi Liyun	-11,000	40,171,100	2.06	0	N/A	0	Domestic natural person
Shi Tingbo	-14,378,600	38,712,800	1.99	0	N/A	0	Domestic natural person
Hong Kong Central Clearing Company Limited	1,648,800	29,337,182	1.51	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	357,142,779			RMB ordinary shares		357,142,779	
Guangdong Liansu Technology Industrial Co., Ltd.	136,600,077			RMB ordinary shares		136,600,077	
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	
Foshan Newpearl Group Co., Ltd.	52,994,111			RMB ordinary shares		52,994,111	
Xie Yuezeng	42,395,289			RMB ordinary shares		42,395,289	
Shi Liyun	40,171,100			RMB ordinary shares		40,171,100	
Shi Tingbo	38,712,800			RMB ordinary shares		38,712,800	
Hong Kong Central Clearing Company Limited	29,337,182			RMB ordinary shares		29,337,182	
Description of the special account for the repurchase of the top ten shareholders	The Company's special securities account for repurchase did not have changes 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, Guangdong Liansu Technology Industrial Co., Ltd., 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

Note: As of the close of the Swiss Exchange on 30 June 2023 (Swiss time), the Company had 3,049,103 outstanding GDRs, accounting for 25.41% of the actual number of GDRs issued.

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

Applicable Not applicable

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

Applicable Not applicable

III. 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	Shareholding at the beginning of the period	Shareholding at the end of the period	Increase/decrease of shareholding during the reporting period	Reasons for changes
Deng Haoxuan	Director	2,800	0	-2,800	Personal reduction

Mr. Deng Haoxuan has served as a Director of the Company since 8 May 2023, and the above share changes were all transactions prior to his tenure of office. From the beginning of his tenure of office to the end of the reporting period, he did not hold any shares of the Company, and there was no increase or decrease in the Company's shares.

Other description

Applicable Not applicable

(II) Equity incentives granted to directors, supervisor and senior management during the reporting period

Applicable Not applicable

(III) Other explanations

Applicable Not applicable

IV. Change of controlling shareholders and actual controllers

Applicable Not applicable

Section VIII Relevant Information About Preferred Shares

Applicable Not applicable

Section IX Bonds

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

Applicable Not applicable

(I) Enterprise Bonds

Applicable Not applicable

II. Convertible corporate bonds

Applicable Not applicable

Section X Financial Report

I. Auditor's Report

Applicable Not applicable

II. Financial Statements

Consolidated Balance Sheet

30 June 2023

Prepared by: Keda Industrial Group Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	30 June, 2023	December 31, 2022
Current assets:			
Monetary funds	VII. 1	4,368,458,867.70	4,796,813,382.56
Settlement funds			
Lending funds			
Financial assets held for trading	VII. 2	193,940,573.18	397,962,373.33
Derivative financial assets			
Notes receivable	VII. 4	89,745,883.32	75,047,382.31
Accounts receivable	VII. 5	1,923,508,485.04	1,591,009,847.45
Receivables financing	VII. 6	342,609,541.51	266,154,517.25
Prepayments	VII. 7	343,036,130.86	272,322,700.45
Premium receivable			
Reinsurance accounts receivable			
Provision for reinsurance contract receivable			
Other receivables	VII. 8	83,002,662.25	113,958,752.66
Including: Interest receivable			
Dividends receivable			4,800,000.00
Purchases of resold financial assets			
Inventories	VII. 9	3,188,922,290.98	3,241,674,256.81
Contract assets	VII. 10	301,734,273.40	381,705,152.65
Assets held for sale			
Non-current assets due within one year	VII. 12	461,182,878.44	432,359,979.01
Other current assets	VII. 13	367,513,160.69	337,065,422.83
Total current assets		11,663,654,747.37	11,906,073,767.31
Non-current assets:			
Loans and advances granted			
Debt investments			
Other debt investments			
Long-term receivables	VII. 16	227,529,995.21	259,164,816.01

Long-term equity investments	VII. 17	4,073,651,852.17	3,119,163,158.98
Other equity instrument investments	VII. 18	977,136,239.78	5,917,404.47
Other non-current financial assets	VII. 19	5,000,000.00	5,000,000.00
Investment properties			
Fixed assets	VII. 21	3,790,050,975.04	3,130,982,694.29
Construction in progress	VII. 22	745,928,740.09	676,298,157.93
Productive biological assets			
Oil and gas assets			
Right-of-use assets	VII. 25	4,637,999.46	8,213,833.67
Intangible assets	VII. 26	883,400,424.84	867,179,615.23
Development expenses			
Goodwill	VII. 28	913,229,150.98	913,229,150.98
Long-term prepaid expenses	VII. 29	44,531,322.40	15,416,756.53
Deferred income tax assets	VII. 30	191,572,478.80	201,207,728.91
Other non-current assets	VII. 31	254,418,351.85	44,576,001.86
Total non-current assets		12,111,087,530.62	9,246,349,318.86
Total assets		23,774,742,277.99	21,152,423,086.17
Current liabilities:			
Short-term loans	VII. 32	673,822,700.87	1,006,320,184.45
Borrowings from the Central Bank			
Borrowing funds			
Financial liabilities held for trading	VII. 33	33,766,239.31	
Derivative financial liabilities			
Notes payable	VII. 35	480,076,835.15	685,516,312.19
Accounts payable	VII. 36	1,397,462,642.61	1,529,238,273.39
Receipts in advance			
Contract liabilities	VII. 38	1,575,466,077.07	1,570,157,469.07
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	126,730,455.92	223,534,857.85
Taxes payable	VII. 40	83,048,227.34	127,612,390.83
Other payables	VII. 41	160,298,718.19	180,298,689.31
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	855,397,177.68	569,507,280.85
Other current liabilities	VII. 44	150,020,781.43	137,492,517.93
Total current liabilities		5,536,089,855.57	6,029,677,975.87
Non-current liabilities:			
Insurance contracts provision			
Long-term loans	VII. 45	4,638,675,164.64	1,490,153,752.68
Bonds payable			
Including: Preferred stock			
Perpetual bonds			
Lease liabilities	VII. 47	4,911,540.25	8,589,330.92
Long-term payables			
Long-term payroll payables			
Estimated liabilities	VII. 50	188,699,684.05	188,699,684.05
Deferred income	VII. 51	39,894,381.74	44,970,169.55
Deferred income tax liabilities	VII. 30	13,439,345.29	13,683,131.40
Other non-current liabilities	VII. 52	16,860,087.09	44,883,546.49
Total non-current liabilities		4,902,480,203.06	1,790,979,615.09
Total liabilities		10,438,570,058.63	7,820,657,590.96
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	VII. 53	1,948,419,929.00	1,948,419,929.00
Other equity instruments			
Including: Preferred stock			
Perpetual bonds			
Capital reserves	VII. 55	3,037,883,380.32	3,059,464,326.69
Less: Treasury stock	VII. 56	500,000,213.13	500,000,213.13
Other comprehensive income	VII. 57	-475,365,869.87	-204,275,596.34
Special reserves	VII. 58	4,390,105.11	4,390,105.11
Surplus reserves	VII. 59	396,165,018.95	396,165,018.95
General risk provision			
Undistributed profits	VII. 60	6,648,237,571.09	6,684,315,895.33
Total owners' equity (or shareholders' equity) attributable to parent company		11,059,729,921.47	11,388,479,465.61
Non-controlling interests		2,276,442,297.89	1,943,286,029.60
Total owners' equity (or shareholders' equity)		13,336,172,219.36	13,331,765,495.21
Total liabilities and owners' equity (or shareholders' equity)		23,774,742,277.99	21,152,423,086.17

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

Balance Sheet of Parent Company

30 June 2023

Prepared by: Keda Industrial Group Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	30 June, 2023	December 31, 2022
Current assets:			
Monetary funds		1,240,075,973.58	2,757,936,985.68
Financial assets held for trading		191,584,778.55	397,504,933.95
Derivative financial assets			
Notes receivable		3,572,449.77	2,308,442.59
Accounts receivable	XVII. 1	689,676,386.65	633,699,563.11
Receivables financing		33,767,170.74	37,580,325.38
Prepayments		33,746,315.99	30,592,960.81
Other receivables	XVII. 2	1,308,682,659.15	1,509,790,902.28
Including: Interest receivable			
Dividends receivable		100,000,000.00	211,096,750.00
Inventories		291,720,931.86	416,836,606.46
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets		4,541,578.22	1,961,888.46
Total current assets		3,797,368,244.51	5,788,212,608.72
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	XVII.3	7,012,042,680.25	6,619,741,108.85
Other equity instrument investments		753,959,222.82	
Other non-current financial assets		5,000,000.00	5,000,000.00
Investment properties			
Fixed assets		279,746,552.00	246,858,681.98
Construction in progress		24,922,823.43	46,558,831.60
Productive biological assets			
Oil and gas assets			

Right-of-use assets			
Intangible assets		37,669,705.53	35,940,951.33
Development expenses			
Goodwill			
Long-term prepaid expenses			
Deferred income tax assets		132,578,213.77	136,164,416.64
Other non-current assets			
Total non-current assets		8,245,919,197.80	7,090,263,990.40
Total assets		12,043,287,442.31	12,878,476,599.12
Current liabilities:			
Short-term loans		282,000,000.00	395,200,000.00
Financial liabilities held for trading		11,768,907.49	
Derivative financial liabilities			
Notes payable		267,706,000.00	459,865,000.00
Accounts payable		437,222,658.80	478,645,990.90
Receipts in advance			
Contract liabilities		293,946,733.61	219,839,514.25
Payroll payable		53,651,561.13	109,326,004.97
Taxes payable		17,772,226.89	29,493,151.13
Other payables		983,353,107.12	3,550,340,587.19
Including: Interest payable			
Dividends payable			
Liabilities held for sale			
Non-current liabilities due within one year		392,080,972.64	140,490,972.64
Other current liabilities		25,915,749.38	24,953,625.19
Total current liabilities		2,765,417,917.06	5,408,154,846.27
Non-current liabilities:			
Long-term loans		1,444,456,250.75	507,410,697.05
Bonds payable			
Including: Preferred stock			
Perpetual bonds			
Lease liabilities			
Long-term payables			
Long-term payroll payables			
Estimated liabilities		187,592,351.57	187,592,351.57
Deferred income			
Deferred income tax liabilities		123,202.72	123,202.72
Other non-current liabilities		8,030,000.00	31,830,000.00
Total non-current liabilities		1,640,201,805.04	726,956,251.34

Total liabilities		4,405,619,722.10	6,135,111,097.61
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)		1,948,419,929.00	1,948,419,929.00
Other equity instruments			
Including: Preferred stock			
Perpetual bonds			
Capital reserves		3,557,704,709.77	3,557,704,709.77
Less: Treasury stock		500,000,213.13	500,000,213.13
Other comprehensive income		-259,332,154.70	-1,764,000.00
Special reserves			
Surplus reserves		389,157,975.92	389,157,975.92
Undistributed profits		2,501,717,473.35	1,349,847,099.95
Total owners' equity (or shareholders' equity)		7,637,667,720.21	6,743,365,501.51
Total liabilities and owners' equity (or shareholders' equity)		12,043,287,442.31	12,878,476,599.12

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

Consolidated Income Statement

January- June 2023

Unit: Yuan Currency: RMB

Item	Note	Interim period of 2023	Interim period of 2022
I. Total operating revenue		4,746,906,660.82	5,651,132,409.07
Including: Operating revenue	VII. 61	4,746,906,660.82	5,651,132,409.07
Interest income			
Premium earned			
Handling charges and commission income			
II. Total operating expenses		3,967,316,942.09	4,859,650,833.71
Including: Operating expenses	VII. 61	3,239,398,714.04	4,034,984,209.01
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	34,290,397.69	26,721,754.65

Selling expenses	VII. 63	279,440,952.73	264,560,716.21
Management expenses	VII. 64	338,862,592.91	335,813,649.90
R&D expenses	VII. 65	139,077,734.60	156,437,290.18
Financial expenses	VII. 66	-63,753,449.88	41,133,213.76
Including: Interest expenses		85,212,940.48	51,391,933.92
Interest income		47,884,125.66	10,109,419.56
Add: Other income	VII. 67	63,408,297.85	48,333,234.43
Investment income (losses marked with “-”)	VII. 68	952,488,585.57	1,797,629,653.68
Including: Investment income in associates and joint ventures		951,709,620.47	1,798,760,189.11
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	-6,600,407.26	15,450,885.07
Credit impairment loss (losses marked with “-”)	VII. 71	-9,628,336.69	-13,007,467.16
Impairment losses on assets (losses marked with “-”)	VII. 72	7,364,916.74	88,312,182.94
Income from disposal of assets (losses marked with “-”)	VII. 73	-699,779.56	-571,585.65
III. Operating profits (losses marked with “-”)		1,785,922,995.38	2,727,628,478.67
Add: Non-operating revenue	VII. 74	5,312,626.60	13,233,470.01
Less: Non-operating expenses	VII. 75	5,551,915.58	103,010,387.37
IV. Total profit (total losses marked with “-”)		1,785,683,706.40	2,637,851,561.31
Less: Income tax expenses	VII. 76	81,291,501.30	70,227,937.31
V. Net profit (net losses marked with “-”)		1,704,392,205.10	2,567,623,624.00
(I) Classified by business continuity			
1. Net profit from continuing operations (net losses marked with “-”)		1,707,540,624.61	2,481,298,070.08
2. Net profit from discontinued operations (net losses marked with “-”)		-3,148,419.51	86,325,553.92
(II) Classified by ownership			
1. Net profit attributable to shareholders of parent company (net losses marked with “-”)		1,268,064,021.64	2,120,725,178.18
2. Profit or loss attributable to minority interests (net losses marked with “-”)		436,328,183.46	446,898,445.82
VI. Other comprehensive income, net of tax		-301,017,031.41	-70,131,637.34
(I) Other comprehensive income attributable to owners of parent company, net of tax		-271,090,273.53	-29,033,255.56

1. Other comprehensive income that may not be reclassified to profit or loss		-294,986,937.11	
(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		-294,986,937.11	
(4) Changes in fair value of enterprise's own credit risk			
2. Other comprehensive income that will be reclassified to profit or loss		23,896,663.58	-29,033,255.56
(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		23,896,663.58	-29,033,255.56
(7) Others			
(II) Other comprehensive income attributable to minority interests, net of tax		-29,926,757.88	-41,098,381.78
VII. Total comprehensive income		1,403,375,173.69	2,497,491,986.66
(I) Total comprehensive income attributable to owners of parent company		996,973,748.11	2,091,691,922.62
(II) Total comprehensive income attributable to minority interests		406,401,425.58	405,800,064.04
VIII. Earnings per share:			
(I) Basic earnings per share (RMB per share)		0.661	1.123
(II) Diluted earnings per share (RMB per share)		0.661	1.123

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

Income Statement of Parent Company

January- June 2023

Unit: Yuan Currency: RMB

Item	Note	Interim period of 2023	Interim period of 2022
I. Operating revenue	XVII. 4	842,241,216.75	1,213,683,667.70
Less: Operating expenses	XVII. 4	660,727,072.63	969,352,823.86
Taxes and surcharges		9,364,880.77	9,926,028.32
Selling expenses		65,706,385.66	67,047,542.40
Management expenses		107,253,367.19	94,559,229.15
R&D expenses		42,590,569.18	50,366,872.89
Financial expenses		-11,058,276.88	29,638,373.12
Including: Interest expenses		21,708,231.69	26,185,613.73
Interest income		30,057,228.44	4,431,284.24
Add: Other income		26,817,444.91	15,798,029.77
Investment income (losses marked with "-")	XVII. 5	2,459,193,795.39	207,423,101.43
Including: Investment income in associates and joint ventures		-192,064.48	4,145,952.03
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 "-")		11,068,407.07	13,325,806.71
Credit impairment loss (losses marked with "-")		157,404.32	-1,656,636.28
Impairment losses on assets (losses marked with "-")			
Income from disposal of assets (losses marked with "-")		65,462.01	-1,619,141.19
II. Operating profits (losses marked with "-")		2,464,959,731.90	226,063,958.40
Add: Non-operating revenue		29,515.26	278,102.97
Less: Non-operating expenses		709,754.16	91,434,081.64
III. Total profit (total losses marked with "-")		2,464,279,493.00	134,907,979.73
Less: Income tax expenses		8,266,773.72	-3,173,224.88
IV. Net profit (net losses marked with "-")		2,456,012,719.28	138,081,204.61
(I) Net profit from continuing operations (net losses marked with "-")		2,456,012,719.28	138,081,204.61
(II) Net profit from discontinued operations (net losses marked with "-")			
V. Other comprehensive income, net of tax		-257,568,154.70	
(I) Other comprehensive income that may not be reclassified to profit or loss		-257,568,154.70	
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		-257,568,154.70	
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		2,198,444,564.58	138,081,204.61
VII. Earnings per share:			
(I) Basic earnings per share (RMB per share)			
(II) Diluted earnings per share (RMB per share)			

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

Consolidated Cash Flow Statement

January- June 2023

Unit: Yuan Currency: RMB

Item	Note	Interim period of 2023	Interim period of 2022
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		4,217,353,395.82	4,970,738,128.46
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		90,416,738.73	272,759,720.74
Other cash received relating to operating activities	VII. 78	94,560,489.36	70,498,320.71
Subtotal of cash inflow from operating activities		4,402,330,623.91	5,313,996,169.91
Cash paid for purchase of goods and receipt of services		3,204,532,858.03	3,758,442,001.53
Net increase in loans and advances from customers			
Net increase in deposits in the Central Bank and interbank			
Cash payments of claims for original insurance contracts			
Net increase in lending funds			
Cash paid for interest, handling charges and commission			
Cash paid for policy dividend			
Cash paid to and for staff		580,675,909.13	580,268,724.19
Various types of taxes paid		280,534,183.14	209,358,097.71
Other cash paid relating to operating activities	VII. 78	384,602,687.51	414,058,935.52
Subtotal of cash outflow from operating activities		4,450,345,637.81	4,962,127,758.95

Net cash flows from operating activities		-48,015,013.90	351,868,410.96
II. Cash flows from investment activities:			
Cash received from disposal of investments		280,000.00	
Cash received from investment income		7,772,625.00	341,516,312.69
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		6,640,763.86	3,691,152.24
Net cash received from disposal of subsidiaries and other business units			1,870,431.33
Other cash received relating to investment activities	VII. 78	1,412,224,697.78	282,756,060.84
Subtotal of cash inflow from investing activities		1,426,918,086.64	629,833,957.10
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		826,619,513.34	387,526,011.17
Cash paid for investment		1,300,000,000.00	
Net increase in pledged loans			
Net cash paid for the acquisition of subsidiaries and other business units			
Other cash paid relating to investment activities	VII. 78	1,189,657,113.42	206,185,387.14
Subtotal of cash outflow from investing activities		3,316,276,626.76	593,711,398.31
Net cash flows from investing activities		-1,889,358,540.12	36,122,558.79
III. Cash flows from financing activities:			
Cash received from capital contributions		284,799,786.66	67,809,300.00
Including: Cash received from minority shareholders investment by subsidiaries		284,799,786.66	67,809,300.00
Cash received from borrowings		4,130,391,598.27	1,371,923,413.33
Other cash received relating to financing activities	VII.78	218,071,339.35	243,178,073.20
Subtotal of cash inflow from financing activities		4,633,262,724.28	1,682,910,786.53
Cash paid for debt repayment		1,219,238,272.18	966,987,354.54
Cash paid for distributing dividend, profit or repaying interest		1,735,734,543.33	495,150,378.27
Including: Dividend and profit paid to minority shareholders by subsidiaries		378,941,977.16	100,248,610.00
Other cash paid relating to financing activities	VII. 78	122,425,115.20	487,956,786.90

Subtotal of cash outflow from financing activities		3,077,397,930.71	1,950,094,519.71
Net cash flows from financing activities		1,555,864,793.57	-267,183,733.18
IV. Effect of foreign exchange rate changes on cash and cash equivalents		72,192,287.33	10,411,508.43
V. Net increase in cash and cash equivalents		-309,316,473.12	131,218,745.00
Add: Opening balance of cash and cash equivalents		3,737,084,797.82	1,687,793,105.33
VI. Closing balance of cash and cash equivalents		3,427,768,324.70	1,819,011,850.33

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- June 2023

Unit: Yuan Currency: RMB

Item	Note	Interim period of 2023	Interim period of 2022
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		840,314,358.13	1,096,677,293.51
Tax refunds received		38,445,030.80	72,987,386.53
Other cash received relating to operating activities		1,654,854,839.99	550,051,288.07
Subtotal of cash inflow from operating activities		2,533,614,228.92	1,719,715,968.11
Cash paid for purchase of goods and receipt of services		634,870,577.91	1,169,793,664.80
Cash paid to and for staff		192,476,057.03	209,212,339.03
Various types of taxes paid		57,982,032.10	29,325,472.20
Other cash paid relating to operating activities		4,253,613,409.06	320,282,371.69
Subtotal of cash outflow from operating activities		5,138,942,076.10	1,728,613,847.72
Net cash flows from operating activities		-2,605,327,847.18	-8,897,879.61
II. Cash flows from investment activities:			
Cash received from disposal of investments		27,287,938.00	168,759,020.00
Cash received from investment income		2,570,243,407.31	249,508,697.99
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		90,000.00	203,000.00
Net cash received from disposal of subsidiaries and other business units			

Other cash received relating to investment activities		1,075,853,918.13	225,000,000.00
Subtotal of cash inflow from investing activities		3,673,475,263.44	643,470,717.99
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		21,520,991.07	27,163,563.37
Cash paid for investment		1,421,577,377.52	268,691,600.00
Net cash paid for the acquisition of subsidiaries and other business units			
Other cash paid relating to investment activities		225,110,863.56	170,749,488.89
Subtotal of cash outflow from investing activities		1,668,209,232.15	466,604,652.26
Net cash flows from investing activities		2,005,266,031.29	176,866,065.73
III. Cash flows from financing activities:			
Cash received from capital contributions			
Cash received from borrowings		1,434,375,188.89	635,965,486.82
Other cash received relating to financing activities		28,247,438.71	48,641,656.79
Subtotal of cash inflow from financing activities		1,462,622,627.60	684,607,143.61
Cash paid for debt repayment		359,530,468.52	333,892,241.94
Cash paid for distributing dividend, profit or repaying interest		1,306,503,029.87	365,810,052.33
Other cash paid relating to financing activities		23,594,396.47	43,202,691.10
Subtotal of cash outflow from financing activities		1,689,627,894.86	742,904,985.37
Net cash flows from financing activities		-227,005,267.26	-58,297,841.76
IV. Effect of foreign exchange rate changes on cash and cash equivalents		4,188,613.78	1,311,367.39
V. Net increase in cash and cash equivalents		-822,878,469.37	110,981,711.75
Add: Opening balance of cash and cash equivalents		1,930,229,870.53	584,126,143.03
VI. Closing balance of cash and cash equivalents		1,107,351,401.16	695,107,854.78

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

Consolidated Statement of Changes in Owners' Equity

January- June 2023

Unit: Yuan Currency: RMB

Item	Interim period of 2023														
	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	1,948,419,929.00				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
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	1,948,419,929.00				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
III. Increase or decrease in amount for current period (decrease marked with "-")					-21,580,946.37		-271,090,273.53				-36,078,324.24		-328,749,544.14	333,156,268.29	4,406,724.15
(I) Total comprehensive income							-271,090,273.53				1,268,064,021.64		996,973,748.11	406,401,425.58	1,403,375,173.69
(II) Capital contribution or reduction by owners					-26,728,848.08								-26,728,848.08	272,625,570.70	245,896,722.62
1. Ordinary shares contributed by owners														284,799,786.66	284,799,786.66
2. Capital contribution by other equity instrument holders															
3. Share-based payments recognized in owners' equity															
4. Others					-26,728,848.08								-26,728,848.08	-12,174,215.96	-38,903,064.04
(III) Profit distribution											-1,304,142,345.88		-1,304,142,345.88	-345,870,727.99	-1,650,013,073.87
1. Withdrawal of surplus reserves															
2. Withdrawal of general risk provision															
3. Distribution to owners (or shareholders)											-1,304,142,345.88		-1,304,142,345.88	-345,870,727.99	-1,650,013,073.87
4. Others															
(IV) Internal transfer of owners' equity															
1. Transfer of capital reserves to capital (or share capital)															
2. Transfer of surplus reserves to capital (or share capital)															
3. Surplus reserves to cover losses															
4. Carry-forward of changes in the defined benefit plan for retained profit															
5. Carry-forward of other comprehensive income for retained profit															
6. Others															
(V) Special reserves															
1. Amount withdrawn during current period															
2. Amount utilized during current period															
(VI) Others					5,147,901.71								5,147,901.71		5,147,901.71
IV. Balance at the end of current period	1,948,419,929.00				3,037,883,380.32	500,000,213.13	-475,365,869.87	4,390,105.11	396,165,018.95		6,648,237,571.09		11,059,729,921.47	2,276,442,297.89	13,336,172,219.36

Item	Interim period of 2022													Minority interests	Total owners' equity
	Owners' equity attributable to parent company											Subtotal			
	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		
	Preferred stock	Perpetual bonds	Others												
I. Balance at the end of last year	1,888,419,929.00				1,904,261,260.40		-110,427,080.90		355,350,662.45		2,814,114,079.93		6,851,718,850.88	1,143,667,346.31	7,995,386,197.19
Add: Change in accounting policy															
Correction of accounting errors in prior periods															
Business combinations under common control															
Others															
II. Balance at the beginning of the year	1,888,419,929.00				1,904,261,260.40		-110,427,080.90		355,350,662.45		2,814,114,079.93		6,851,718,850.88	1,143,667,346.31	7,995,386,197.19
III. Increase or decrease in amount for current period (decrease marked with "-")					2,738,407.72		-29,033,255.56				1,780,809,590.96		1,754,514,743.12	405,219,093.17	2,159,733,836.29
(I) Total comprehensive income							-29,033,255.56				2,120,725,178.18		2,091,691,922.62	405,800,064.04	2,497,491,986.66
(II) Capital contribution or reduction by owners					611,119.04								611,119.04	99,667,639.13	100,278,758.17
1. Ordinary shares contributed by owners														51,809,300.00	51,809,300.00
2. Capital contribution by other equity instrument holders															
3. Share-based payments recognized in owners' equity					33,717,039.59								33,717,039.59	14,531,374.85	48,248,414.48
4. Others					-33,105,920.55								-33,105,920.55	33,326,964.24	221,043.69
(III) Profit distribution											-339,915,587.22		-339,915,587.22	-100,248,610.00	-440,164,197.22
1. Withdrawal of surplus reserves															
2. Withdrawal of general risk provision															
3. Distribution to owners (or shareholders)											-339,915,587.22		-339,915,587.22	-100,248,610.00	-440,164,197.22
4. Others															
(IV) Internal transfer of owners' equity															
1. Transfer of capital reserves to capital (or share capital)															
2. Transfer of surplus reserves to capital (or share capital)															
3. Surplus reserves to cover losses															
4. Carry-forward of changes in the defined benefit plan for 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					2,127,288.68								2,127,288.68		2,127,288.68
IV. Balance at the end of current period	1,888,419,929.00				1,906,999,668.12		-139,460,336.46		355,350,662.45		4,594,923,670.89		8,606,233,594.00	1,548,886,439.48	10,155,120,033.48

Person in charge of the Company: Bian Cheng

Accounting Director: Zeng Fei

Person in charge of accounting department: Zeng Fei

Statement of Changes in Owners' Equity for Parent Company

January-June 2023

Unit: Yuan Currency: RMB

Item	Interim period of 2023										
	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	1,948,419,929.00				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
Add: Change in accounting policy											
Correction of accounting errors in prior periods											
Others											
II. Balance at the beginning of the year	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
III. Increase or decrease in amount for current period (decrease marked with "-")							-257,568,154.70			1,151,870,373.40	894,302,218.70
(I) Total comprehensive income							-257,568,154.70			2,456,012,719.28	2,198,444,564.58
(II) Capital contribution or reduction by owners											
1. Ordinary shares contributed by the owners											
2. Capital contribution by other equity instrument holders											
3. Share-based payment recognized in owners' equity											
4. Others											
(III) Profit distribution										-1,304,142,345.88	-1,304,142,345.88
1. Withdrawal of surplus reserves											
2. Distributions to owners (shareholders)										-1,304,142,345.88	-1,304,142,345.88
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	1,948,419,929.00				3,557,704,709.77	500,000,213.13	-259,332,154.70		389,157,975.92	2,501,717,473.35	7,637,667,720.21

Item	Interim period of 2022										
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profit	Total owners' equity
		Preferred stock	Perpetual bonds	Others							
I. Balance at the end of last year	1,888,419,929.00				2,418,337,921.57				348,343,619.42	1,322,433,478.69	5,977,534,948.68
Add: Change in accounting policy											
Correction of accounting errors in prior periods											
Others											
II. Balance at the beginning of the year	1,888,419,929.00				2,418,337,921.57				348,343,619.42	1,322,433,478.69	5,977,534,948.68
III. Increase or decrease in amount for current period (decrease marked with "-")					16,505,161.10					-201,834,382.61	-185,329,221.51
(I) Total comprehensive income										138,081,204.61	138,081,204.61
(II) Capital contribution or reduction by owners					15,949,161.10						15,949,161.10
1. Ordinary shares contributed by the owners											
2. Capital contribution by other equity instrument holders											
3. Share-based payment recognized in owners' equity					15,949,161.10						15,949,161.10
4. Others											
(III) Profit distribution										-339,915,587.22	-339,915,587.22
1. Withdraw surplus reserves											
2. Distributions to owners (shareholders)										-339,915,587.22	-339,915,587.22
3. Others											
(IV) Internal transfer of owners' equity											
1. Transfer of capital reserves to capital (or share capital)											
2. Transfer of surplus reserves to capital (or share capital)											
3. Surplus reserves to cover losses											
4. Carry-forward of changes in the defined benefit plan for retained profit											
5. Carry-forward of other comprehensive income for retained profit											
6. Others											
(V) Special reserves											
1. Amount withdrawn during current period											
2. Amount utilized during current period											
(VI) Others					556,000.00						556,000.00
IV. Balance at the end of current period	1,888,419,929.00				2,434,843,082.67				348,343,619.42	1,120,599,096.08	5,792,205,727.17

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, Guangdong 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
Guangdong Keda Innovation Private Equity Investment Co., Ltd	Newly founded
Wuhu Kesen New Energy Co., Ltd	Newly founded
Chongqing Keda New Energy Material Co., Ltd.	Newly founded
Keda Tanzania Resource Company Limited	Newly founded
HLT Ceramic Technologies Co., Ltd.	Newly founded
Maanshan Keda Kezhong New Energy Co., Ltd	Newly founded
Foshan Kerongsheng New Energy Technology Co., Ltd	Newly founded
Xiamen Branch of Fujian Keda New Energy Technology Co., Ltd.	Newly founded

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

IV. Basis of preparation of financial statements

1. Basis of preparation

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

2. Going concern

Applicable Not applicable

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

V. Significant accounting policies and accounting estimates

Reminders for specific accounting policies and accounting estimates:

Applicable Not applicable

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

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

2. Accounting period

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

3. Operating cycle

Applicable Not applicable

The Company's operating cycle is 12 months.

4. Reporting currency

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

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

Applicable Not applicable

(1) Business combinations under common control

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

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

For the difference between the book value of the net assets obtained in the combination and the book value of the combined consideration paid (or the total par value of the shares

issued), the share premium in capital reserve shall be adjusted. If the share premium in capital reserve is not sufficient to be written off, the retained earnings shall be adjusted.

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

(2) Business combinations not under common control

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

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

The deductible temporary difference of the acquiree obtained by the acquirer in the business combinations shall not be recognized if it does not meet the conditions for the recognition of deferred tax assets on the acquisition date. Within 12 months after the acquisition date, if new or further information obtained indicates that the relevant circumstances on the acquisition date exist, and it is expected that the economic benefits brought by the deductible temporary difference of the acquiree can be realized on the acquisition date, the relevant deferred tax assets shall be recognized while the goodwill shall be reduced. If the goodwill is insufficient to be written off, the difference shall be recognized in current profit or loss. In addition to the above circumstances, the deferred tax assets related to business combinations shall be recognized and recorded in current profit or loss.

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

the acquirer as the consideration for the combination shall be included in the initial recognition amount of the equity securities or debt securities.

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

If the equity investments held before the acquisition date are subject to accounting treatment using the recognition and measurement standards of financial instruments, the sum of the fair value of the equity investments and the new investment cost shall be taken as the initial investment cost calculated using the cost method instead. For the original financial assets that are converted into investments in subsidiaries accounted for using the cost method, if the relevant financial assets are classified as financial assets at fair value through profit or loss, they shall be recognized as long-term equity investments based on their fair values at the time of conversion. If the non-trading equity instrument investments are classified as financial assets at fair value through other comprehensive income, they shall be recognized as long-term equity investments based on the fair value at the time of conversion. The cumulated change in fair value originally recognized and recorded in other comprehensive

income shall be carried forward and included in the retained earnings, but shall not be recorded in current profit or loss.

6. Preparation method of consolidated financial statements

Applicable Not applicable

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

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

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

(2) Preparation method of consolidated financial statements

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

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

The share of the subsidiaries' current net profit or loss attributable to non-controlling interests is presented as "non-controlling shareholders' profit or loss" under the net profit item in the consolidated income statement. The share of the subsidiaries' comprehensive

income for the period attributable to non-controlling interests is represented as “total comprehensive income attributable to non-controlling shareholders” under the item of total comprehensive income in the consolidated income statement. If the loss shared by the non-controlling shareholders of a subsidiary for the period exceeds the share of the owners’ equity attributable to the non-controlling shareholders of the subsidiary at the beginning of the period, the balance is still offset against the non-controlling interests.

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

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

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

During the reporting period, if subsidiaries and business are disposed of, the Company will not adjust the opening balance when preparing the consolidated balance sheet. The

income, expenses and profits of the subsidiaries and business from the beginning of the period to the disposal date are included in the consolidated income statement. Cash flows are included in the consolidated cash flow statement.

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

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

For a business combination not under common control realized step by step through multiple transactions not constituting “package deal”, in the consolidated financial statements, the equity of the acquiree held before the acquisition date is remeasured at the fair value of the equity on the acquisition date, and the difference between the fair value and its book value is included in the investment income for the period; if the equity of the acquiree held before the acquisition date involves other comprehensive income calculated under the equity method, other comprehensive income related thereto shall be transferred to income for the period in which the acquisition occurs, except for other comprehensive income arising from changes in net liabilities or assets of the defined-benefit plan remeasured by the investee.

Should the parent company dispose its long-term equity investments in a subsidiary without losing the controlling interest, in the consolidated financial statements, the capital reserve (capital premium or equity premium) shall be adjusted based on the difference between the disposal value and the share of subsidiary’s net asset entitled that is continuously

calculated since the acquisition date or combination date, and if the capital reserve is insufficient for the write-down, the retained earnings shall be adjusted.

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

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

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

Applicable Not applicable

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

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

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

(1) the assets held individually by the Company, and the assets held jointly based on its share;

(2) the liabilities assumed individually by the Company, and liabilities jointly assumed based on its share;

(3) the income from disposal of the share of the output of the joint operation;

(4) the income from disposal of output of the joint operation based on its share;

(5) the expenses incurred by the Company alone and the expenses incurred under the joint operation based on its share.

8. Standards for determining cash and cash equivalents

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

9. Foreign currency transactions and translation of foreign currency statements

Applicable Not applicable

(1) The translation of foreign currency transactions

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

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

(2) The translation of foreign currency statements

The amounts of assets and liabilities as stated in the balance sheet are converted at the spot exchange rate prevailing on the balance sheet date. Except for the “undistributed profit”, other items under the owners’ equity are converted at the spot exchange rate prevailing at the

time of incurrence. The income and expense items in the income statement are converted as per the spot exchange rate on the date when the transaction occurs. Based on the translation differences in foreign currency statements generated by the above conversion, the item “translation difference of foreign currency statement” is separately listed under other comprehensive income item.

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

10. Financial instruments

Applicable Not applicable

(1) Classification, recognition and measurement of financial assets

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

① Financial assets measured at amortized cost

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

② Financial assets at fair value through other comprehensive income

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

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

③ Financial assets at fair value through profit or loss

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

(2) Classification, recognition and measurement of financial liabilities

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

① Financial liabilities at fair value through profit or loss

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

The financial liabilities held-for-trading (including derivative instruments that are classified as financial liabilities) are subsequently measured at fair value. Except for hedge accounting, changes in fair value are included in current profit or loss. For financial liabilities designated at fair value through profit or loss, the change in fair value of the liability due to changes in the Company's own credit risk is included in other comprehensive income, and when the liability is derecognized, the accumulated change in fair value caused by the change of its own credit risk through other comprehensive income is transferred to retained earnings. The remaining changes in fair value are included in current profit or loss. If dealing with the impact of changes in the credit risk of these financial liabilities in the above way will cause

or expand the accounting mismatch in the current profit or loss, the Company will include all the gains or losses of the financial liabilities (including the amount affected by the changes in the credit risk of the enterprise) in the current profit or loss.

② Other financial liabilities

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

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

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

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

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

Where the overall transfer of a financial asset meets the conditions for derecognition, the balance of sum of the amount corresponding to the derecognition part between the book value of the transferred financial assets and the amount of the consideration received as a result of the transfer and the cumulative change in the fair value originally included in the other comprehensive income shall be included in current profit or loss.

If the transfer of partial financial assets meets the conditions of derecognition, the book value of the transferred financial assets shall, between the derecognized portion and the portion of which recognition has not been terminated, be apportioned according to their respective relative fair values, and the difference between the consideration received in the

transfer and the accumulative amount of the changes in the fair value originally through other comprehensive income and apportioned to the portion of which the recognition has been terminated and the book value before apportioning is included in current profit or loss.

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

(4) Derecognition of financial liabilities

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

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

(5) Offsetting of financial assets and financial liabilities

When the Company has a legal right to offset the recognized financial assets and financial liabilities, and such legal right is currently enforceable, and at the same time, the Company intends either to settle on a net basis, or to realize such financial assets and pay off such financial liabilities, the net balance after the offsetting of financial assets and the financial liabilities shall be presented in the balance sheet. Otherwise, the financial assets and

the financial liabilities shall be presented separately in the balance sheet without mutual offset.

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

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

(7) Impairment of financial assets

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

shall measure its loss provision according to the amount equivalent to the expected credit loss in the whole lifetime of the financial instrument. The increased or reversed amount of the loss provisions arising therefrom shall be included in current profit or loss as impairment losses or gains.

(8) Equity instruments

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

11. Notes receivable

Determination of expected credit loss and accounting treatment of notes receivable

Applicable Not applicable

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

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

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

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

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

12. Accounts receivable

Determination of expected credit loss and accounting treatment of accounts receivable

Applicable Not applicable

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

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

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

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

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

13. Receivables financing

Applicable Not applicable

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

If the Company transfers the receivables held by it in the form of discount or endorsement, which is frequent and involves a large amount, and its business model for

management is substantially to collect contract cash flows and to sell, it is classified into financial assets at fair value through other comprehensive income in accordance with the accounting standards of financial instruments.

14. Other receivables

Determination of expected credit loss and accounting treatment of other receivables

Applicable Not applicable

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

15. Inventories

Applicable Not applicable

(1) Classification of inventories

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

(2) Valuation method of inventories

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

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

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

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

The net realizable value of inventories of finished goods, goods in stock and materials for sale, which are directly for sale, is determined in the usual and ordinary course of production and operation as the estimated selling price of such inventories, less estimated selling expenses and related taxes. The net realizable value of inventories of materials subject to processing is determined in the usual and ordinary course of production and operation as the estimated selling price of the finished goods produced, less the estimated costs to completion, estimated selling expenses and related taxes. The net realizable value of inventories held for the purpose of performing sales contracts or service contracts is calculated based on the contract price, and if the quantity of inventories held exceeds the

quantity ordered under the sales contract, the net realizable value of the excess inventories is calculated based on the normal selling price.

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

(4) Inventory system

Perpetual inventory system is adopted.

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

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

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

16. Contract assets

(1). Recognition method and standard of contract assets

Applicable Not applicable

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

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

Applicable Not applicable

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

17. Assets held for sale

Applicable Not applicable

A component (or non-current assets, the same below) of an enterprise that meets all of the following conditions is recognized as held for sale: the component must be available for immediate sale in its current condition only in accordance with customary terms for the sale of such components; the Company has made a resolution on the disposal of the component, and if an approval of the shareholders is required, the approval of the shareholders' meeting or the corresponding authority has been obtained; the Company has signed an irrevocable transfer agreement with the transferee; the transfer will be completed within one year.

18. Debt investments**(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 overseas 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 November 30, 2022, the <i>Ministry of Finance issued the Interpretations of Accounting Standards for Business Enterprises No. 16</i> (C.K. [2022] No. 31), of which the provision that "accounting processing under initial recognition and exemption is not applicable to deferred income taxes related to assets and liabilities incurred from a single transaction" will enter into force as of January 1, 2023.	Statutory change	The changes and implementation of the relevant accounting policies for business enterprises had no material impact on the Company's financial statements.

(2). Changes in significant accounting estimatesApplicable Not Applicable

(3) The first implementation of new accounting standards or interpretations of standards since 2023 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 taxes and tax rates**

Major types of taxes and tax rates

√Applicable Not applicable

Tax	Tax Basis	Tax Rate
VAT	Taxable income	3%, 5%, 6%, 9%, 13%, 15%, 16%, 17%, 17.5%, 18%, 21%, 22%
Urban maintenance and construction tax	Turnover tax payable	1%, 5%, 7%
Enterprise income tax	Amount of taxable income	12.5%, 15%, 16.5%, 20%, 22.8%, 23%, 25%, 27.90%, 30%, 35%
Educational fee	Turnover tax payable	3%
Local education surcharge	Turnover tax payable	2%

Explanation of disclosure if different income tax rates apply to different corporate taxpayers

√Applicable Not applicable

Name of taxpayer	Income tax rate (%)
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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
HLT Industry Co., Ltd.	15
DLT Technology Co., Ltd.	15
Henan KDNEU 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., Ltd.	16.5
Kami Materials Co., Ltd.	16.5
Jiangsu Keda Electric Power Co., Ltd.	20
Changzhou Keda Sales Electricity Co., Ltd.	20
Foshan Keda Ceramic Technology Co., Ltd.	20
Suzhou Keda Smart Energy Technology Co., Ltd.	20
Hefei Binhu Keda Intelligent Energy Co., Ltd	20
Wuhu Kean Energy Technology Co., Ltd.	20
Dangtu Kean New Energy Technology Co., Ltd.	20
Shaoguan 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 Ke'an Photovoltaic Electricity Co., Ltd.	20
Hefei Lunuo New Energy Co., Ltd.	20
Artget Fluidtech (Guangzhou) Co., Ltd.	20
Anhui Keda Prime Platform Energy Technology Co., Ltd.	20
Keda (Anhui) New Energy Vehicle Sales Co., Ltd	20
Ningxia Kehang Environmental Protection Engineering Co., Ltd.	20
Hd (Maanshan) Tourist Transport Co., Ltd	20
Hengwang(Anhui) Smart Energy Technology Co., Ltd	20
Anhui Keda Hydraulic Technology Co., Ltd.	20
Sixian Keda New Energy Technology Co., Ltd.	20
Maanshan Kehan New Energy Technology Co., Ltd.	20

Wuhu Keda Intelligent New Energy Technology Co., Ltd	20
Maanshan Ke'an New Energy Technology Co., Ltd.	20
Toyo Hydraulic Technology (Dalian) Co., Ltd.	20
Anhui Keda Kenergy Sales Co., Ltd.	20
Maanshan Zhengpugang New District Taixin New Energy Technology Co., Ltd	20
Maanshan Kegou New Energy Co., Ltd.	20
Maanshan Keda Cigao New Energy Co., Ltd.	20
Langxi Ke'an New Energy Technology Co., Ltd.	20
Guangdong Keda Innovation Private Equity Investment Co., Ltd	20
Wuhu Kesen New Energy Co., Ltd.	20
Maanshan Keda Kezhong New Energy Co., Ltd.	20
Anhui Keqing Environmental Engineering Co., Ltd.	20
Foshan Kexin New Energy Technology Co., Ltd.	20
Foshan Keshiming New Energy Technology Co., Ltd.	20
Foshan Kesheng New Energy Technology Co., Ltd.	20
Foshan Kerongsheng New Energy Technology Co., Ltd.	20
Guangdong Keda Smart Energy Technology Co., Ltd.	20
Keda International Company S.a.r.l.	22.8
Keda Turkey Makine Ticaret Limited Sirketi	23
Foshan HLT Ceramic Technology Co., Ltd.	25
Guangdong Keda New Energy Equipment Co., Ltd	25
Fujian Keda New Energy Technology Co., Ltd.	25
Sichuan Keda Clean Energy New Material Co., Ltd.	25
Anhui Keda Huadong New Energy Vehicle Travel Service Co., Ltd.	25
Anhui Keda Intelligent Energy Technology Co., Ltd	25
Anhui Ke'an Electric Power Engineering Co., Ltd.	25
Keda-Suremaker (Wuhu) Industrial Co., Ltd.	25
Shenyang Keda Clean Energy Gas Co., Ltd.	25
Anhui Keda Investment Co., Ltd.	25
Qinghai Weili New Energy Material Co., Ltd.	25
Guangdong Keda Lithium Industry Co., Ltd.	25
Keda Industrial (Hong Kong) Limited	25
Wibe S.L.	25
Guangdong Xincheng Financial and Leasing Co., Ltd	25
Anhui Xincheng Financial and Leasing Co., Ltd	25

Foshan Keda Equipment Manufacturing Co., Ltd.	25
HLT Technology Co., Ltd.	25
Foshan Ke'an New Energy Technology Co., Ltd.	25
Keda (Anhui) Lithium Equipment Co., Ltd	25
Keda Cote D'ivoire Ceramics Company Limited	25
Chongqing Keda New Energy Materials Co., Ltd.	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 International Company Limited	30
Keda Cameroon Ceramics Limited	30
Keda Tanzania Resource Company Limited	30
Keda Zambia Ceramics Company Limited	35

2. Tax concessions

Applicable Not applicable

Keda Industrial Group Co. Ltd. was recognized as a High-tech Enterprise of Guangdong Province for 2020 (Certificate No. GR202044009552), with an income tax rate of 15%.

HLT Industry Co., Ltd. was recognized as a High-tech Enterprise of Guangdong Province for 2020 (Certificate No. GR202044002004), with an income tax rate of 15%.

Keda (Anhui) Clean Energy Co., Ltd. was recognized as a High-tech Enterprise of Anhui Province for 2022 (Certificate No. GR202234002098), with an income tax rate of 15%.

Guangdong Keda Hydraulic Technology Co., Ltd. was recognized as a High-tech Enterprise of Guangdong Province for 2022 (Certificate No. GR202244006263), with an income tax rate of 15%.

Jiangsu Kehang Environmental Protection Co., Ltd. was recognized as a High-tech Enterprise of Jiangsu Province for 2020 (Certificate No. GR202032010161), with an income tax rate of 15%.

Anhui Keda New Material Co., Ltd. was recognized as a High-tech Enterprise of Anhui Province for 2022 (Certificate No. GR202234003318), with an income tax rate of 15%.

Anhui Keda Platinum Platform Energy Technology Co., Ltd. was recognized as a High-tech Enterprise of Anhui Province for 2020 (Certificate No. GR202034002574), with an income tax rate of 15%.

Anhui Keda Industrial Co., Ltd. was recognized as a High-tech Enterprise of Anhui Province for 2021 (Certificate No. GR202134002910), with an income tax rate of 15%.

Henan Kedaneu International Engineering Co., Ltd. was recognized as a High-tech Enterprise of Henan Province for 2021 (Certificate No. GR2021141000302), with an income tax rate of 15%.

DLT Technology Co., Ltd. was recognized as a High-tech Enterprise of Guangdong Province for 2021 (Certificate No. GR202144005272), with an income tax rate of 15%.

Foshan Keda Industrial Co., Ltd. was recognized as a High-tech Enterprise of Guangdong Province for 2022 (Certificate No. GR202244002608), with an income tax rate of 15%.

3. Others

Applicable Not applicable

VII. Notes to the Items of Consolidated Financial Statements

1. Monetary funds

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Cash on hand	7,159,163.91	6,363,945.67
Bank deposits	3,420,593,070.36	3,727,345,344.22
Other monetary funds	940,706,633.43	1,063,104,092.67
Total	4,368,458,867.70	4,796,813,382.56
Including: Total amount deposited overseas	1,699,692,313.80	812,764,099.19
Deposits with financial institutions		

Other notes: The closing balance of other monetary funds includes RMB754,615,013.50 for time certificates of deposit, RMB70,060,336.77 of deposits for bank acceptance bills, RMB89,799,065.22 of judicially frozen funds, RMB26,016,396.14 of deposits for letters of guarantee (L/Gs), and RMB215,821.80 for others.

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	193,940,573.18	397,962,373.33
Including:		
Wealth management products	192,118,320.30	395,811,388.09
Forward foreign exchange settlement hedging	1,822,252.88	2,071,085.24
Futures contract		79,900.00
Total	193,940,573.18	397,962,373.33

Other notes:

Applicable Not applicable

The closing balance of financial assets held for trading decreased by 51.27% year on year, mainly due to the high number of wealth management products redeemed by the Company during the Reporting Period.

3. Derivative financial assets

Applicable Not applicable

4. Notes receivable

(1). Classified presentation of notes receivable

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Bank acceptance bills	84,828,000.00	61,963,400.00
Commercial acceptance bill	4,917,883.32	13,083,982.31
Total	89,745,883.32	75,047,382.31

(2). Notes receivable pledged by the Company at the end of the Reporting Period

Applicable Not applicable

(3). Notes receivable endorsed or discounted by the Company at the end of the Reporting Period but not yet maturing as at the balance sheet date

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount derecognized at the end of the Reporting Period	Amount not derecognized at the end of the Reporting Period
Bank acceptance bills		28,498,000.00
Commercial acceptance bill		150,000.00
Total		28,648,000.00

(4). Notes converted by the Company into accounts receivable at the end of the Reporting Period due to the drawer's non-performance

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount converted into accounts receivable at the end of the Reporting Period
Commercial acceptance bill	100,000.00
Total	100,000.00

(5). Classified disclosure according to the methods of bad debt provision

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debts provision		Carrying value	Book balance		Bad debts provision		Carrying value
	Amount	Percentage (%)	Amount	Provision percentage (%)		Amount	Percentage (%)	Amount	Provision percentage (%)	
Bad debts provisions made on portfolio	89,912,835.80	100.00	166,952.48	0.19	89,745,883.32	75,166,221.82	100.00	118,839.51	0.16	75,047,382.31
Including:										
Commercial acceptance bills portfolio	5,084,835.80	5.66	166,952.48	3.28	4,917,883.32	13,202,821.82	17.56	118,839.51	0.90	13,083,982.31
Portfolio of Bank acceptance bills	84,828,000.00	94.34			84,828,000.00	61,963,400.00	82.44			61,963,400.00
Total	89,912,835.80	/	166,952.48	/	89,745,883.32	75,166,221.82	/	118,839.51	/	75,047,382.31

Bad debts provisions made on single item:

□ Applicable √ Not applicable

Bad debts provisions made on portfolio:

√ Applicable □ Not applicable

Portfolio-based provision item: Commercial acceptance bills portfolio

Unit: Yuan Currency: RMB

Name	Closing balance		
	Notes receivable	Bad debts provision	Provision percentage (%)
Commercial acceptance bills portfolio	5,084,835.80	166,952.48	3.28
Total	5,084,835.80	166,952.48	3.28

Recognition criteria and explanations for setting aside the bad debts provision by portfolio

□ Applicable √ Not applicable

In case of provisions set aside for bad debts by the general expected credit loss model, please refer to the disclosure of other receivables:

□ Applicable √ Not applicable

(6). Bad debts provision√ Applicable Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Change in the current period				Closing balance
		Accrual	Recovery or reversal	Transfer or write-off	Other changes	
Bad debts provision	118,839.51	48,112.97				166,952.48
Total	118,839.51	48,112.97				166,952.48

Including: Significant amount of bad debts provision recovered or reversed in the current period:

 Applicable Not applicable**(7). Notes receivable written off in the current period** Applicable Not applicable

Other notes

 Applicable Not applicable**5. Accounts receivable****(1). Disclosure by aging**√ Applicable Not applicable

Unit: Yuan Currency: RMB

Aging	Closing book balance
Within one year	
Including: Sub-items within one year	
Within one year	1,684,861,565.55
Subtotal within one year	1,684,861,565.55
One to two years	292,363,346.71
Two to three years	86,091,431.12
Over three years	88,907,230.16
Total	2,152,223,573.54

(2). Classified disclosure according to the methods of bad debt provision√ Applicable Not applicable

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debts provision		Carrying value	Book balance		Bad debts provision		Carrying value
	Amount	Percentage (%)	Amount	Provision percentage (%)		Amount	Percentage (%)	Amount	Provision percentage (%)	

Bad debts provisions made on single item	99,194,111.07	4.61	65,529,746.03	66.06	33,664,365.04	99,150,074.34	5.44	67,460,005.49	68.04	31,690,068.85
Bad debts provisions made on portfolio	2,053,029,462.47	95.39	163,185,342.47	7.95	1,889,844,120.00	1,722,501,645.22	94.56	163,181,866.62	9.47	1,559,319,778.60
Total	2,152,223,573.54	/	228,715,088.50	/	1,923,508,485.04	1,821,651,719.56	/	230,641,872.11	/	1,591,009,847.45

Bad debts provisions made on single item:

Applicable Not applicable

Unit: Yuan Currency: RMB

Name	Closing balance			
	Book balance	Bad debts provision	Provision percentage (%)	Reason(s) for the provision
Customer 1	21,864,230.44	6,559,269.13	30.00	Projected risk of recovery
Customer 2	17,516,000.00	5,183,813.11	29.59	Projected risk of recovery
Customer 3	5,103,736.93	5,103,736.93	100.00	Expected to be unrecoverable
Customer 4	4,966,965.00	4,966,965.00	100.00	Expected to be unrecoverable
Customer 5	4,770,000.00	4,770,000.00	100.00	Expected to be unrecoverable
Customer 6	3,600,000.00	3,600,000.00	100.00	Expected to be unrecoverable
Customer 7	3,408,152.50	536,000.00	15.73	Projected risk of recovery
Subtotal of less material single account receivable	37,965,026.20	34,809,961.86	91.69	
Total	99,194,111.07	65,529,746.03	66.06	/

Notes to the bad debts provisions made on single item:

Applicable Not applicable

Bad debts provisions made on portfolio:

Applicable Not applicable

Grouping-based provision item: Accounts receivable with the provision set aside for bad debts by the credit risk grouping

Unit: Yuan Currency: RMB

Name	Closing balance		
	Accounts receivable	Bad debts provision	Provision percentage (%)
Within one year	1,709,303,983.70	41,126,005.74	2.41
One to two years	207,795,410.75	30,348,953.31	14.61
Two to three years	60,247,795.92	31,165,178.63	51.73
Three to five years	54,558,314.39	39,421,247.08	72.26

Over five years	21,123,957.71	21,123,957.71	100.00
Total	2,053,029,462.47	163,185,342.47	7.95

Recognition criteria and explanations for setting aside provisions for bad debts by portfolio:

Applicable Not applicable

In case of provisions set aside for bad debts by the general expected credit loss model, please refer to the disclosure of other receivables:

Applicable Not applicable

(3). Bad debts provision

Applicable Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Change in the current period				Closing balance
		Accrual	Recovery or reversal	Transfer or write-off	Other changes	
Bad debts provision	230,641,872.11	432,747.46	693,449.54	5,627,326.91	2,574,346.30	228,715,088.50
Total	230,641,872.11	432,747.46	693,449.54	5,627,326.91	2,574,346.30	228,715,088.50

Including: Significant amount of bad debts provision recovered or reversed in the current period:

Applicable Not applicable

(4). Accounts receivable written off in the current period

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount written off
Accounts receivable written off	5,627,326.91

Including: Write-off of significant accounts receivable

Applicable Not applicable

Unit: Yuan Currency: RMB

Unit	Nature of the accounts receivable	Amount written off	Reason(s) for the write-off	Write-off procedures performed	Whether caused by related transaction
Customer 8	Payment for goods	3,190,000.00	Irrecoverable	Approval procedure for bad debt write-offs	No
Customer 9	Payment for goods	822,200.00	Irrecoverable	Approval procedure for bad debt write-offs	No

Customer 10	Payment for goods	677,528.16	Irrecoverable	Approval procedure for bad debt write-offs	No
Total	/	4,689,728.16	/	/	/

Notes to the write-off of accounts receivable:

Applicable Not applicable

(5). Top five accounts receivable in the closing balance categorized by debtors

Applicable Not applicable

Unit: Yuan Currency: RMB

Unit	Closing balance	Proportion to total closing balance of accounts receivable (%)	Closing balance of bad debts provision
Customer 11	339,973,359.16	15.80	2,432,428.96
Customer 12	107,595,214.86	5.00	4,354,929.04
Customer 13	88,440,677.48	4.11	3,399,159.22
Customer 14	81,028,060.54	3.76	635,797.64
Customer 15	72,210,341.03	3.36	1,069,168.74
Total	689,247,653.07	32.03	11,891,483.60

(6). Accounts receivable derecognized due to the transfer of financial assets

Applicable Not applicable

(7). Amount of assets and liabilities generated through the transfer of accounts receivable and continuing involvement

Applicable Not applicable

Other notes:

Applicable Not applicable

6. Receivables financing

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Bank acceptance bills	342,609,541.51	266,154,517.25
Total	342,609,541.51	266,154,517.25

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

Applicable Not applicable

In case of provisions set aside for bad debts by the general expected credit loss model, please refer to the disclosure of other receivables:

Applicable Not applicable

Other notes:

√ Applicable Not applicable

Note 1: Receivables financing pledged by the Company at the end of the Reporting Period

Unit: Yuan Currency: RMB

Item	Amount pledged at the end of the Reporting Period
Bank acceptance bills	148,929,949.11
Total	148,929,949.11

Note 2: Receivables financing endorsed or discounted by the Company at the end of the Reporting Period but undue in the balance sheet

Unit: Yuan Currency: RMB

Item	Amount derecognized at the end of the Reporting Period	Amount not derecognized at the end of the Reporting Period
Bank acceptance bills	506,401,629.30	
Total	506,401,629.30	

7. Prepayments

(1). Prepayments shown by aging

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Aging	Closing balance		Opening balance	
	Amount	Percentage (%)	Amount	Percentage (%)
Within one year	287,315,568.04	83.76	221,976,234.74	81.51
One to two years	36,629,350.94	10.68	38,576,883.96	14.17
Two to three years	15,279,698.47	4.45	6,982,567.59	2.57
Over three years	3,811,513.41	1.11	4,787,014.16	1.75
Total	343,036,130.86	100.00	272,322,700.45	100.00

(2). Top five prepayments in the closing balance categorized by prepaid entities

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Unit	Closing balance	Percentage in the total closing balance of the prepayments (%)
Supplier 1	29,182,911.51	8.51
Supplier 2	15,509,422.50	4.52
Supplier 3	11,941,510.48	3.48
Supplier 4	9,102,323.81	2.65

Supplier 5	8,427,087.66	2.46
Total	74,163,255.96	21.62

Other notes

Applicable Not applicable

8. Other receivables

Presentation of items

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest receivable		
Dividends receivable		4,800,000.00
Other receivables	83,002,662.25	109,158,752.66
Total	83,002,662.25	113,958,752.66

Other notes:

Applicable Not applicable

Interest receivable

(1). Classification of interest receivable

Applicable Not applicable

(2). Significant overdue interest

Applicable Not applicable

(3). Provision set aside for bad debts

Applicable Not applicable

Other notes:

Applicable Not applicable

Dividends receivable

(1). Dividends receivable

Applicable Not applicable

Unit: Yuan Currency: RMB

Item (or investee)	Closing balance	Opening balance
Sichuan Guangxing Lithium Battery Technology Co., Ltd.		4,800,000.00
Total		4,800,000.00

(2). Significant dividends receivable with an age of more than one year

Applicable Not applicable

(3). Provision set aside for bad debts

Applicable Not applicable

Other notes:

Applicable Not applicable

Other receivables**(1). Disclosure by aging**

Applicable Not applicable

Unit: Yuan Currency: RMB

Aging	Closing book balance
Within one year	
Including: Sub-items within one year	
Within one year	64,133,518.10
Subtotal within one year	64,133,518.10
One to two years	12,059,303.43
Two to three years	6,929,705.45
Over three years	8,884,901.65
Total	92,007,428.63

(2). Classification based on the fund nature

Applicable Not applicable

Unit: Yuan Currency: RMB

Fund nature	Closing book balance	Opening book balance
Intercompany current accounts	46,021,691.26	55,768,154.68
Other current accounts	27,431,863.83	28,359,538.47
Export tax rebate	2,956,442.54	16,113,864.25
Security deposit	15,597,431.00	18,264,792.00
Total	92,007,428.63	118,506,349.40

(3). Provision set aside for bad debts

Applicable Not applicable

Unit: Yuan Currency: RMB

Bad debts provision	Phase I	Phase II	Phase III	Total
	Expected credit loss for the next 12 months	Expected credit loss during the whole entire duration (without credit impairment)	Expected credit loss during the whole entire duration (with credit impairment)	
Balance as at January 1, 2023	5,480,471.33		3,867,125.41	9,347,596.74
Balance as at January 1, 2023 in the current period	5,480,471.33		3,867,125.41	9,347,596.74

-- Transferred to Phase II				
-- Transferred to Phase III				
-- Reversal under Phase II				
-- Reversal under Phase I				
Accrual in the current period	91,427.38		-285.43	91,141.95
Reversal in the current period	62,819.35			62,819.35
Transfer in the current period				
Write-off in the current period	146,972.22		360,000.00	506,972.22
Other changes	10,180.56			10,180.56
Balance as at June 30, 2023	5,497,926.40		3,506,839.98	9,004,766.38

Notes to the significant changes in the book balance of other receivables arising from changes in the provision for losses in the current period:

Applicable Not applicable

Bases for determining the amount of provision set aside for bad debts and assessing whether the credit risk of financial instruments has increased substantially in the current period:

Applicable Not applicable

(4). Bad debts provision

Applicable Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Change in the current period				Closing balance
		Accrual	Recovery or reversal	Transfer or write-off	Other changes	
Bad debts provision	9,347,596.74	91,141.95	62,819.35	506,972.22	10,180.56	9,004,766.38
Total	9,347,596.74	91,141.95	62,819.35	506,972.22	10,180.56	9,004,766.38

Including: Significant amount of bad debts provision reversed or recovered in the current period:

Applicable Not applicable

(5). Other receivables written off in the current period

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount written off
Other receivables written off	506,972.22

Including important other receivables written off:

Applicable Not applicable

Notes to the write-off of other receivables:

Applicable Not applicable

(6). Top five other receivables in the closing balance categorized by debtors

Applicable Not applicable

Unit: Yuan Currency: RMB

Unit	Account nature	Closing balance	Aging	Percentage in the total closing balance of other receivables (%)	Bad debts provision Closing balance
Trading unit 1	Intercourse funds	3,294,347.19	Within one year	3.58	17,789.47
Trading unit 2	Intercourse funds	2,901,721.00	Within one year	3.15	15,669.29
Trading unit 3	Margin	2,600,000.00	Within one year	2.83	
Trading unit 4	Intercourse funds	2,351,066.00	Within one year	2.56	
Trading unit 5	Export rebates	2,178,634.05	Within one year	2.37	
Total	/	13,325,768.24	/	14.49	33,458.76

(7). Accounts receivable involving government grants

Applicable Not applicable

(8). Other receivables derecognized due to the transfer of financial assets

Applicable Not applicable

(9). Amount of assets and liabilities generated through the transfer of other receivables and continuing involvement

Applicable Not applicable

Other notes:

Applicable Not applicable

9. Inventories

(1). Inventory classification

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for inventory impairment/for contract fulfillment cost impairment	Carrying value	Book balance	Provision for inventory impairment/for contract fulfillment cost impairment	Carrying value
Raw materials	1,220,392,496.67	566,698.52	1,219,825,798.15	1,164,111,645.75	496,471.99	1,163,615,173.76

Work-in-process	1,331,196,447.62	1,061,060.34	1,330,135,387.28	1,350,932,019.44	558,287.88	1,350,373,731.56
Commodities in stock	572,925,730.63		572,925,730.63	655,273,239.52		655,273,239.52
Shipped commodities	66,035,374.92		66,035,374.92	72,412,111.97		72,412,111.97
Total	3,190,550,049.84	1,627,758.86	3,188,922,290.98	3,242,729,016.68	1,054,759.87	3,241,674,256.81

(2). Provision for inventory impairment and contract fulfillment cost impairment√ Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Accrual	Others	Reversal or transfer	Others	
Raw materials	496,471.99	70,226.53				566,698.52
Work-in-process	558,287.88	502,772.46				1,061,060.34
Commodities in stock						
Revolving materials						
Consumable biological assets						
Contract fulfillment costs						
Total	1,054,759.87	572,998.99				1,627,758.86

(3). Notes to the capitalized amount of borrowing costs included in the closing balance of inventories Applicable Not applicable**(4). Notes to the amortized amount of contract fulfillment costs in the current period** Applicable Not applicable

Other notes

 Applicable Not applicable**10. Contract assets****(1). Contract assets**√ Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value
Contract assets	343,475,470.97	41,741,197.57	301,734,273.40	431,384,265.95	49,679,113.30	381,705,152.65

Total	343,475,470.97	41,741,197.57	301,734,273.40	431,384,265.95	49,679,113.30	381,705,152.65
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(2). Amount of significant changes in the carrying value in the Reporting Period and reason(s) for such changes

Applicable Not applicable

(3). Provision set aside for contract asset impairment in the current period

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Accrual in the current period	Reversal in the current period	Transfer/Write-off in the current period	Reason(s)
Provision for impairment	-7,937,915.73			
Total	-7,937,915.73			/

In case of provisions set aside for bad debts by the general expected credit loss model, please refer to the disclosure of other receivables:

Applicable Not applicable

Other notes:

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 lease	461,182,878.44	432,359,979.01
Including: Unrealized finance lease income	28,946,721.02	29,770,154.33
Total	461,182,878.44	432,359,979.01

Significant debt investments and other debt investments at the end of the Reporting Period:

Applicable Not applicable

Other notes

Category	Closing balance					Opening balance				
	Book balance	Percentage (%)	Bad debts provision	Provision percentage (%)	Carrying value	Book balance	Percentage (%)	Bad debts provision	Provision percentage (%)	Carrying value

Bad debts provisions made on single item	105,641,070.49	18.54	93,512,749.83	88.52	12,128,320.66	103,646,615.72	19.28	96,129,530.86	92.75	7,517,084.86
Bad debts provisions made on portfolio	464,311,134.43	81.46	15,256,576.65	3.29	449,054,557.78	433,878,412.22	80.72	9,035,518.07	2.08	424,842,894.15
Total	569,952,204.92		108,769,326.48		461,182,878.44	537,525,027.94		105,165,048.93		432,359,979.01

Note 1: Notes to the bad debts provisions made on single item:

Name	Closing balance			
	Book balance	Bad debts provision	Provision percentage (%)	Reason(s) for the provision
Customer 16	19,155,507.62	19,155,507.62	100.00	No repayment ability
Customer 17	18,829,298.36	18,829,298.36	100.00	No repayment ability
Customer 18	12,250,664.70	12,250,664.70	100.00	No repayment ability
Customer 19	12,190,499.02	12,190,499.02	100.00	No repayment ability
Customer 20	7,858,784.86	7,858,784.86	100.00	No repayment ability
Customer 21	5,080,286.16	5,080,286.16	100.00	No repayment ability
Customer 22	4,716,388.03	3,773,110.42	80.00	The customer has no repayment ability and proposes to recover assets to cover the debt
Customer 23	3,087,382.60	3,087,382.60	100.00	No repayment ability
Others	22,472,259.14	11,287,216.09	50.23	Projected risk of recovery
Total	105,641,070.49	93,512,749.83		/

Note 2: Provision in the current period

Category	Consolidation					
	Opening balance	Accrual	Recovery or reversal	Transfer or write-off	Other changes	Closing balance
Bad debts provision	105,165,048.93	3,130,765.06	256,852.30		216,660.19	108,769,326.48
Total	105,165,048.93	3,130,765.06	256,852.30		216,660.19	108,769,326.48

13. Other current assets

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Contract acquisition costs	1,307,678.73	645,571.73
Value-added tax input tax to be deducted	234,167,198.85	189,070,550.82
Prepaid taxes	9,371,383.11	29,241,800.28
Wealth management products	122,666,900.00	118,107,500.00
Total	367,513,160.69	337,065,422.83

14. Debt investments**(1).Debt investments**

Applicable Not applicable

(2).Significant debt investments at the end of the Reporting Period

Applicable Not applicable

(3).Provision set aside for impairment

Applicable Not applicable

15. Other debt investments**(1).Other debt investments**

Applicable Not applicable

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

Applicable Not applicable

(3).Provision set aside for impairment

Applicable Not applicable

Other notes:

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 discount rates
	Book balance	Bad debts provision	Carrying value	Book balance	Bad debts provision	Carrying value	
Finance lease payment	237,170,155.73	9,640,160.52	227,529,995.21	262,838,844.42	3,674,028.41	259,164,816.01	
Including: Unrealized financing income	7,764,852.17		7,764,852.17	9,998,403.73		9,998,403.73	
Installment sales of commodities							
Installment supply of services							
Total	237,170,155.73	9,640,160.52	227,529,995.21	262,838,844.42	3,674,028.41	259,164,816.01	

(2).Provision set aside for bad debts

Applicable Not applicable

Unit: Yuan Currency: RMB

Bad debts provision	Phase I	Phase II	Phase III	Total
	Expected credit loss for the next 12 months	Expected credit loss during the whole entire duration (without credit impairment)	Expected credit loss during the whole entire duration (with credit impairment)	
Balance as at January 1, 2023	3,674,028.41			3,674,028.41
Balance as at January 1, 2023 in the current period	3,674,028.41			3,674,028.41
-- Transferred to Phase II				
-- Transferred to Phase III				
-- Reversal under Phase II				
-- Reversal under Phase I				
Accrual in the current period	5,925,569.25			5,925,569.25
Reversal in the current period				
Transfer in the current period				
Write-off in the current period				
Other changes	40,562.86			40,562.86
Balance as at June 30, 2023	9,640,160.52			9,640,160.52

Notes to the significant changes in the book balance of long-term receivables arising from changes in the provision for losses in the current period:

Applicable Not applicable

Bases for determining the amount of provision set aside for bad debts and assessing whether the credit risk of financial instruments has increased substantially in the current period

Applicable Not applicable

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

Applicable Not applicable

(4). Amount of assets and liabilities generated through transfer of long-term receivables and continuing involvement

Applicable Not applicable

Other notes:

Applicable Not applicable

17. Long-term equity investments

Applicable Not applicable

Unit: Yuan Currency: RMB

Investee	Opening balance	Change in the current period								Closing balance	Closing balance of the provision for impairment	
		Increase in the investment	Decrease in the investment	Profit or loss of investment recognized by the equity method	Changes in other comprehensive income	Changes in other equities	Cash dividends or profits declared to be distributed	Provision set aside for impairment	Others			
I. Associated enterprises												
Qinghai Yanhu Lanke Lithium Industry Co., Ltd.	2,726,253,451.12			952,335,574.74		5,549,759.47					3,684,138,785.33	
Foshan Keda Ceramic Technical Company Limited.	187,130,737.14			-205,656.88							186,925,080.26	
Zhangzhou Grande Graphite Co., Ltd.	31,807,319.70			-768,284.45				2,940,000.00			28,099,035.25	
Sichuan Guangxing Lithium Battery Technology Co., Ltd.	17,556,364.12			336,058.53		169,313.25					18,061,735.90	
Maanshan Qingshan Electricity Selling Co., Ltd.	5,391,484.36			-7,710.99							5,383,773.37	
Anhui Ganghua Keda Smart Energy Co., Ltd.	1,567,936.88			6,047.12							1,573,984.00	
Guangdong Keda Nanyue New Energy Venture Capital Partnership (Limited Partnership)	149,455,865.66			13,592.40							149,469,458.06	
Subtotal	3,119,163,158.98			951,709,620.47		5,719,072.72		2,940,000.00			4,073,651,852.17	
Total	3,119,163,158.98			951,709,620.47		5,719,072.72		2,940,000.00			4,073,651,852.17	

Other notes

The closing balance of long-term equity investments increased by 30.60% year on year, mainly due to the income from investment recognized by the Company on its associate, Qinghai Yanhu Lanke Lithium Industry Co., Ltd., during the Reporting 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.	5,374,114.42	4,003,984.13
Changde Avenue New Materials Technology Co., Ltd.	2,784,901.96	1,913,420.34
Jiaying Keda Jinhong Salt Lake Industrial Equity Investment Partnership (Limited Partnership)	968,977,223.40	
Total	977,136,239.78	5,917,404.47

Other notes:

The closing balance of other equity instrument investments increased by 16,412.92% year on year, mainly due to the investment in Jiaying Keda Jinhong Salt Lake Industrial

Equity Investment Partnership (Limited Partnership) by the Company during the Reporting Period.

(2). Investments in non-trading equity instruments

Applicable Not applicable

Other notes:

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

20. Investment properties

Measurement model for investment properties

Not applicable

21. Fixed assets

Presentation of items

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Fixed assets	3,790,050,975.04	3,130,982,694.29
Liquidation of fixed assets		
Total	3,790,050,975.04	3,130,982,694.29

Fixed assets

(1). Fixed assets

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Land (overseas)	Buildings and constructions	Machinery equipment	Transportation vehicle	Electronic equipment and others	Total
I. Original carrying value:						
1. Opening 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
2. Increase in the current period		210,403,391.45	646,285,078.96	16,532,346.65	8,136,276.59	881,357,093.65
(1) Purchased			83,877,824.67	16,532,346.65	7,391,195.29	107,801,366.61
(2) Transfer from construction in progress		208,506,896.91	554,175,486.42			762,682,383.33
(3) Increase due to business combination						
(4) Exchange difference on translating foreign operations		1,896,494.54	8,231,767.87		745,081.30	10,873,343.71
3. Decrease in the current period	2,175,703.86	16,817,622.15	28,337,128.31	4,983,211.76	1,711,160.32	54,024,826.40
(1) Disposal or retirement		72,076.00	28,337,128.31	3,414,590.22	1,711,160.32	33,534,954.85

(2) Transfer from construction in progress		16,745,546.15				16,745,546.15
(3) Disposal of subsidiaries						
(4) Exchange difference on translating foreign operations	2,175,703.86			1,568,621.54		3,744,325.40
4. Closing balance	83,872,817.17	2,491,515,500.50	2,942,880,235.18	127,474,028.98	119,549,747.95	5,765,292,329.78
II. Accumulated depreciation						
1. Opening balance		678,011,913.82	905,255,804.79	62,339,360.84	80,251,049.60	1,725,858,129.05
2. Increase in the current period		66,822,216.40	126,148,584.31	7,526,930.81	5,634,218.36	206,131,949.88
(1) Established		64,753,109.67	122,827,822.90	7,479,072.55	4,915,694.56	199,975,699.68
(2) Business Combination Increase						
(3) Exchange difference on translating foreign operations		2,069,106.73	3,320,761.41	47,858.26	718,523.80	6,156,250.20
3. Decrease in the current period		12,475,336.64	20,873,084.37	2,806,997.38	1,488,082.37	37,643,500.76
(1) Disposal or retirement		65,048.54	20,873,084.37	2,806,997.38	1,488,082.37	25,233,212.66
(2) Transfer from construction in progress		12,410,288.10				12,410,288.10
(3) Disposal of subsidiaries						
(4) Exchange difference on translating foreign operations						
4. Closing balance		732,358,793.58	1,010,531,304.73	67,059,294.27	84,397,185.59	1,894,346,578.17
III. Impairment allowances						
1. Opening balance		26,791,211.72	54,328,027.47			81,119,239.19
2. Increase in the current period						
(1) Established						
(2) Business Combination Increase						
3. Decrease in the current period			224,462.62			224,462.62
(1) Disposal or retirement			224,462.62			224,462.62
4. Closing balance		26,791,211.72	54,103,564.85			80,894,776.57
IV. Carrying amount						
1. Closing carrying amount	83,872,817.17	1,732,365,495.20	1,878,245,365.60	60,414,734.71	35,152,562.36	3,790,050,975.04
2. Opening carrying amount	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). Temporarily idle fixed assets

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Original carrying value	Accumulated depreciation	Provision for impairment	Carrying value	Notes
Properties and buildings	61,821,236.80	21,383,566.99	26,791,211.72	13,646,458.09	
Machinery and equipment	50,034,462.76	14,149,099.93	31,171,349.26	4,714,013.57	
Electronic devices and others	241,282.93	229,240.26		12,042.67	
Total	112,096,982.49	35,761,907.18	57,962,560.98	18,372,514.33	

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

(3). Fixed assets leased in through finance leases

□ Applicable √ Not applicable

(4). Fixed assets leased out through operating leases

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Closing carrying value
Properties and buildings	24,704,918.06
Machinery and equipment	147,191.12

Total	24,852,109.18
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(5). Fixed assets without proper certificates of title

Applicable Not applicable

Other notes:

Applicable Not applicable

Liquidation of fixed assets

Applicable Not applicable

22. Construction in progress**Presentation of items**

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Construction in progress	745,928,740.09	676,298,157.93
Construction materials		
Total	745,928,740.09	676,298,157.93

Construction in progress**(1). Construction in progress**

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value
Phase V Project of Ghana Ceramics Factory	161,280,769.29		161,280,769.29	17,246,009.81		17,246,009.81
Digital Factory Project of Large-scale High-end Smart Equipment Manufacturing	144,463,111.53		144,463,111.53	85,064,123.06		85,064,123.06
Phase II Project in Fujian	90,649,791.83		90,649,791.83	9,610,411.97		9,610,411.97
Keda Equipment Manufacturing Infrastructure Project	74,461,213.59		74,461,213.59	4,704,040.72		4,704,040.72
Sanitary Ware Project of Kisumu Ceramics Factory	72,102,030.02		72,102,030.02	8,617,704.90		8,617,704.90
Phase I Project in Cameroon	55,093,498.44		55,093,498.44	12,139,247.89		12,139,247.89

New Plant Phase I Project of Shaoguan Keda	27,982,342.39		27,982,342.39	13,172,739.78		13,172,739.78
Equipment and installation	27,962,343.41		27,962,343.41	11,205,303.86		11,205,303.86
Glass Factory Project in Tanzania	20,529,184.21		20,529,184.21	5,914,786.75		5,914,786.75
Technology Improvement Project of Keda Industrial	15,907,101.17		15,907,101.17	39,903,629.48		39,903,629.48
Phase I Project in Fujian	11,447,302.30		11,447,302.30	126,285,562.38		126,285,562.38
Phase II Project of Zambia Ceramics Factory	11,176,627.38		11,176,627.38	35,507,834.38		35,507,834.38
Phase II Project of Senegal Ceramics Factory				155,999,843.30		155,999,843.30
Sanitary Ware Project in Ghana				88,938,222.80		88,938,222.80
Other projects	32,873,424.53		32,873,424.53	61,988,696.85		61,988,696.85
Total	745,928,740.09		745,928,740.09	676,298,157.93		676,298,157.93

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

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item name	Budget	Period-beginning Balance	Increase in the current period	Transferred to fixed assets in the current period	Other decreases in the current period	Period-end Balance	Cumulative project investment as % of the budget	Project progress	Cumulative capitalized interest	Of which: Capitalized interest in the current period	Interest capitalization rate for the current period (%)	Source of Fund
Keda Phase I Project in Fujian	400,000,000.00	126,285,562.38	56,982,803.22	171,821,063.30		11,447,302.30	98.77	98.77%				Self-funded
Sanitary Ware Project in Ghana	126,093,814.00	88,938,222.80	32,809,427.51	121,747,650.31			96.55	100.00%				Self-funded
Phase II Project of Zambia Ceramics Factory	183,899,268.00	35,507,834.38	137,771,792.04	162,102,999.04		11,176,627.38	94.23	100.00%				Fund-raising + self-financing
Phase V Project of Ghana Ceramics Factory	251,503,385.00	17,246,009.81	149,700,112.13	5,665,352.65		161,280,769.29	66.38	66.38%				Fund-raising + self-financing
Digital Factory of Large-scale High-end Smart Equipment Manufacturing	500,000,000.00	85,064,123.06	59,398,988.47			144,463,111.53	28.89	28.89%				Fund-raising + self-financing
Keda Equipment Manufacturing Infrastructure Project	524,860,000.00	4,704,040.72	69,757,172.87			74,461,213.59	14.19	14.19%				Fund-raising + self-financing
Phase II Project of Senegal Ceramics Factory	251,645,453.85	155,999,843.30	79,546,462.19	235,546,305.49			98.18	100.00%				Self-funded
Total	2,238,001,920.85	513,745,636.45	585,966,758.43	696,883,370.79		402,829,024.09						

(3). Provision set aside for impairment of construction in progress in the current period Applicable Not applicable

Other notes

 Applicable Not applicable**Construction materials****(1). Construction materials** Applicable Not applicable**23. Productive biological assets****(1). Productive biological assets measured at cost** Applicable Not applicable**(2). Productive biological assets measured at fair value** Applicable Not applicable

Other notes

 Applicable Not applicable**24. Oil and gas assets** Applicable Not applicable**25. Right-of-use assets** Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Properties and buildings	Total
I. Original carrying value		
1. Opening balance	12,320,750.63	12,320,750.63
2. Increase in the current period		
3. Decrease in the current period	4,369,894.31	4,369,894.31
4. Closing balance	7,950,856.32	7,950,856.32
II. Accumulated depreciation		
1. Opening balance	4,106,916.96	4,106,916.96
2. Increase in the current period	662,571.36	662,571.36
(1) Accrual	662,571.36	662,571.36
3. Decrease in the current period	1,456,631.46	1,456,631.46
(1) Disposal	1,456,631.46	1,456,631.46
4. Closing balance	3,312,856.86	3,312,856.86
III. Provision for impairment		
1. Opening balance		

2. Increase in the current period		
(1) Accrual		
3. Decrease in the current period		
(1) Disposal		
4. Closing balance		
IV. Carrying value		
1. Closing carrying value	4,637,999.46	4,637,999.46
2. Opening carrying value	8,213,833.67	8,213,833.67

Other notes:

The closing balance of right-of-use assets decreased by 43.53% year on year, mainly due to decrease in long-term leased premises of subsidiaries during the Reporting Period.

26. Intangible assets

(1). Intangible assets

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Land use right	Application software	Patent right	Total
I. Original carrying value				
1. Opening balance	965,574,662.02	40,779,612.18	66,778,665.21	1,073,132,939.41
2. Increase in the current period	21,710,793.36	9,702,697.88		31,413,491.24
(1) Purchase	21,710,793.36	9,630,041.20		31,340,834.56
(2) Internal R&D				
(3) Increase in business combinations				
(4) Exchange difference on translating foreign operations		72,656.68		72,656.68
3. Decrease in the current period		142,349.77		142,349.77
(1) Disposal		142,349.77		142,349.77
(2) Disposal of subsidiaries				
4. Closing balance	987,285,455.38	50,339,960.29	66,778,665.21	1,104,404,080.88
II. Accumulated amortization				
1. Opening balance	120,962,289.19	19,263,948.05	65,727,086.94	205,953,324.18
2. Increase in the current period	12,001,776.92	2,995,279.65	195,625.06	15,192,681.63
(1) Accrual	12,001,776.92	2,945,317.97	195,625.06	15,142,719.95
(2) Exchange difference on translating foreign operations		49,961.68		49,961.68
3. Decrease in the current period		142,349.77		142,349.77
(1) Disposal		142,349.77		142,349.77
(2) Disposal of subsidiaries				
4. Closing balance	132,964,066.11	22,116,877.93	65,922,712.00	221,003,656.04

III. Provision for impairment				
1. Opening balance				
2. Increase in the current period				
(1) Accrual				
3. Decrease in the current period				
(1) Disposal				
4. Closing balance				
IV. Carrying value				
1. Closing carrying value	854,321,389.27	28,223,082.36	855,953.21	883,400,424.84
2. Opening carrying value	844,612,372.83	21,515,664.13	1,051,578.27	867,179,615.23

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

Applicable Not applicable

Other notes:

Applicable Not applicable

27. Development expenditure

Applicable Not applicable

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

Applicable Not applicable

Unit: Yuan Currency: RMB

Name of investee or matters forming goodwill	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
		Formed through 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
HLT Industry Co., Ltd.	187,915,447.25			187,915,447.25
Keda-Suremaker (Wuhu) 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 Prime Platform Energy Technology Co., Ltd.	4,694,036.50			4,694,036.50
Anhui Keda Platinum Platform Energy Technology Co., Ltd.	4,160,100.00			4,160,100.00
Anhui Ke'an Electric Power Engineering Co., Ltd.	943,797.49			943,797.49
Total	1,291,592,420.19			1,291,592,420.19

(2). Provision for goodwill impairment

Applicable Not applicable

Unit: Yuan Currency: RMB

Name of investee or matters forming goodwill	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
		Provision	Disposal	
Jiangsu Kehang Environmental Protection Co., Ltd.	75,596,829.84			75,596,829.84
Henan KDNEU International Engineering Co., Ltd.	232,664,477.89			232,664,477.89
Keda-Suremaker (Wuhu) Industrial Co., Ltd.	65,407,924.98			65,407,924.98
Anhui Keda Prime Platform Energy Technology Co., Ltd.	4,694,036.50			4,694,036.50
Total	378,363,269.21			378,363,269.21

(3). Information on the asset group or the combination of asset portfolio of the goodwill

Applicable Not applicable

(4). Description of the process of goodwill impairment testing, key parameters (such as the growth rate in the forecast period in estimating the present value of the future cash flows, the growth rate in the stable period, the profit margin, the discount rate, and the forecast period, if applicable), and the method for recognizing goodwill impairment losses

Applicable Not applicable

(5). Influences of the goodwill impairment test

Applicable Not applicable

Other notes

Applicable Not applicable

29. Long-term deferred expenses

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Amortized amount in the current period	Other decreases	Closing balance
Loan front-end fees	15,416,756.53	33,868,689.52	2,837,868.55	1,916,255.10	44,531,322.40
Total	15,416,756.53	33,868,689.52	2,837,868.55	1,916,255.10	44,531,322.40

Other notes:

The closing balance of long-term deferred expenses increased by 188.85% year on year, mainly due to the increase in loan front-end fees of subsidiaries during the Reporting Period.

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 tax assets	Deductible temporary differences	Deferred tax assets
Provision for asset impairment	244,812,054.86	47,740,395.78	244,944,669.53	47,709,215.61
Deductible losses	869,744,980.90	132,576,150.28	907,469,073.02	137,785,542.29
Government grants	45,460,206.74	6,819,031.01	76,900,419.55	11,535,062.93
Others	25,707,345.36	4,436,901.73	28,206,717.95	4,177,908.08
Total	1,185,724,587.86	191,572,478.80	1,257,520,880.05	201,207,728.91

(2). Deferred income tax liabilities that have not been offset

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Asset appraisal and appreciation of HLT	14,520,180.11	2,178,026.95	14,954,991.89	2,243,248.72
Asset appraisal and appreciation of SureMaker	5,662,311.86	849,346.80	5,993,081.12	898,962.20
Asset appraisal and appreciation	19,948,423.28	2,992,263.49	20,728,182.85	3,109,227.43

of Jiangsu Kehang				
Asset appraisal and appreciation of Welko	26,152,348.85	7,296,505.33	26,152,348.85	7,296,505.33
Change in the fair value of financial assets	821,351.44	123,202.72	901,251.44	135,187.72
Total	67,104,615.54	13,439,345.29	68,729,856.15	13,683,131.40

(3).Deferred income tax assets or liabilities presented in the net amount after offsetting

Applicable Not applicable

(4).Breakdown of unrecognized deferred income tax assets

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Deductible losses	793,374,115.99	793,374,115.99
Provision for fixed asset impairment	80,894,776.57	81,119,239.19
Provision for impairment of other assets	154,853,195.93	154,736,589.34
Total	1,029,122,088.49	1,029,229,944.52

(5).Deductible losses of unrecognized deferred income tax assets matured/will mature in the following year

Applicable Not applicable

Unit: Yuan Currency: RMB

Year	Closing balance	Opening balance	Notes
2023	72,103,394.21	72,103,394.21	
2024	48,556,170.47	48,556,170.47	
2025	33,590,632.48	33,590,632.48	
2026	48,694,900.86	48,694,900.86	
2027	108,821,650.53	108,821,650.53	
2028	55,320,112.25	55,320,112.25	
2029			
2030	255,487,133.82	255,487,133.82	
2031	88,711,909.86	88,711,909.86	
2032	82,088,211.51	82,088,211.51	
Total	793,374,115.99	793,374,115.99	

Other notes:

Applicable Not applicable

31. Other non-current assets

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Carrying balance	Impairment allowances	Carrying amount	Carrying balance	Impairment allowances	Carrying amount
Prepayment of equipment project funds	253,237,219.79		253,237,219.79	44,157,133.94		44,157,133.94
Intermediary fees paid after the shareholding reform	1,181,132.06		1,181,132.06	418,867.92		418,867.92
Total	254,418,351.85		254,418,351.85	44,576,001.86		44,576,001.86

Other notes:

The closing balance of other non-current assets increased by 470.75% year on year, mainly due to the increase in the prepayment of equipment project funds made by the subsidiaries, namely, Fujian Keda New Energy, HLT Technology and Keda Equipment Manufacturing, during the Reporting Period.

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

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Credit loan	303,856,978.00	413,160,000.00
Borrowings secured by guarantee	19,040,549.34	209,408,751.52
Borrowings secured by pledge	197,925,173.53	255,000,000.00
Borrowings secured by collateral	103,000,000.00	128,751,432.93
Pledge loan + mortgage loan	20,000,000.00	
Guaranteed loan + mortgage loan	30,000,000.00	
Total	673,822,700.87	1,006,320,184.45

Notes to the classification of short-term loans:

Note 1: The breakdown of the guaranteed loans is as follows:

Borrower	Guarantor	Guarantee method	Currency	Amount in original currency	Amount converted into RMB
Anhui Keda Huadong New Energy Vehicle	Keda Industrial Group Co. Ltd. Anhui Qilian	Guarantee and security	RMB	8,000,000.00	8,000,000.00

Travel Service Co., Ltd.	New Energy Technology Co., Ltd., Zhu Hongjun, Wang Yun				
Anhui Keda Huadong New Energy Vehicle Travel Service Co., Ltd.	Zhu Hongjun, Wang Yun	Guarantee and security	RMB	2,400,000.00	2,400,000.00
Guangdong Keda New Energy Equipment Co., Ltd	Keda Industrial Group Co., Ltd.	Guarantee and security	RMB	8,640,549.34	8,640,549.34
Total					19,040,549.34

Note 2: Pledge loans of RMB197.9252 million were borrowings applied for by subsidiaries Foshan Keda Industrial, Fujian Keda New Energy and Forwell International from banks with notes as the pledge.

Note 3: Mortgage loans of RMB103 million were borrowings applied for by subsidiaries Anhui Keda New Material and Fujian Keda New Energy from banks with machinery equipment as the pledge.

Note 4: Pledge loans and mortgage loans of RMB20 million were borrowings applied for by subsidiary Anhui Keda New Material from banks with real properties as the collateral and patent rights as the pledge.

Note 5: Mortgage loans and guaranteed loans of RMB30 million were borrowings applied for by subsidiary Keda (Anhui) Clean Energy from banks under the guarantee of Keda Industrial and with its real estate and land use right as the collaterals.

(2) Short-term Borrowings Overdue but not Returned

Applicable Not applicable

Other notes:

Applicable Not applicable

33. Financial liabilities held for trading

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Financial liabilities held for trading		35,812,494.88	2,046,255.57	33,766,239.31
Including:				
Forward foreign exchange settlement hedging		35,812,494.88	2,046,255.57	33,766,239.31
Total		35,812,494.88	2,046,255.57	33,766,239.31

Other notes:

The closing balance of financial liabilities held for trading was RMB 33.77 million, mainly due to the change in fair value of the Company's contracts for forward settlement of exchange during the Reporting Period.

34. Derivative financial liabilities

Applicable Not applicable

35. Notes payable

Applicable Not applicable

Unit: Yuan Currency: RMB

Category	Closing balance	Opening balance
Bank acceptance bills	480,076,835.15	685,516,312.19
Total	480,076,835.15	685,516,312.19

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

Note 1: Amounts of the bank acceptance bills issued by the parent company and subsidiaries at the end of the Reporting Period

Company	Amount of the bank acceptance bills issued at the end of the Reporting Period
Anhui Keda Industrial Co., Ltd.	69,852,812.59
Keda (Anhui) Clean Energy Co., Ltd.	34,737,878.41
Fujian Keda New Energy Technology Co., Ltd.	72,222,436.71
Anhui Keda New Material Co., Ltd.	26,000,000.00
DLT Technology Co., Ltd.	7,640,000.00
HLT Industry Co., Ltd.	6,000,000.00
Foshan Keda Industrial Co., Ltd.	94,221,615.31
Guangdong Keda Hydraulic Technology Co., Ltd.	1,407,406.00
Henan KDNEU International Engineering Co., Ltd.	21,844,473.25
Jiangsu Kehang Environmental Protection Co., Ltd.	5,404,212.88
Keda Industrial Group Co., Ltd.	129,036,000.00
Anhui Xincheng Financial and Leasing Co., Ltd	9,160,000.00
Keda (Anhui) Lithium Equipment Co., Ltd	2,550,000.00
Total	480,076,835.15

36. Accounts payable

(1). Presentation of accounts payable

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Within one year	1,170,470,839.39	1,276,587,021.20

One to two years	103,110,388.87	129,275,751.51
Two to three years	55,649,158.48	43,514,171.59
Over three years	68,232,255.87	79,861,329.09
Total	1,397,462,642.61	1,529,238,273.39

(2). Significant accounts payable with an age of more than one year

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Reason for non-repayment or carry-over
Supplier 6	10,464,483.84	Within the credit period
Supplier 7	8,180,064.47	Within the credit period
Supplier 8	3,360,000.00	Within the credit period
Supplier 9	3,328,400.00	Within the credit period
Supplier 10	2,869,093.49	Within the credit period
Total	28,202,041.80	/

Other notes

Applicable Not applicable

37. Receipts in advance**(1). Presentation of receipts in advance**

Applicable Not applicable

(2). Significant receipts in advance with an age of more than one year

Applicable Not applicable

Other notes

Applicable Not applicable

38. Contract liabilities**(1). Contract liabilities**

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Within one year	1,194,576,351.27	1,115,363,767.07
One to two years	191,796,402.38	293,059,008.88
Two to three years	106,500,634.36	38,907,389.85
Over three years	82,592,689.06	122,827,303.27
Total	1,575,466,077.07	1,570,157,469.07

(2). Amount of significant changes in the carrying value in the Reporting Period and reason(s) for such changes

Applicable Not applicable

Other notes:

 Applicable Not applicable**39. Payroll payable****(1). Presentation of payroll payable** Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Short-term benefits	223,534,857.85	548,547,399.47	645,351,801.40	126,730,455.92
II. After-service benefits-defined contribution schemes		29,205,580.86	29,205,580.86	
III. Severance benefits		6,090,935.83	6,090,935.83	
IV. Other benefits that are due within 1 year				
Total	223,534,857.85	583,843,916.16	680,648,318.09	126,730,455.92

(2). Presentation of short-term remuneration Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Salaries, bonuses, allowances and subsidies	223,534,857.85	481,460,757.32	578,265,159.25	126,730,455.92
II. Staff welfare		37,448,968.33	37,448,968.33	
III. Social security contributions		14,195,192.80	14,195,192.80	
Of which: Medical insurance		13,097,679.62	13,097,679.62	
Work injury insurance		1,097,513.18	1,097,513.18	
IV. Housing fund		13,833,394.70	13,833,394.70	
V. Labor union funds and employee education funds		1,609,086.32	1,609,086.32	
VI. Compensated short-term absences				
VII. Short-term profit sharing plans				
Total	223,534,857.85	548,547,399.47	645,351,801.40	126,730,455.92

(3). Presentation of the defined contribution plan Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
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1. Basic endowment insurance		28,555,548.44	28,555,548.44	
2. Unemployment insurance		650,032.42	650,032.42	
3. Enterprise annuity payment				
Total		29,205,580.86	29,205,580.86	

Other notes:

Applicable Not applicable

The closing balance of payroll payable decreased by 43.31% year on year, mainly due to the payment of year-end bonuses accrued by the Company in the previous year during the Reporting Period.

40. Taxes payable

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
VAT	12,244,403.29	36,629,163.60
Enterprise income tax	45,588,729.80	81,048,981.26
Personal income tax	16,695,535.11	3,891,063.57
Urban maintenance and construction tax	1,372,607.48	1,314,819.75
Real estate tax	3,637,005.72	1,753,203.42
Land use tax	1,319,171.15	974,738.46
Educational fee	980,064.00	876,604.23
Embankment protection fee	131,352.56	69,232.51
Stamp duty	833,216.61	861,909.42
Other taxes	246,141.62	192,674.61
Total	83,048,227.34	127,612,390.83

Other notes:

The closing balance of taxes payable decreased by 34.92% year on year, mainly due to decrease in the corporate income tax payable and value-added tax payable by the Company for the Reporting Period.

41. Other payables

Presentation of items

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest payable		
Dividends payable		34,791,301.44
Other payables	160,298,718.19	145,507,387.87
Total	160,298,718.19	180,298,689.31

Interest payable

Applicable Not applicable

Dividends payable

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 presented based on the fund nature**

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Intercompany current accounts	129,922,422.37	122,963,317.28
Other current accounts	23,973,175.02	17,893,979.65
Withholding personal income tax	1,899,110.14	815,288.94
Deposit	4,504,010.66	3,834,802.00
Total	160,298,718.19	145,507,387.87

(2). Significant other payables with an age of more than one year

Applicable Not applicable

Other notes:

Applicable Not applicable

42. Liabilities held for sale

Applicable Not applicable

43. Non-current liabilities due within one year

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Long-term loans due within one year	855,397,177.68	569,507,280.85
Bonds payable due within one year		
Long-term payables due within one year		
Lease liabilities due within one year		
Total	855,397,177.68	569,507,280.85

Other notes:

Note 1: Breakdown of long-term loans due within one year

Item	Closing balance	Opening balance
Credit loan	428,718,599.74	156,333,740.88
Borrowings secured by guarantee	175,289,892.19	101,894,439.12
Borrowings secured by pledge	2,673,724.39	1,143,557.57
Borrowings secured by collateral	69,011,700.00	122,215,355.51
Mortgage loan + guaranteed loan	174,358,160.74	185,312,667.77
Mortgage loan + pledge loan	5,345,100.62	2,607,520.00
Total	855,397,177.68	569,507,280.85

Note 2: The breakdown of the guaranteed loans is as follows:

Borrower	Guarantor	Guarantee method	Currency	Amount in original currency	Amount converted to RMB
Forwell International (HK) Co., Ltd.	Keda Industrial Group Co., Ltd.	Guarantee and security	USD	9,061,417.52	65,384,470.40
Guangdong Xincheng Financial and Leasing Co., Ltd	Keda Industrial Group Co., Ltd.	Guarantee and security	RMB	42,293,391.18	42,293,391.18
Anhui Keda Huadong New Energy Vehicle Travel Service Co., Ltd.	Zhu Hongjun, Wang Yun	Guarantee and security	RMB	2,000,000.00	2,000,000.00
Keda (Ghana) Ceramics Company Limited	Keda Industrial Group Co., Ltd.	Guarantee and security	EUR	8,350,000.00	65,612,030.61
Total					175,289,892.19

Note 3: Pledge loans of RMB 2.6737 million were borrowings applied for by subsidiaries Wuhu Ke'an, Dangtu Ke'an, Maanshan Keci and Maanshan Keda Kezhong from banks with payment collection rights as the pledge.

Note 4: Mortgage loans of RMB 69.0117 million were borrowings obtained by subsidiaries Foshan Keda Industrial, Anhui Keda New Material, Anhui Xincheng, HLT Technology and Fujian Keda New Energy with premises, land and self-owned equipment as collaterals.

Note 5: Mortgage loans and guaranteed loans of RMB 174.3582 million were borrowings obtained by subsidiary Anhui Xincheng under the guarantee of Keda Industrial, and subsidiaries, Keda Senegal, Keda Zambia, Keda Ghana, and Keda Kisumu under the guarantee of Keda Industrial and Sunda Group, and with their land and equipment as collaterals.

Note 6: Mortgage loans and pledge loans of RMB 5.3451 million were borrowings obtained by subsidiaries Maanshan Ke'an, Foshan Ke'an, Maanshan Taixin, Hefei Lunuo,

Hefei Kemao, Maanshan Kegou and Guangdong Keda Smart Energy with payment collection rights as the pledge and self-owned equipment as the collateral.

44. Other current liabilities

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Output tax to be transferred	121,372,781.43	126,209,117.93
Notes endorsed but undue and not derecognized at the end of the Reporting Period	28,648,000.00	11,283,400.00
Total	150,020,781.43	137,492,517.93

Change in short-term bonds payable:

Applicable Not applicable

Other notes:

Applicable Not applicable

45. Long-term loans

(1). Classification of long-term loans

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Credit loan	1,567,487,493.33	557,218,466.03
Borrowings secured by guarantee	1,982,999,968.26	123,865,666.66
Borrowing secured by pledge	15,486,854.52	7,705,912.72
Borrowing secured by collateral	549,492,900.00	264,139,708.76
Mortgage loan + guaranteed loan	480,341,024.46	518,321,343.51
Mortgage loan + pledge loan	42,866,924.07	18,902,655.00
Total	4,638,675,164.64	1,490,153,752.68

Note 1: Breakdown of guaranteed loans:

Borrower	Guarantor	Guarantee method	Currency	Amount in original currency	Amount converted to RMB
Forwell International (HK) Co., Ltd.	Keda Industrial Group Co., Ltd.	Guarantee and security	EUR	200,000,000.00	1,579,834,220.80
Forwell International (HK) Co., Ltd.	Keda Industrial Group Co., Ltd.	Guarantee and security	USD	3,031,332.80	21,873,188.08
Fujian Keda New Energy Technology Co., Ltd.	Keda Industrial Group Co., Ltd.	Guarantee and security	RMB	5,000,000.00	5,000,000.00
Guangdong Xincheng Financial and Leasing Co., Ltd	Keda Industrial Group Co., Ltd.	Guarantee and security	RMB	17,945,181.70	17,945,181.70

Anhui Huadong Energy Travel Service Co., Ltd.	Keda New Vehicle Service Co., Ltd.	Zhu Hongjun, Wang Yun	Guarantee and security	RMB	2,000,000.00	2,000,000.00
Keda (SN) Ceramics Company Limited	Keda Industrial Group Co., Ltd.		Guarantee and security	EUR	16,000,000.00	125,723,054.51
Keda Ceramics Limited	(Ghana) Ceramics Company	Keda Industrial Group Co., Ltd.	Guarantee and security	EUR	29,350,000.00	230,624,323.17
Total						1,982,999,968.26

Note 2: Pledge loans of RMB15.4869 million were borrowings applied for by subsidiaries Dangtu Ke'an, Wuhu Ke'an, Maanshan Keci and Maanshan Keda Kezhong from banks with payment collection rights as the pledge.

Note 3: Mortgage loans of RMB549.4929 million were borrowings obtained by subsidiaries Foshan Keda Industrial, HLT Technology, Anhui Keda New Material and Fujian Keda New Energy with premises, land and equipment as collaterals.

Note 4: Mortgage loans and guaranteed loans of RMB 480.3410million were borrowings applied for by subsidiary Anhui Xincheng under the guarantee of Keda Industrial, and subsidiaries, Keda Senegal, Keda Zambia, Keda Ghana, and Keda Kisumu under the guarantee of Keda Industrial and Sunda Group, and with their real properties as collaterals from banks.

Note 5: Mortgage loans and pledge loans of RMB42.8669 million were borrowings obtained by subsidiaries Maanshan Ke'an, Foshan Ke'an, Maanshan Taixin, Hefei Lunuo, Hefei Kema, Maanshan Kegou and Guangdong Keda Smart Energy with payment collection rights as the pledge and self-owned equipment as the collateral.

Other notes, including the interest rate range:

Applicable Not applicable

46. Bonds payable

(1). Bonds payable

Applicable Not applicable

(2). Change in bonds payable (Excluding preference shares, perpetual bonds, and other financial instruments classified as financial liabilities)

Applicable Not applicable

(3). Notes to the conversion conditions and time of convertible corporate bonds

Applicable Not applicable

(4).Notes to other financial instruments classified as financial liabilities

Basic information on preference shares, perpetual bonds, and other financial instruments outstanding at the end of the Reporting Period

Applicable Not applicable

Table of Changes in Financial Instruments Such as Preference Shares and Perpetual Bonds Outstanding at the End of the Reporting Period

Applicable Not applicable

Notes to the bases for classifying other financial instruments as financial liabilities

Applicable Not applicable

Other notes:

Applicable Not applicable

47. Lease liabilities

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Lease liabilities	4,911,540.25	8,589,330.92
Total	4,911,540.25	8,589,330.92

Other notes:

The closing balance of lease liabilities decreased by 42.82% year on year, mainly due to the decrease in long-term leased premises of subsidiaries during the Reporting Period.

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

Applicable Not applicable

Long-term payables

Applicable Not applicable

Special accounts payable

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(s)
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Product quality assurance	1,107,332.48	1,107,332.48	
Compensation related to pending lawsuits	187,592,351.57	187,592,351.57	
Total	188,699,684.05	188,699,684.05	/

Other notes, including notes to relevant key assumptions and estimations for important estimated liabilities:

The closing balance of estimated liabilities was RMB188.6997 million, including:

a) RMB96.5218 million of estimated liabilities provided by the Company for Kehang's litigation based on the Civil Judgment ((2019) S. 01 M.CH. No. 2893) issued by the Intermediate People's Court of Nanjing City, Jiangsu Province;

b) RMB91.0706 million of estimated liabilities provided by the Company for the litigation of Keda Lithium Industry based on the Civil Judgment ((2021) Y. 06 M.CH. No. 119) issued by the Intermediate People's Court of Foshan, Guangdong Province.

51. Deferred revenue

Deferred revenue

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Cause(s)
Government grants	44,970,169.55		5,075,787.81	39,894,381.74	Special government subsidies
Total	44,970,169.55		5,075,787.81	39,894,381.74	

Items involving government grants:

Applicable Not applicable

Unit: Yuan Currency: RMB

Liability	Opening balance	Amount of new subsidies in the current period	Amount recognized as non-trading revenue in the current period	Amount recognized as other income in the current period	Other changes	Closing balance	Related to assets/income
Supporting funds for HLT Industry	8,900,000.00			1,500,000.00		7,400,000.00	Related to assets
Special funds of major emerging industries for Key technology development and industrialization of high-performance graphene-based composite electrode anode materials for	16,025,435.43			2,499,989.24		13,525,446.19	Related to assets

new energy automobiles							
Supporting funds for the production projects of lithium battery anode materials	3,100,650.00			221,475.00		2,879,175.00	Related to assets
Supporting funds for the construction of a green industrial service system	16,944,084.12			854,323.57		16,089,760.55	Related to assets
Total	44,970,169.55			5,075,787.81		39,894,381.74	

Other notes:

Applicable Not applicable

52. Other non-current liabilities

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Construction and technology transformation project of production base with 50,000 sets of high-pressure piston pumps		23,800,000.00
Key technologies and applications for industrialization of heavy-load variable electronically controlled axial piston pumps for large-scale press molding machinery		4,412,500.00
Demonstration and application of key technologies of hydraulic pumps and motors for roadheaders	5,020,000.00	4,743,400.00
R&D and industrialization of key technology of AI-based intelligent inspection line for grading and color separation of architectural ceramic wall and floor tiles	3,000,000.00	3,000,000.00
Key technology of high-speed online intelligent visual inspection and equipment for ceramic tile grading and color separation	3,420,000.00	3,420,000.00
R&D and industrialization of silicon oxide anode of high first efficiency and low expansion	1,100,000.00	1,100,000.00
Validation and promotion of 3D design applications for complex products in typical industries	960,000.00	960,000.00
Internet benchmarking project	900,000.00	900,000.00
Key technology for industrialization of high-pressure axial piston pumps for aluminum extruders	645,000.00	645,000.00
Key laboratory of ceramic machinery energy-saving and environmental protection technology enterprises in Guangdong Province	500,000.00	500,000.00
Other items	1,315,087.09	1,402,646.49
Total	16,860,087.09	44,883,546.49

Other notes:

The closing balance of other non-current liabilities decreased by 62.44% year on year, mainly due to the carryover of the Company's accepted projects with government grants to other income.

53. Share capital√ Applicable Not applicable

Unit: Yuan Currency: RMB

	Opening balance	Change this time (+, -)					Closing balance
		Issurance of new shares	Bonus issue	Conversion of capital reserve into share capital	Others	Subtotal	
Total shares	1,948,419,929.00						1,948,419,929.00

54. Other equity instruments**(1). Basic information on preference shares, perpetual bonds, and other financial instruments outstanding at the end of the Reporting Period** Applicable Not applicable**(2). Table of changes in financial instruments such as preference shares and perpetual bonds outstanding at the end of the reporting period** Applicable Not applicable

Notes to the changes in other equity instruments in the current period and reasons for the changes, and bases for related accounting processing:

 Applicable Not applicable

Other notes:

 Applicable Not applicable**55. Capital reserves**√ Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Capital premium (share premium)	2,892,884,899.52	3,218,668.02	29,947,516.10	2,866,156,051.44
Other capital reserves	166,579,427.17	5,147,901.71		171,727,328.88
Total	3,059,464,326.69	8,366,569.73	29,947,516.10	3,037,883,380.32

Other notes, including notes to the changes in the current period and reasons for the changes:

Note 1: Capital surplus - share premium increased by RMB3,218,668.02 during the Reporting Period, which was due to the increase in capital surplus from the Company's purchase of minority shareholders' equity in subsidiaries.

Note 2: Capital surplus - share premium decreased by RMB29,947,516.10 during the Reporting Period, which was mainly due to the reduction of capital surplus by Fujian Keda New Energy through capital injection by the Company.

Note 3: Capital surplus - other capital surplus increased by RMB5,147,901.71 during the Reporting Period, which was mainly due to the recognition of changes in other equities in associates, Lake Lithium, under the equity method by the subsidiaries, Guangdong Keda Lithium Industry and Qinghai Weili.

56. Treasury stock

Applicable Not applicable

Unit: Yuan Currency: RMB

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

Other notes, including notes to the changes in the current period and reasons for the changes:

The Company held the 14th meeting of the Eighth Board of Directors and the 13th meeting of the Eighth Board of Supervisors on August 23, 2022, and reviewed and approved the "*Proposal on Repurchase of the Company's Shares*", agreeing that the Company could 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 be more than RMB500 million, and the share repurchase price shall not exceed RMB20 per share (inclusive).

As at December 1, 2022, the Company had 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, the lowest price was RMB15.37 per share, and the average repurchase price was RMB16.36 per share. The total payment was 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	Period-beginning Balance	Amount for the current period						Period-end Balance
		Amount before income tax	Less: Amount previously recognized in	Less: amount previously recognized in	Less: Income	After-tax amount attributable to	After-tax amount attributable to	

		incurred in the current period	other comprehensive income and currently transferred to profit or loss	other comprehensive income and currently transferred to retained earnings	tax expense	the Company as the parent	non- controlling interests	
I. Other comprehensive income that will not be reclassified to profit or loss	-2,753,365.94	- 328,781,164.69				- 294,986,937.11	- 33,794,227.58	- 297,740,303.05
Of which: Changes caused by remeasurements on defined benefit schemes								
Other comprehensive income that will not be reclassified to profit or loss under the equity method								
Changes in the fair value of other equity investments	-2,753,365.94	- 328,781,164.69				- 294,986,937.11	- 33,794,227.58	- 297,740,303.05
Changes in the fair value arising from changes in own credit risk								
II. Other comprehensive income that will be reclassified to profit or loss	- 201,522,230.40	27,764,133.28				23,896,663.58	3,867,469.70	- 177,625,566.82
Of which: Other comprehensive income that will be reclassified to profit or loss under the equity method								
Changes in the fair value of other debt investments								
Other comprehensive income arising from the reclassification of financial assets								
Credit impairment allowances for other debt investments								
Reserve for cash flow hedges								
Differences arising from the translation of foreign currency- denominated financial statements	- 201,522,230.40	27,764,133.28				23,896,663.58	3,867,469.70	- 177,625,566.82
Total other comprehensive income	- 204,275,596.34	- 301,017,031.41				- 271,090,273.53	- 29,926,757.88	- 475,365,869.87

Other notes, including the adjustment of the effective gain/loss on cash flow hedges to
the initial recognized amount:

The closing balance of other comprehensive income decreased by 132.71% year on year, mainly due to the changes in fair value of the Company's other equity instrument investments during the Reporting Period.

58. Special reserve

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in 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

59. Surplus reserves

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Statutory surplus reserves	385,996,805.25			385,996,805.25
Discretionary surplus reserves	10,168,213.70			10,168,213.70
Reserve funds				
Enterprise development funds				
Others				
Total	396,165,018.95			396,165,018.95

60. Undistributed profits

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Last period
Undistributed profits at the end of the last period before the adjustment	6,684,315,895.33	2,814,114,079.93
Adjust the total amount of undistributed profits at the beginning of the year (increase +, decrease -)		
Opening undistributed profits after the adjustment	6,684,315,895.33	2,814,114,079.93
Plus: Net profit attributable to owners of the parent company in the current period	1,268,064,021.64	4,250,931,759.12
Less: Withdraw statutory surplus reserves		40,814,356.50
Withdraw discretionary surplus reserves		
Withdraw general risk reserve		
Ordinary share dividends payable	1,304,142,345.88	339,915,587.22
Dividends on ordinary shares converted into share capital		

Other comprehensive income carried forward to retained earnings		
Other comprehensive income carried forward to retained earnings		
Closing undistributed profits	6,648,237,571.09	6,684,315,895.33

61. Operating revenue and operating expense**(1). Operating revenue and operating expense**

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period		Amount incurred in the last period	
	Revenue	Expenses	Revenue	Expenses
Principal business	4,742,929,757.80	3,236,834,668.33	5,645,461,529.41	4,032,070,795.34
Other business	3,976,903.02	2,564,045.71	5,670,879.66	2,913,413.67
Total	4,746,906,660.82	3,239,398,714.04	5,651,132,409.07	4,034,984,209.01

Other notes:

Principal business (by product)

Product name	Amount incurred in the current period		Amount incurred in the last period	
	Operating revenue	Operating expenses	Operating revenue	Operating expenses
Building material machinery	2,097,594,855.34	1,521,188,196.93	2,929,310,656.32	2,182,544,768.59
Overseas building materials	1,907,359,981.05	1,075,123,963.12	1,525,898,639.84	858,660,832.45
Lithium battery materials	409,116,198.65	393,877,833.58	581,727,246.16	497,267,457.91
Others	328,858,722.76	246,644,674.70	608,524,987.09	493,597,736.39
Total	4,742,929,757.80	3,236,834,668.33	5,645,461,529.41	4,032,070,795.34

Principal business (by region)

Name of region	Amount incurred in the current period		Amount incurred in the last period	
	Operating revenue	Operating expenses	Operating revenue	Operating expenses
Domestic	1,807,957,474.56	1,466,956,064.71	2,809,210,614.08	2,188,781,644.83
Overseas	2,934,972,283.24	1,769,878,603.62	2,836,250,915.33	1,843,289,150.51
Total	4,742,929,757.80	3,236,834,668.33	5,645,461,529.41	4,032,070,795.34

Note: The total sales amount of the top five customers amounted to RMB1,014.9023 million (excluding tax), accounting for 21.40% of the sales revenue.

(2). Revenue from contracts

Applicable Not applicable

(3). Notes to contract fulfillment obligations

Applicable Not applicable

(4). Notes to allocation to the remaining contract fulfillment obligations

Applicable Not applicable

62. Taxes and surcharges√ Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the last period
City maintenance & construction tax	10,392,277.13	7,389,353.97
Educational surcharge	7,498,713.87	5,368,733.35
Property tax	6,459,230.38	6,110,571.74
Land use tax	4,129,135.32	3,693,162.26
Vehicle and vessel use tax	48,278.78	43,028.18
Stamp duty	2,614,785.76	2,608,402.03
Embankment protection fee	413,911.18	522,312.40
Environmental protection tax	21,833.56	15,703.54
Other taxes	2,712,231.71	970,487.18
Total	34,290,397.69	26,721,754.65

63. Sales expenses√ Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the last period
Employee remunerations	113,770,349.66	106,200,754.04
Travel expense	25,246,441.66	16,099,597.04
Transport expense	71,768,849.95	63,696,734.76
Entertainment expense	13,028,967.07	10,088,187.73
Expenses for advertising and business promotion	11,089,608.11	7,518,955.77
After-sales service fee	12,434,125.70	14,863,769.19
Others	32,102,610.58	46,092,717.68
Total	279,440,952.73	264,560,716.21

64. Administrative expense√ Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the last period
Employee remunerations	161,518,975.47	149,070,926.79
Office expense	19,152,273.71	15,131,215.93
Water and electricity expenses	6,643,445.14	6,005,520.64
Travel expense	16,225,230.26	9,791,495.00
Audit and advisory fees	26,638,117.57	23,273,119.21

Depreciation and rental	41,680,740.81	38,446,418.51
Amortization of intangible assets	15,142,719.95	14,384,741.89
Equity incentive expense		48,248,414.48
Others	51,861,090.00	31,461,797.45
Total	338,862,592.91	335,813,649.90

65. R&D expense√ Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the last period
Material expense	53,210,270.70	75,021,597.30
Labor expense	71,337,519.84	66,623,539.58
Depreciation and amortization	5,896,238.50	6,411,222.48
Other expenses	8,633,705.56	8,380,930.82
Total	139,077,734.60	156,437,290.18

66. Financial costs√ Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the last period
Interest expense	85,212,940.48	51,391,933.92
Less: Interest income	-47,884,125.66	-10,109,419.56
Exchange loss	-114,123,479.75	-10,457,299.71
Transaction fee	13,041,215.05	10,307,999.11
Total	-63,753,449.88	41,133,213.76

Other notes:

The financial costs incurred in the Reporting Period decreased by 254.99% year on year, mainly due to the growth of the Company's exchange gain during the Reporting Period.

67. Other income√ Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Construction and technology transformation project of production base with 50,000 sets of high-pressure piston pumps	23,800,000.00	
VAT refunded as soon as it is levied	4,968,642.73	8,012,040.38
Public transport operation subsidies from the Management Committee of Maanshan Economic and Technological Development Zone	4,640,094.00	639,008.00

Subsidy program for the transfer of entrusted loan funds of municipal excellent technology innovation SMEs for 2018 in Maanshan	4,437,050.00	
Project of key technologies and applications for industrialization of heavy-load variable electronically controlled axial piston pumps for large-scale press molding machinery	4,412,500.00	
Tax preference for additional deduction of input VAT	3,410,109.67	2,687,894.34
Special subsidy for major emerging industries for Key technology development and industrialization of high-performance graphene-based composite electrode anode materials for new energy automobiles	2,499,989.24	2,640,822.57
Incentive program of the Management Committee of Maanshan Economic and Technological Development Zone for the reform of joint-stock system and filing area of provincial CSRC office	2,000,000.00	
Incentives and subsidies of Maanshan Local Financial Supervision and Administration for enterprise listing	2,000,000.00	
Industrial supporting funds of Sanshui District Leping Township Economic Promotion Bureau	1,500,000.00	1,500,000.00
Subsidies of Foshan Financial Bureau for specialized and sophisticated SMEs	1,000,000.00	
Funding support project for the construction of a green industrial service system in Shunde District	854,323.57	
County-level funding subsidy project of municipal industrial support policy of the Management Committee of Dangtu Economic Development Zone	851,400.00	
Special supporting funds for industrial design development in Foshan	600,000.00	
Special funds for renovation of Datian Industry and Information Technology Bureau in 2022	500,000.00	
Funds for provincial manufacturing province and private economy policies (enterprise bailout) of Maanshan Municipal Bureau of Economy and Information Technology in 2023	500,000.00	
Subsidy for energy conservation and emission reduction of Anhui Province of Maanshan Municipal Bureau of Economy and Information Technology in 2023	500,000.00	
Project of in-depth promotion of innovation in Foshan City	440,000.00	
Funds for industrial policy redemption of the Management Committee of Maanshan Economic and Technological Development Zone	392,700.00	1,502,440.00
Subsidy project for standard product evaluation of Foshan City Market Supervision and Administration Bureau	340,000.00	
Subsidy project for intellectual property of the Management Committee of Maanshan Economic and Technological Development Zone in 2021	304,000.00	
Lump-sum subsidy for staff retention of Social Security Bureau	210,925.00	
Subsidy project for segmented industrial leading enterprises in Foshan City	200,000.00	
Subsidies for stabilizing employment	24,120.54	722,360.93
Subsidy of Shunde Development and Reform Bureau for "Made in China 2025" Green Manufacturing System Integration Project		4,830,000.00

Supporting funds of Economic Promotion Bureau for digital and intelligent transformation and development of district manufacturing in 2022		4,470,000.00
Incentive and subsidy of the Management Committee of Maanshan Economic and Technological Development Zone for the construction of manufacturing province in 2021		2,484,000.00
Special funds for foreign trade and economic development of the Finance and Taxation Bureau in 2021 (development of key markets)		2,268,000.00
Supporting funds of Finance Bureau for the promotion of digital and intelligent manufacturing transformation - digital plant in 2021		2,000,000.00
Income from financial incentives of the Management Committee of Maanshan Economic and Technological Development Zone		1,239,072.00
Project of disadvantaged product make-up and key technological breakthrough in key areas of Dangtu Bureau of Economy and Information Technology		1,000,000.00
Incentive and subsidy of the Management Committee of Maanshan Economic and Technological Development Zone for SMEs (private economy) in 2021		1,000,000.00
Incentive funds of the Management Committee of Maanshan Economic and Technological Development Zone for the building of a platform for major emerging industry bases, major emerging industry projects, major emerging industry special programs, and innovative modern industrial system		1,000,000.00
Incentives and subsidy of Dangtu Bureau of Economy and Information Technology for the first batch of R&D, demonstration and application of new materials		880,000.00
Policies of the Management Committee of Maanshan Economic and Technological Development Zone for the construction of manufacturing province in 2022		800,000.00
Funds of the Management Committee of Maanshan Economic and Technological Development Zone for technological innovation enterprises in 2020		660,000.00
Incentives and subsidy of Dangtu Bureau of Economy and Information Technology for high-growth small- and micro-sized enterprises recognized provincially		500,000.00
Comprehensive subsidy for "Longma" project		500,000.00
Supporting policy-based subsidy of Dangtu Bureau of Economy and Information Technology for municipal industries in 2020		479,430.00
Special bonus of Shunde Finance and Taxation Bureau		414,163.07
Policy-based funds for modern service industry		186,560.00
Other items	3,022,443.10	5,917,443.14
Total	63,408,297.85	48,333,234.43

Other notes:

The amount of other income incurred in the Reporting Period increased by 31.19% year on year, mainly due to the high income from government grants recognized by the Company during the Reporting Period.

68. Income from investment

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the last period
Returns on long-term equity investments calculated by the equity method	951,709,620.47	1,798,760,189.11
Income from investment arising from the disposal of long-term equity investments		-835,750.86
Income from investment in the 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		
Income from investment arising from the disposal of the financial assets held for trading	878,965.10	803,764.09
Income from investment arising from the disposal of other equity instrument investments		
Income from investment arising from the disposal of debt investments		
Income from investment arising from the disposal of other debt investments		
Debt restructuring gains	-100,000.00	-1,687,548.66
Total	952,488,585.57	1,797,629,653.68

Other notes

Note 1: Income on long-term equity investments calculated by the equity method:

Unit: Yuan Currency: RMB

Investee	Amount incurred in the current period	Amount incurred in the last period
Qinghai Yanhu Lanke Lithium Industry Co., Ltd.	952,335,574.74	1,790,056,101.56
Jiangsu Zhongchuang Qingyuan Technology Co., Ltd.		232,674.47
Maanshan Qingshan Electricity Selling Co., Ltd.	-7,710.99	-132,291.49
Anhui Ganghua Keda Smart Energy Co., Ltd.	6,047.12	10,092.89
Sichuan Guangxing Lithium Battery Technology Co., Ltd.	336,058.53	4,351,520.00
Foshan Keda Ceramic Technical Company Limited.	-205,656.88	-205,567.97
Zhangzhou Grande Graphite Material Co., Ltd.	-768,284.45	5,255,298.92
Anhui Keda Yuli Automobile Technology Co., Ltd.		-807,639.27
Guangdong Keda Nanyue New Energy Venture Capital Partnership (Limited Partnership)	13,592.40	
Total	951,709,620.47	1,798,760,189.11

Note 2: Income from investment arising from the disposal of long-term equity investments

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the last period
Henan Tailong Metallurgical Technology Co., Ltd.		-837,019.57
Chuzhou Keda Smart Energy Technology Co., Ltd.		1,268.71
Total		-835,750.86

Note 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 in the last period
Fujian Keda Electric Power Co., Ltd.		589,000.00
Total		589,000.00

The amount of income from investment incurred in the Reporting Period decreased by 47.01% year on year, mainly due to the high income from investment recognized by the Company on its associate, Lake Lithium.

69. net exposure hedging revenue

Applicable Not applicable

70. Fair value change revenue

Applicable Not applicable

Unit: Yuan Currency: RMB

Sources of fair value change revenue	Amount incurred in the current period	Amount incurred in the last period
Financial assets held for trading	29,212,087.62	19,288,819.77
Including: Fair value change revenue of derivative financial instruments		
Financial liabilities held for trading	-35,812,494.88	-3,837,934.70
investment properties measured at fair value		
Total	-6,600,407.26	15,450,885.07

Other notes:

The amount of gains and losses on changes in fair value incurred in the Reporting Period decreased by 142.72% year on year, mainly due to the change in fair value of the Company's contracts for forward settlement of exchange during the Reporting Period.

71. Credit impairment loss

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the last period
Bad debt loss of notes receivable	-48,112.97	128,659.12
Bad debt loss of accounts receivable	-432,747.46	-15,363,208.58
Bad debt loss of other receivables	-91,141.95	-907,503.42
Impairment loss of debt investments		
Impairment loss of other debt investments		
Bad debt loss of long-term receivables	-5,925,569.25	280,981.59
Bad debt loss of non-current assets due within one year	-3,130,765.06	2,853,604.13
Total	-9,628,336.69	-13,007,467.16

72. Asset impairment loss

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the last period
I. Bad debt loss		
II. Inventory impairment loss and impairment loss of contract fulfillment costs	-572,998.99	
III. Impairment loss of long-term equity investments		
IV. Impairment loss of investment properties		
V. Impairment loss of fixed assets		
VI. Impairment loss of construction 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 loss		
XII. Others		92,012,305.74
XIII. Impairment loss of contract assets	7,937,915.73	-3,700,122.80
Total	7,364,916.74	88,312,182.94

Other notes:

The amount of impairment losses on assets incurred in the Reporting Period increased by 91.66% year on year, mainly due to the reclassification of the impairment of VAT to be offset provided by the subsidiary, Shenyang Keda, in previous years in the same period of the previous year.

73. Income from assets disposal

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the last period
Gains or losses arising from the disposal of fixed assets	-699,779.56	-571,585.65
Gains or losses arising from the disposal of intangible assets		
Total	-699,779.56	-571,585.65

Other notes:

□ Applicable √ Not applicable

74. Non-trading revenue

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period	Amount recognized in exceptional gains and losses
Gains from disposal of non-current assets	452,589.88	201,268.88	452,589.88
Of which: Gains from fixed assets disposal	452,589.88	201,268.88	452,589.88
Gains from disposal of intangible assets			
Income from debt restructuring			
Gains on exchange of non-monetary assets			
Donation accepted			
Government grants			
Penalty revenue	334,664.79	2,824,397.16	334,664.79
Income from customer defaults	121,690.95	2,546,283.31	121,690.95
Others	4,403,680.98	7,661,520.66	4,403,680.98
Total	5,312,626.60	13,233,470.01	5,312,626.60

Government grants recognized as profit and loss of the current period

□ Applicable √ Not applicable

Other notes:

□ Applicable √ Not applicable

75. Non-operating expenses

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the last period	Amount recognized as non-recurring profit and loss of the current period
Total loss on the disposal of non-current assets	2,131,254.31	4,685,996.36	2,131,254.31
Of which: Loss on the disposal of fixed assets	2,131,254.31	4,685,996.36	2,131,254.31
Loss on the disposal of intangible assets			
Loss on debt reorganization			
Loss on the swap of non-monetary assets			
Donations made	545,902.14	722,620.01	545,902.14
Compensation related to pending lawsuits		91,070,551.57	
Late fees and penalties	2,230,454.40	5,065,406.26	2,230,454.40
Others	644,304.73	1,465,813.17	644,304.73
Total	5,551,915.58	103,010,387.37	5,551,915.58

Other notes:

The amount of non-operating expenses incurred in the Reporting Period decreased by 94.61% year on year, mainly due to the large estimated liabilities accrued by the Company for the litigation of Keda Lithium in the same period of the previous year.

76. Income tax expenses

(1). Income tax expense statement

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the last period
Income tax expense of the current period	71,900,037.30	61,349,178.91
Deferred income tax expense	9,391,464.00	8,878,758.40
Total	81,291,501.30	70,227,937.31

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

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period
Total profits	1,785,683,706.40
Income tax expense calculated at legal/applicable tax rate	267,852,555.96
Impact of different tax rates applied by subsidiaries	73,655,752.74
Impact of income tax in the periods before adjustment	10,637,580.23
Impact of non-taxable income	-237,989,834.16
Impacts of non-deductible costs, expenses, and losses	1,664,052.43

Impact of using deductible losses on the deferred income tax assets not recognized previously	-10,125,349.00
Impact of deductible temporary differences or deductible losses of deferred income tax assets not recognized in the current period	24,743,505.82
Additional deduction	-49,146,762.72
Income tax expense	81,291,501.30

Other notes:

Applicable Not applicable

77. Other comprehensive income

Applicable Not applicable

See notes for details.

78. Items of cash flow statement

(1). Other cash received related to operating activities

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the last period
Government grants	31,262,430.82	43,374,784.37
Interest income	47,884,125.66	10,109,419.56
Others	15,413,932.88	17,014,116.78
Total	94,560,489.36	70,498,320.71

Notes:

The amount of cash received related to other operating activities incurred in the Reporting Period increased by 34.13% year on year, mainly due to the high interest income received by the Company during the Reporting Period.

(2). Other cash paid related to operating activities

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the last period
Office cost	22,201,023.72	16,160,860.65
Utility bills	49,033,000.33	48,680,347.00
Travel expense	45,672,610.02	41,508,469.58
Automobile expense	4,966,227.96	4,170,191.41
Carriage charges	78,844,271.95	78,097,141.83
Entertainment expense	20,986,011.70	15,071,024.81
Lease rental	20,548,802.97	20,228,051.90
Repair expenses	18,913,349.00	13,090,912.89

Advertising and business promotion fees	17,469,984.07	9,697,797.53
Audit and advisory fees	26,638,117.57	23,273,119.21
Others	79,329,288.22	144,081,018.71
Total	384,602,687.51	414,058,935.52

(3). Other cash received related to investment activities√ Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the last period
Principal of wealth management products recovered	1,408,984,759.78	258,696,820.00
Future margin received	3,239,938.00	3,359,240.84
Advance received for disposal of equity in subsidiaries		20,700,000.00
Total	1,412,224,697.78	282,756,060.84

Notes:

The amount of other cash received related to investment activities incurred in the Reporting Period increased by 399.45% year on year, mainly due to the large number of wealth management products redeemed by the Company during the Reporting Period.

(4). Other cash paid related to investment activities√ Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the last period
Cash paid to purchase wealth management products	1,187,585,350.84	205,999,000.82
Payment of deposits for futures	2,071,762.58	
Cash difference between the cash received from the disposal of subsidiaries and the carrying cash of the subsidiaries at the time of the disposal		186,386.32
Total	1,189,657,113.42	206,185,387.14

Notes:

The amount of other cash payments related to investment activities incurred in the Reporting Period increased by 476.98% year on year, mainly due to the large number of wealth management products purchased by the Company during the Reporting Period.

(5). Other cash received related to financing activities√ Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the last period
Deposits for bank acceptance	215,665,650.56	194,064,484.29
L/G margin	1,727,500.00	39,266,694.73
Other deposits	678,188.79	106,394.18
Cash received from sale of minority interest		9,740,500.00
Total	218,071,339.35	243,178,073.20

(6). Other cash paid related to financing activities√ Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the last period
Deposits for bank acceptance	65,972,807.42	439,564,711.41
L/G margin	14,167,214.00	35,822,696.37
Other deposits	696,579.06	539,379.12
Cash paid for purchase of minority interest	41,588,514.72	12,030,000.00
Total	122,425,115.20	487,956,786.90

Notes:

The amount of other cash payments related to financing activities incurred in the Reporting Period decreased by 74.91% year on year, mainly due to the high deposits for acceptance paid by Company in the same period of the previous year.

79. Supplementary data for cash flow statement**(1). Supplementary data for cash flow statement**√ Applicable Not applicable

Unit: Yuan Currency: RMB

Supplementary data	Amount of the current period	Amount of the previous period
1. Reconciliation of net profit to cash flows from operating activities		
Net profit	1,704,392,205.10	2,567,623,624.00
Plus: Provision for asset impairment	2,263,419.95	16,707,589.96
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive biological assets	199,975,699.68	167,685,854.94
Amortization of right-of-use assets	662,571.36	1,026,729.24
Amortization of intangible assets	15,142,719.95	14,384,741.89
Amortization of long-term deferred expenses	2,837,868.55	1,970,747.02
Losses on the disposal of fixed assets, intangible assets, and other long-term assets ("-" indicates income)	699,779.56	571,585.65
Losses on the retirement of fixed assets ("-" indicates income)	1,678,664.43	4,484,727.48

Losses on the changes in fair value ("- indicates income)	6,600,407.26	-15,450,885.07
Financial costs ("- indicates income)	86,995,049.89	56,967,707.08
Losses on investments ("- indicates income)	-952,488,585.57	-1,797,629,653.68
Decrease in deferred income tax assets ("- indicates increase)	9,635,250.11	9,308,775.52
Increase in deferred income tax liabilities ("- indicates decrease)	-243,786.11	-430,017.12
Decrease in inventories ("- indicates increase)	52,751,965.83	3,270,814.59
Decrease in operating receivables ("- indicates increase)	-416,860,332.16	-222,514,283.25
Increase in operating payables ("- indicates decrease)	-765,935,724.55	-435,252,872.84
Others	3,877,812.82	-20,856,774.45
Net cash flows from operating activities	-48,015,013.90	351,868,410.96
2. Significant investment and financing activities not involving cash:		
Conversion of liabilities into capital		
Convertible corporate bonds due within one year		
Fixed assets acquired under finance leases		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	3,427,768,324.70	1,819,011,850.33
Less: Opening balance of cash	3,737,084,797.82	1,687,793,105.33
Plus: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-309,316,473.12	131,218,745.00

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

Applicable Not applicable

(3). Net cash received for the disposal of subsidiaries in the current period

Applicable Not applicable

(4). Composition of cash and cash equivalents

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
I. Cash	3,427,768,324.70	3,737,084,797.82
Including: Cash on hand	7,159,163.91	6,363,945.67
Bank deposits available for payment at any time	3,420,593,070.36	3,727,345,344.22
Other monetary funds available for payment at any time	16,090.43	3,375,507.93
Deposits with the central bank that can be used for payment		
Deposits with banks and non-banking financial institutions		
Interbank placement		
II. Cash equivalents		

Including: Bond investments due within three months		
III. Closing balance of cash and cash equivalents	3,427,768,324.70	3,737,084,797.82
Including: Cash and cash equivalents the use of which by the parent company or subsidiaries in the group is restricted		

Other notes:

Applicable Not applicable

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

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

Applicable Not applicable

81. Assets with restricted ownership or use rights

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing carrying value	Reason(s) for the restriction
Monetary assets	940,690,543.00	Certificate of deposit, margin and judicially frozen funds
Receivables financing	148,929,949.11	For pledge
Accounts receivable	29,055,738.63	For project pledged loans
Fixed assets	1,202,427,926.96	For project mortgage loans
Intangible assets	159,008,751.40	For project mortgage loans
Total	2,480,112,909.10	/

82. Foreign currency monetary items

(1). Foreign currency monetary items

Applicable Not applicable

Unit: Yuan

Item	Foreign currency balance at the end of the Reporting Period	Exchange rate	Balance converted into RMB at the end of the Reporting Period
Monetary assets			
Of which: USD	82,754,655.96	7.21570	597,132,771.01
EUR	137,138,116.53	7.89920	1,083,281,410.08
HKD	3,072,680.15	0.92065	2,828,862.98
GBP	648.72	9.19650	5,965.95
TRY	4,168,059.68	0.27834	1,160,137.73
INR	253,821,077.78	0.08838	22,432,706.85
KES	224,757,481.49	0.05052	11,354,747.96
TZS	13,695,216,255.25	0.00288	39,442,222.82
GHS	62,276,998.05	0.61218	38,124,732.67

XOF	1,314,033,171.38	0.01139	14,966,837.82
ZMW	13,092,904.09	0.40896	5,354,474.06
XAF	364,881,634.00	0.01108	4,042,888.50
SGD	100.00	5.35460	535.46
Accounts receivable			
Of which: USD	71,185,309.76	7.21570	513,651,839.64
EUR	24,154,135.06	7.89920	190,798,343.67
TRY	28,167,739.06	0.27834	7,840,208.49
INR	966,250,855.00	0.08838	85,397,250.56
KES	190,888,592.68	0.05052	9,643,691.70
TZS	1,441,725,669.79	0.00288	4,152,169.93
GHS	27,142,053.63	0.61218	16,615,822.39
XOF	217,654,424.84	0.01139	2,479,083.90
ZMW	9,869,395.92	0.40896	4,036,188.16
Other receivables			
Of which: USD	357,053.13	7.21570	2,576,388.27
EUR	241,901.98	7.89920	1,910,832.12
HKD	66,818.10	0.92065	61,516.08
TRY	784,872.79	0.27834	218,461.49
INR	621,917.00	0.08838	54,965.02
KES	13,497,951.02	0.05052	681,916.49
TZS	257,078,593.26	0.00288	740,386.35
GHS	6,761,086.23	0.61218	4,139,001.77
XOF	311,323,814.03	0.01139	3,545,978.24
ZMW	657,305.50	0.40896	268,811.66
XAF	271,988,539.78	0.01108	3,013,633.02
Long-term receivables			
Of which: USD	21,703,665.59	7.21570	156,607,139.80
EUR	4,372.43	7.89920	34,538.70
GBP	16,128.00	9.19650	148,321.15
Short-term borrowings			
Including: EUR	1,121,250.00	7.89920	8,856,978.00
Accounts payable			
Of which: USD	6,171,437.42	7.21570	44,531,240.99
EUR	7,976,135.59	7.89920	63,005,090.26
TRY	2,480,633.45	0.27834	690,459.51
INR	25,025,718.90	0.08838	2,211,773.04
KES	479,802,719.71	0.05052	24,239,633.40
TZS	4,578,326,176.77	0.00288	13,185,579.39

GHS	62,172,796.02	0.61218	38,060,942.27
XOF	1,770,370,565.30	0.01139	20,164,520.74
ZMW	16,085,347.43	0.40896	6,578,263.68
XAF	2,288,712.00	0.01108	25,358.93
Other payables			
Of which: USD	9,072,932.00	7.21570	65,467,555.43
EUR	1,996,546.50	7.89920	15,771,120.11
GBP	30,000.00	9.19650	275,895.00
TRY	6,253,503.79	0.27834	1,740,600.24
KES	32,524,573.63	0.05052	1,643,141.46
TZS	256,259,435.47	0.00288	738,027.17
GHS	6,053,991.15	0.61218	3,706,132.30
XOF	124,765,043.10	0.01139	1,421,073.84
ZMW	3,973,402.76	0.40896	1,624,962.79
Current portion of non-current liabilities			
Of which: USD	13,606,872.06	7.21570	98,183,106.72
EUR	22,212,538.54	7.89920	175,461,284.41
Long-term borrowings			
Of which: USD	18,940,423.69	7.21570	136,668,415.22
EUR	293,532,081.05	7.89920	2,318,668,614.61

(2). Notes to overseas business entities, including the disclosure of the main place of business overseas, standard currency for accounting, and selection basis of major overseas business entities, as well as the disclosure of reasons in case of changes in the standard currency for accounting

√ Applicable □ Not applicable

Unit: Ten Thousand Yuan

Full name of the subsidiary	Place of registration	Registered capital	Currency	Business scope	Business nature	Standard currency for accounting
Keda Industrial (Hong Kong) Limited	Hong Kong	5,870.48	USD	Import and export	Sales	HKD
Xincheng International (Hong Kong) Co., Ltd.	Hong Kong	2,000.00	USD	Import and export	Sales	USD
Kami Materials Co., Ltd.	Hong Kong	3,311.38	HKD	Import and export	Sales	USD
Keda (Kenya) Ceramics Company Limited	Kenya	100.00	USD	Manufacturing	Tile production	KES
Keda (Ghana) Ceramics Company Limited	Ghana	100.00	USD	Manufacturing	Tile production	GHS

Keda (Tanzania) Ceramics Company Limited	Tanzania	100.00	USD	Manufacturing	Tile production	TZS
Keda (SN) Ceramics Limited	Senegal	100.00	USD	Manufacturing	Tile production	XOF
Kami Colourcera Private Limited	India	160.00	USD	Manufacturing	Color glaze production	INR
I.C.F.&Welko S.P.A.	Italy	400.00	EUR	Manufacturing	Ceramic machinery production	EUR
Keda Industrial (India) Limited	India	6,500.00	Rupee	Manufacturing	Sales of accessories and consumables	INR
Keda Turkey Makine Ticaret Limited Sirketi	Turkey	1,350.00	Lira	Import and export	Sales of accessories and consumables	TRY
Forwell International (HK) Co., Ltd.	Hong Kong	6,000.00	USD	Import and export	Sales	USD
Keda Zambia Ceramics Company Limited	Zambia	1.50	ZMW	Manufacturing	Tile production	ZMW
Keda Ceramics International Company Limited	Kenya	1,000.00	USD	Manufacturing	Tile production	KES
Keda Cameroon Ceramics Limited	Cameroon	100.00	XAF	Manufacturing	Tile production	XAF
Keda Cote D'ivoire Ceramics Company Limited	Cote D'ivoire	10,000.00	XOF	Manufacturing	Tile production	XOF
Keda Tanzania Resource Company Limited	TZ	230.00	TZS	Manufacturing	Development of lithium ore and graphite deposit resources	TZS

83. Hedging

√ Applicable □ Not applicable

The qualitative and quantitative information on hedged items and the related hedging instrument as well as the hedged risk are disclosed by hedge type:

As the international trade situation has been increasingly severe and the Company's business types settled in foreign currencies are exposed to the risk of exchange rate fluctuations, the Company uses forward foreign exchange contracts to hedge some foreign currency settlement contracts (e.g., accounts receivable, accounts payable, and bank borrowings) to avoid the risk of exchange rate fluctuations borne by the Company.

Hedged item	Foreign currency settlement contract
Hedging instrument	Forward foreign exchange contract

Hedging method	Lock in price changes in foreign currency settlement contracts with forward foreign exchange contracts
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84. Government grants**(1). Overview of government grants**

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Category	Amount	Presented item	Amount recognized as profit and loss of the current period
Construction and technology transformation project of production base with 50,000 sets of high-pressure piston pumps	23,800,000.00	Other income	23,800,000.00
VAT refunded as soon as it is levied	4,968,642.73	Other income	4,968,642.73
Public transport operation subsidies from the Management Committee of Maanshan Economic and Technological Development Zone	4,640,094.00	Other income	4,640,094.00
Subsidy program for the transfer of entrusted loan funds of municipal excellent technology innovation SMEs for 2018 in Maanshan	4,437,050.00	Other income	4,437,050.00
Project of key technologies and applications for industrialization of heavy-load variable electronically controlled axial piston pumps for large-scale press molding machinery	4,412,500.00	Other income	4,412,500.00
Tax preference for additional deduction of input VAT	3,410,109.67	Other income	3,410,109.67
Special subsidy for major emerging industries for Key technology development and industrialization of high-performance graphene-based composite electrode anode materials for new energy automobiles	2,499,989.24	Other income	2,499,989.24
Incentive program of the Management Committee of Maanshan Economic and Technological Development Zone for the reform of joint-stock system and filing area of provincial CSRC office	2,000,000.00	Other income	2,000,000.00
Incentives and subsidies of Maanshan Local Financial Supervision and Administration for enterprise listing	2,000,000.00	Other income	2,000,000.00
Industrial supporting funds of Sanshui District Leping Township Economic Promotion Bureau	1,500,000.00	Other income	1,500,000.00
Subsidies of Foshan Financial Bureau for specialized and sophisticated SMEs	1,000,000.00	Other income	1,000,000.00
Funding support project for the construction of a green industrial service system in Shunde District	854,323.57	Other income	854,323.57
County-level funding subsidy project of municipal industrial support policy of the	851,400.00	Other income	851,400.00

Management Committee of Dangtu Economic Development Zone			
Special supporting funds for industrial design development in Foshan	600,000.00	Other income	600,000.00
Special funds for renovation of Datian Industry and Information Technology Bureau in 2022	500,000.00	Other income	500,000.00
Funds for provincial manufacturing province and private economy policies (enterprise bailout) of Maanshan Municipal Bureau of Economy and Information Technology in 2023	500,000.00	Other income	500,000.00
Subsidy for energy conservation and emission reduction of Anhui Province of Maanshan Municipal Bureau of Economy and Information Technology in 2023	500,000.00	Other income	500,000.00
Project of in-depth promotion of innovation in Foshan City	440,000.00	Other income	440,000.00
District redemption project based on industrial policies of the Management Committee of Maanshan Economic and Technological Development Zone in 2021	392,700.00	Other income	392,700.00
Subsidy project for standard product evaluation of Foshan City Market Supervision and Administration Bureau	340,000.00	Other income	340,000.00
Subsidy project for intellectual property of the Management Committee of Maanshan Economic and Technological Development Zone in 2021	304,000.00	Other income	304,000.00
Lump-sum subsidy for staff retention of Social Security Bureau	210,925.00	Other income	210,925.00
Subsidy project for segmented industrial leading enterprises in Foshan City	200,000.00	Other income	200,000.00
Subsidies for stabilizing employment	24,120.54	Other income	24,120.54
Other incentives	3,022,443.10	Other income	3,022,443.10
Total	63,408,297.85	Other income	63,408,297.85

(2). Refund of government grants

Applicable Not applicable

85. Others

Applicable Not applicable

VIII. Changes in the Scope of Consolidation**1. Combinations of businesses not under common control**

Applicable Not applicable

2. Combinations of businesses under common control

Applicable Not applicable

3. Reverse takeover

Applicable Not applicable

4. Disposal of subsidiaries

Whether there is a situation in which a single disposal of investment in subsidiaries leads to the loss of control

Applicable Not applicable

Other notes:

Applicable Not applicable

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

Description of changes in the scope of consolidation due to other reasons (such as establishing new subsidiaries and liquidating subsidiaries) and related details:

Applicable Not applicable

Name	Acquisition method
Guangdong Keda Innovation Private Equity Investment Co., Ltd	Newly established
Wuhu Kesen New Energy Co., Ltd	Newly established
Chongqing Keda New Energy Material Co., Ltd.	Newly established
Keda Tanzania Resource Company Limited	Newly established
HLT Ceramic Technologies Co., Ltd.	Newly established
Maanshan Keda Kezhong New Energy Co., Ltd	Newly established
Foshan Kerongsheng New Energy Technology Co., Ltd	Newly established
Xiamen Branch of Fujian Keda New Energy Technology Co., Ltd.	Newly established

6. Others

Applicable Not applicable

IX. Interests in Other Entities**1. Interests in subsidiaries****(1). Composition of the business group**

Applicable Not applicable

Name of subsidiary	Main place of business	Place of registration	Business nature	Percentage of shareholding (%)		Acquisition method
				Direct	Indirect	
Anhui Keda Industrial 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 Material Co., Ltd.	Dangtu Economic and Technological Development Zone, Maanshan City, Anhui Province	Dangtu Economic and Technological Development Zone, Maanshan City, Anhui Province	Manufacturing		100.00	Establishment
Fujian Keda New Energy Technology Co., Ltd.	Luofeng Industrial Park, Taihua Town, Datian	Luofeng Industrial Park, Taihua Town, Datian	Manufacturing	57.23		Establishment

	County, Sanming City, Fujian Province	County, Sanming City, Fujian Province				
Anhui Keda Platinum Platform Energy Technology Co., Ltd.	Dangtu Economic and Technological Development Zone, Maanshan City, Anhui Province	Dangtu Economic and Technological Development Zone, Maanshan City, Anhui Province	Manufacturing		51.00	Combination not under common control
Anhui Keda Prime Platform Energy Technology Co., Ltd.	Dangtu Economic and Technological Development Zone, Maanshan City, Anhui Province	Dangtu Economic and Technological Development Zone, Maanshan City, Anhui Province	Manufacturing		100.00	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
Keda(Anhui) New Energy Vehicle Sales Co., Ltd	Maanshan Economic and Technological Development Zone, Anhui Province	Maanshan Economic and Technological Development Zone, Anhui Province	Commercial services		100.00	Establishment
Anhui Keda Huadong New Energy Vehicle Travel Service Co., Ltd.	Maanshan Economic and Technological Development Zone, Anhui Province	Maanshan Economic and Technological Development Zone, Anhui Province	Commercial services		51.00	Establishment
Anhui Keda Intelligent Energy Technology Co., Ltd	Maanshan Economic and Technological Development Zone, Anhui Province	Maanshan Economic and Technological Development Zone, Anhui Province	Commercial services		80.00	Establishment
Jiangsu Keda Electric Power Co., Ltd.	Jiangning District, Nanjing City, Jiangsu Province	Jiangning District, Nanjing City, Jiangsu Province	Commercial services		100.00	Establishment
Changzhou Keda Sales Electricity Co., Ltd.	Zhonglou Economic Development Zone, Changzhou City	Zhonglou Economic Development Zone, Changzhou City	Commercial services		100.00	Establishment
Anhui Keda Kenergy Sales Co., Ltd.	Xuanzhou District, Xuancheng City, Anhui Province	Xuanzhou District, Xuancheng City, Anhui Province	Commercial services		100.00	Establishment
Anhui Ke'an Electric Power Engineering Co., Ltd.	Maanshan Economic and Technological Development Zone, Anhui Province	Maanshan Economic and Technological Development Zone, Anhui Province	Commercial services		100.00	Combination not under common control
Sixian Keda New Energy Technology Co., Ltd.	Sixian County, Suzhou City, Anhui Province	Sixian County, Suzhou City, Anhui Province	Commercial services		51.00	Establishment
Maanshan Kehan New Energy Technology Co., Ltd.	Hanshan Industrial Park, Lintou Town, Hanshan County, Maanshan City, Anhui Province	Hanshan Industrial Park, Lintou Town, Hanshan County, Maanshan City, Anhui Province	Commercial services		60.00	Establishment
Keda-Suremaker (Wuhu) Industrial Co., Ltd.	Wanzhi District, Wuhu City	Wanzhi District, Wuhu City	Manufacturing		100.00	Combination not under common control
Shenyang Keda Clean Energy Gas Co., Ltd.	Liaoning Faku Economic Development Zone	Liaoning Faku Economic Development Zone	Manufacturing	93.00		Establishment
Guangdong Keda Smart Energy Technology Co., Ltd.	Shunde District, Foshan City	Shunde District, Foshan City	Commercial services		95.00	Establishment
Keda (Anhui) Clean Energy Co., Ltd.	Maanshan Economic and Technological Development Zone, Anhui Province	Maanshan 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
HLT Industry Co., Ltd.	Sanshui Central Science Technology Park, Foshan City	Sanshui Central Science Technology Park, Foshan City	Manufacturing	100.00		Combination not under common control

DLT Technology Co., Ltd.	Sanshui Central Science Technology Park, Foshan City	Sanshui Central Science Technology Park, Foshan City	Manufacturing		100.00	Establishment
Anhui Keda Investment Co., Ltd.	Maanshan Economic and Technological Development Zone	Maanshan Economic and Technological Development Zone	Commercial services	100.00		Establishment
Henan KDNEU International Engineering Co., Ltd.	Shangwu Waihuan Road, Zhengzhou Area (Zhengdong) of China (Henan) Pilot Free Trade Zone	Shangwu Waihuan Road, Zhengzhou Area (Zhengdong) of China (Henan) Pilot Free Trade Zone	Manufacturing		100.00	Combination not under common control
Jiangsu Kehang Environmental Protection Co., Ltd.	Yancheng Environmental Protection Industrial Park, Jiangsu Province	Yancheng Environmental Protection Industrial Park, Jiangsu Province	Manufacturing	100.00		Combination not under common control
Ningxia Kehang Environmental Protection Engineering Co., Ltd.	Pingluo County, Ningxia Hui Autonomous Region	Pingluo County, Ningxia Hui Autonomous Region	Manufacturing		100.00	Combination not under common control
Anhui Keqing Environmental Engineering Co., Ltd.	Maanshan Economic and Technological Development Zone	Maanshan Economic and Technological Development Zone	Manufacturing		100.00	Establishment
Qinghai Weili New Energy Material Co., Ltd.	Dongchuan Industrial Zone, Xining City, Qinghai Province	Dongchuan Industrial Zone, Xining City, 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 Industrial Co., Ltd.	Shunde District, Foshan City	Shunde District, Foshan City	Manufacturing	100.00		Establishment
Foshan Keda Ceramic Technology Co., Ltd.	Shunde District, Foshan City	Shunde District, Foshan City	Import and export	100.00		Establishment
Keda Industrial (Hong Kong) Limited	Hong Kong	Hong Kong	Import and export	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		100.00	Establishment
Keda International Company S.a.r.l.	Luxembourg	Luxembourg	Commercial services		100.00	Establishment
Keda Europe S.r.l.	Italy	Italy	Commercial services		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		100.00	Establishment
Guangdong Xincheng Financial and Leasing Co., Ltd	Shunde District, Foshan City	Shunde District, Foshan City	Commercial services		100.00	Establishment
Anhui Xincheng Financial and Leasing Co., Ltd	Maanshan Economic and Technological Development Zone, Anhui Province	Maanshan Economic and Technological Development Zone, Anhui Province	Commercial services		100.00	Establishment

Keda Holding (Mauritius) Limited	Mauritius	Mauritius	Commercial services	100.00		Establishment
Brightstar Investment Limited	Mauritius	Mauritius	Commercial services		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
Keda (SN) Ceramics Company Limited	Senegal	Senegal	Manufacturing		51.00	Establishment
Keda Zambia Ceramics Company Limited	Zambia	Zambia	Manufacturing		51.00	Establishment
Forwell International (HK) Co., Ltd.	Hong Kong	Hong Kong	Import and export	100.00		Establishment
Artget Fluidtech (Guangzhou) Co., Ltd.	Panyu District, Guangzhou City	Panyu District, Guangzhou City	Manufacturing		63.00	Combination not under common control
Hd (Maanshan) Tourist Transport Co., Ltd	Maanshan Economic and Technological Development Zone	Maanshan Economic and Technological Development Zone	Commercial services		100.00	Combination not under common control
Suzhou Keda Smart Energy Technology Co., Ltd.	Suzhou City, Anhui Province	Suzhou City, Anhui Province	Commercial services		51.00	Establishment
Wuhu Keda Smart New Energy Technology Co., Ltd.	Wuhu City, Anhui Province	Wuhu City, Anhui Province	Commercial services		100.00	Establishment
Hefei Binhu Keda Intelligent Energy Co., Ltd	Baohe Economic Development Zone, Hefei City	Baohe Economic Development Zone, Hefei City	Commercial services		100.00	Establishment
Tilemaster Investment Limited	Mauritius	Mauritius	Commercial services		51.00	Establishment
Hengwang (Anhui) Smart Energy Technology Co., Ltd	Bowang District, Maanshan City, Anhui Province	Bowang District, Maanshan City, Anhui Province	Commercial services		51.00	Establishment
Maanshan Ke'an New Energy Technology Co., Ltd.	Yushan District, Maanshan City, Anhui Province	Yushan District, Maanshan City, Anhui Province	Commercial services		100.00	Establishment
Wuhu Ke'an Energy Technology Co., Ltd.	Jiujiang District, Wuhu City, Anhui Province	Jiujiang District, Wuhu City, Anhui Province	Commercial services		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
HLT Technology Co., Ltd.	Sanshui District, Foshan City, Guangdong Province	Sanshui District, Foshan City, Guangdong Province	Manufacturing		100.00	Establishment
Foshan Ke'an New Energy Technology Co., Ltd.	Shunde District, Foshan City, Guangdong Province	Shunde District, Foshan City, Guangdong Province	Commercial services		100.00	Establishment

Dangtu Ke'an New Energy Technology Co., Ltd.	Dangtu County, Maanshan City, Anhui Province	Dangtu County, Maanshan City, Anhui Province	Commercial services		100.00	Establishment
Guangde Ke'an Photovoltaic Electricity Co., Ltd.	Guangde, Xuancheng City, Anhui Province	Guangde, Xuancheng City, Anhui Province	Commercial services		100.00	Establishment
Kunshan Boyue New Energy Technology Co., Ltd.	Kunshan, Suzhou City, Jiangsu Province	Kunshan, Suzhou City, Jiangsu Province	Commercial services		100.00	Establishment
Shaoguan Keda Machinery Manufacturing Co., Ltd.	Zhenjiang District, Shaoguan City, Guangdong Province	Zhenjiang District, Shaoguan City, Guangdong Province	Manufacturing	80.00		Establishment
Keda (Anhui) Lithium Equipment Co., Ltd	Yushan District, Maanshan City, Anhui Province	Yushan District, Maanshan City, Anhui Province	Manufacturing		100.00	Establishment
Maanshan Zhengpugang New District Taixin New Energy Technology Co., Ltd	Yushan District, Maanshan City, Anhui Province	Yushan District, Maanshan City, Anhui Province	Commercial services		100.00	Establishment
Kami Materials Co., Ltd.	Hong Kong	Hong Kong	Import and export		51.00	Establishment
Dangtu Keda New Energy Technology Co., Ltd.	Dangtu County, Maanshan City, Anhui Province	Dangtu County, Maanshan City, Anhui Province	Commercial services		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 Divoire 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	Commercial services		100.00	Establishment
Maanshan Keci New Energy Technology Co., Ltd.	Yushan District, Maanshan City, Anhui Province	Yushan District, Maanshan City, Anhui Province	Commercial services		100.00	Establishment
Hefei Kemao New Energy Co., Ltd.	Baohe District, Hefei City, Anhui Province	Baohe District, Hefei City, Anhui Province	Commercial services		100.00	Establishment
Maanshan Keda Cigao New Energy Co., Ltd.	Maanshan Cihu High-tech Industrial Development Zone, Anhui Province	Maanshan Cihu High-tech Industrial Development Zone, Anhui Province	Commercial services		100.00	Establishment
Langxi Ke'an New Energy Technology Co., Ltd.	Langxi County, Xuancheng City, Anhui Province	Langxi County, Xuancheng City, Anhui Province	Commercial services		100.00	Establishment
Foshan Kesheng New Energy Technology Co., Ltd.	Shunde District, Foshan City, Guangdong Province	Shunde District, Foshan City, Guangdong Province	Commercial services		100.00	Establishment
Foshan Kexin New Energy Technology Co., Ltd.	Shunde District, Foshan City, Guangdong Province	Shunde District, Foshan City, Guangdong Province	Commercial services		100.00	Establishment
Foshan Keshiming New Energy Technology Co., Ltd.	Gaoming District, Foshan City, Guangdong Province	Gaoming District, Foshan City, Guangdong Province	Commercial services		100.00	Establishment
Maanshan Kegu New Energy Co., Ltd.	Maanshan Economic and Technological Development Zone, Anhui Province	Maanshan Economic and Technological Development Zone, Anhui Province	Commercial services		100.00	Establishment
Foshan HLT Ceramic Technology Co., Ltd.	Sanshui District, Foshan City, Guangdong Province	Sanshui District, Foshan City, Guangdong Province	Import and export		100.00	Establishment
Wuhu Kesen New Energy Co., Ltd.	Fanchang County, Wuhu City, Anhui Province	Fanchang County, Wuhu City, Anhui Province	Commercial services		100.00	Establishment
Maanshan Keda Kezhong New Energy Co., Ltd.	Yushan District, Maanshan City, Anhui Province	Yushan District, Maanshan City, Anhui Province	Commercial services		100.00	Establishment

Foshan Kerongsheng New Energy Technology Co., Ltd.	Shunde District, Foshan City, Guangdong Province	Shunde District, Foshan City, Guangdong Province	Commercial services		55.00	Establishment
Chongqing Keda New Energy Materials Co., Ltd.	Tongliang District, Chongqing	Tongliang District, Chongqing	Manufacturing		100.00	Establishment
Guangdong Keda Innovation Private Equity Investment Co., Ltd	Shunde District, Foshan City, Guangdong Province	Shunde District, Foshan City, Guangdong Province	Finance		100.00	Establishment
Keda Tanzania Resource Company Limited	Tanzania	Tanzania	Manufacturing		100.00	Establishment

(2). Major non-wholly-owned subsidiaries

Applicable Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Name of subsidiaries	Shareholding of minority shareholder Proportion (%)	The profit or loss attributable to the non-controlling interests for the current period	Declaring dividends distributed to non-controlling interests for the current period	Balance of non-controlling interests at the period-end
Qinghai Weili New Energy Material Co., Ltd.	46.38	9,801.17	13,605.63	45,237.85
Tilemaster Investment Limited	49.00	33,963.03	20,978.61	107,790.32

Note to the difference between the proportion of shareholdings of the minority shareholders of subsidiaries and the proportion of their voting rights:

Applicable Not applicable

Other notes:

Applicable Not applicable

(3). Key financial data on major non-wholly-owned subsidiaries

√ Applicable □ Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Name of subsidiary	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Qinghai Weili New Energy Material Co., Ltd.	6,354.66	91,713.31	98,067.97	530.57	0.00	530.57	64,537.26	48,955.85	113,493.11	530.57	0.00	530.57
Tilemaster Investment Limited	363,782.40	232,760.48	596,542.88	98,856.69	277,705.94	376,562.63	188,394.36	186,110.91	374,505.27	89,247.83	92,419.44	181,667.27

Name of subsidiary	Amount incurred in the current period				Amount incurred in the last period			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Qinghai Weili New Energy Material Co., Ltd.		21,132.31	13,786.85	58,181.39		39,721.00	39,721.00	-7,538.40
Tilemaster Investment Limited	190,736.00	69,312.30	69,955.73	18,933.28	152,589.86	48,873.49	40,487.16	23,105.56

(4). Major restrictions on the use of assets and settlement of debts of the business

group:

□ Applicable √ Not applicable

(5). Financial or other support provided to structured entities included in the scope of consolidated financial statements

□ Applicable √ Not applicable

Other notes

□ Applicable √ Not applicable

2. Transactions in which the share of owners' equity in a subsidiary changed but the subsidiary was still under control

√ Applicable □ Not applicable

(1). Notes to the changes in the share of owners' equity in the subsidiary

√ Applicable □ Not applicable

a) In February 2023, the Company injected capital into Fujian Keda New Energy with RMB285 million, and the Company's proportion of ownership in Fujian Keda New Energy changed from 53.96% to 57.23% after the capital injection.

b) From February to March 2023, the subsidiary Anhui Keda Investment acquired 27% of equity interest held by minority shareholders in Anhui Keda Intelligent Energy for RMB40.3 million, and the proportion of ownership of Anhui Keda Investment in Anhui Keda Intelligent Energy changed from 53.00% to 80.00% after the equity transfer.

c) From March to June 2023, the Company injected capital into Shaoguan Keda with RMB38 million, and the Company's proportion of ownership in Shaoguan Keda changed from 70.00% to 80.00% after the capital injection.

(2). Effects of transactions on the equities of minority shareholders and owner's equity attributable to the parent company

Applicable Not applicable

Unit: Ten Thousand Yuan Currency: RMB

	Increase in the owner's equity attributable to the parent company
Purchase cost/disposal consideration	
--Cash	55,330.00
--Fair value of non-cash assets	
Total purchase cost/disposal consideration	55,330.00
Less: Shares of net assets of subsidiaries calculated in proportion to the acquired/disposed equity	52,657.12
Difference	2,672.88
Including: Adjustment to capital reserves	-2,672.88
Adjustment to surplus reserves	
Adjustment to the undistributed profits	

Other notes

Applicable Not applicable

3. Interests in joint ventures or associated enterprises

Applicable Not applicable

(1). Major joint ventures or associated enterprises

Applicable Not applicable

Unit: Yuan Currency: RMB

Name of the joint venture or associated enterprise	Main place of business	Place of registration	Business nature	Percentage of shareholding (%)		Accounting processing method for investment in joint ventures or associated enterprises
				Direct	Indirect	
Qinghai Yanhu Lanke	Golmud, Qinghai	Golmud, Qinghai	Manufacturing		43.58	Equity method

Lithium Industry Co., Ltd.						
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Note to the difference between the percentage of shareholdings in the joint ventures or associated enterprises and the proportion of voting rights:

The Company holds 100% of equity interests in Guangdong Keda Lithium Industry, through which it holds 37.80% of equity interests in Lake Lithium. The Company holds 53.62% of equity interests in Qinghai Weili, through which it holds 10.78% of equity interests in Lake Lithium. Therefore, the Company owns 48.58% of voting rights in Lake Lithium and indirectly holds 43.58% of shares in Lake Lithium.

(2). Key financial data on major joint ventures

Applicable Not applicable

(3). Key financial data on major associated enterprises

Applicable Not applicable

Unit: Ten Thousand Yuan Currency: RMB

	Closing balance/Amount incurred in the current period		Opening balance/Amount incurred in the last period	
	Qinghai Yanhu Lanke Lithium Industry Co., Ltd.	Qinghai Yanhu Lanke Lithium Industry Co., Ltd.	Qinghai Yanhu Lanke Lithium Industry Co., Ltd.	Qinghai Yanhu Lanke Lithium Industry Co., Ltd.
Current assets	538,726.53		308,327.53	
Non-current assets	254,183.45		252,083.54	
Total assets	792,909.98		560,411.07	
Current liabilities	138,936.25		102,557.61	
Non-current liabilities	2,663.15		3,719.78	
Total liabilities	141,599.40		106,277.39	
Equities of minority shareholders				
Equities attributable to shareholders of the parent company				
Share of net assets calculated based on the percentage of shareholding	283,841.15		197,911.46	
Adjustments	84,572.73		74,713.89	
--Goodwill				
--Unrealized profits of internal transactions				
--Others	84,572.73		74,713.89	
Carrying value of equity investments in associated enterprises	368,413.88		272,625.35	

Fair value of equity investments in associated enterprises with public quotation				
Operating revenue		333,437.01		525,781.43
Net profit		196,034.49		368,475.94
Net profit from discontinued operations				
Other comprehensive income				
Total comprehensive income		196,034.49		368,475.94
Dividends from associated enterprises for the Year				

(4). Combined financial data on insignificant joint ventures and associated enterprises

Applicable Not applicable

(5). Note to major restrictions on the capability of joint ventures or associated enterprises of transferring capital to the Company

Applicable Not applicable

(6). Excessive losses incurred in joint ventures or associated enterprises

Applicable Not applicable

(7). Unrecognized commitments related to investments in joint ventures

Applicable Not applicable

(8). Contingent liabilities related to investments in joint ventures or associated enterprises

Applicable Not applicable

4. Material joint operation

Applicable Not applicable

5. Interests in structured entities not included in the scope of consolidated financial statements

Note to structured entities not included in the scope of consolidated financial statements:

Applicable Not applicable

6. Others

Applicable Not applicable

X. Risks Related to Financial Instruments

Applicable Not applicable

i. Main contents and policies of risk management

Major financial instruments of the Company include financial assets held for trading, accounts receivable, accounts payable, and bank loans. The risks related to 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 a limited scope.

1. Market risk

(1) Interest rate risk — Risk of changes in the 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 loans are mainly short-term loans, the Company considers that the fair interest rate risk is insignificant. The Company currently does not have any interest rate hedging policies.

(2) Interest rate risk — Risk of changes in cash flows. The Company is exposed to the risk of changes in the cash flows of financial instruments attributable to changes in interest rates, which is mainly related to short-term and long-term loans with floating interest rates. It is the Company's policy to maintain the floating interest rates on these loans, thus eliminating the risk of changes in the fair value of interest rates.

(3) Foreign exchange risk — Risk of loss arising from changes in exchange rates. The substantial growth in the Company's overseas business in recent years will bring greater foreign exchange risk. The Company minimizes foreign exchange risk by conducting forward foreign exchange transactions and controlling the sizes of foreign currency assets and liabilities in line with the changes in market exchange rates.

2. Credit risk

The greatest credit risk exposure that may cause financial losses to the Company mainly comes from the losses on the Company's financial assets caused by the other party's failure to perform its obligations.

The financial assets in the Company's consolidated statements are mainly accounts receivable. 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. Additionally, the Company reviews the recovery of every single account receivable on each balance sheet date to ensure that adequate provision is made for non-collectible amounts.

3. Liquidity risk

The Company's Management keeps monitoring its cash and cash equivalents on a timely basis so as to meet the Company's operational needs and reduce the impacts of cash flow fluctuations.

The Company's treasury management department, on an ongoing basis, monitors the Company's short-term and long-term funding requirements so as to ensure that adequate cash reserve is maintained. It also continuously monitors compliance with loan agreements in order to obtain adequate credit facilities 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 to which the Company is exposed has been significantly reduced and will not have a material effect on the Company's operations and financial statements. This financial statement is prepared on a going concern basis.

As at June 30, 2023, the Company's financial assets and financial liabilities are presented in the form of undiscounted contractual cash flows by maturity date as follows:

Unit: Yuan Currency: RMB

Item	June 30, 2023				
	Carrying value	Total value	Within one year	One to three years	Over three years
Monetary funds	4,368,458,867.70	4,368,458,867.70	4,368,458,867.70		
Financial assets held for trading	193,940,573.18	193,940,573.18	193,940,573.18		
Notes receivable	89,745,883.32	89,745,883.32	89,745,883.32		
Accounts receivable	1,923,508,485.04	1,923,508,485.04	1,624,838,722.77	283,459,769.97	15,209,992.30
Receivables financing	342,609,541.51	342,609,541.51	342,609,541.51		
Other receivables	83,002,662.25	83,002,662.25	62,965,511.54	15,373,182.07	4,663,968.64
Non-current assets due within one year	461,182,878.44	461,182,878.44	461,182,878.44		
Other current assets	367,513,160.69	367,513,160.69	367,513,160.69		
Long-term receivables	227,529,995.21	227,529,995.21		227,529,995.21	
Other non-current financial assets	5,000,000.00	5,000,000.00		5,000,000.00	
Subtotal	8,062,492,047.34	8,062,492,047.34	7,511,255,139.15	531,362,947.25	19,873,960.94
Bank loans	6,167,895,043.19	6,167,895,043.19	1,529,219,878.55	4,638,675,164.64	
Notes payable	480,076,835.15	480,076,835.15	480,076,835.15		
Accounts payable	1,397,462,642.61	1,397,462,642.61	1,170,470,839.39	158,759,547.35	68,232,255.87
Other payables	160,298,718.19	160,298,718.19	94,564,214.38	52,390,161.84	13,344,341.97
Subtotal	8,205,733,239.14	8,205,733,239.14	3,274,331,767.47	4,849,824,873.83	81,576,597.84

Continued

Unit: Yuan Currency: RMB

Item	December 31, 2022				
	Carrying value	Total value	Within one year	One to three years	Over three 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 loans	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 payables	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

XI. Disclosure of Fair Value**1. Closing fair value of assets and liabilities measured at fair value**

√ Applicable □ Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Item	Closing fair value			
	Level-1 fair value measurement	Level-2 fair value measurement	Level-3 fair value measurement	Total
I. Continuous fair value measurement				
i. Financial assets held for trading		19,394.06	500.00	19,894.06
1. Financial assets at fair value through profit or loss				
(1) Debt instrument investment				
(2) Equity instrument investment				
(3) Derivative financial assets				

2. Financial assets designated at fair value through profit or loss		19,394.06	500.00	19,894.06
(1) Debt instrument investment		14,990.03		14,990.03
(2) Equity instrument investment			500.00	500.00
(3) Derivative financial assets		4,404.03		4,404.03
ii. Other debt investments				
iii. Other equity instrument investments	96,897.72		815.90	97,713.62
iv. Investment properties				
1. Land use rights for lease				
2. Buildings for lease				
3. Land use rights held and ready to be transferred after appreciation				
v. Biological assets				
1. Consumable biological assets				
2. Productive biological assets				
vi. Accounts receivable financing			34,260.95	34,260.95
Total assets continuously measured at fair value	96,897.72	19,394.06	35,576.85	151,868.63
vii. Financial liabilities held for trading		3,376.62		3,376.62
1. Financial liabilities at fair value through profit or loss				
Including: Held-for-trading bonds offered				
Derivative financial liabilities				
Others				
2. Financial liabilities designated at fair value through profit or loss		3,376.62		3,376.62
Total liabilities continuously measured at fair value		3,376.62		3,376.62
II. Non-continuous fair value measurement				
i. Held-for-sale assets				
Total assets not continuously measured at fair value				

Total liabilities not continuously measured at fair value				
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2. Basis for determining the market price of continuous and non-continuous level-1 fair value measurement projects

Applicable Not applicable

The fair value of hedging instruments for futures contracts is determined using level-1 inputs. The call price of the corresponding futures contract of the Shanghai Futures Exchange on the balance sheet date is used as an important reference for assessing the fair value.

Level-1 inputs are used for the Company's investment in Jiaying Keda Jinhong Salt Lake Industrial Equity Investment Partnership (Limited Partnership). The closing price of the corresponding stock on the exchange at the balance sheet date is taken as an important reference for the assessment of its fair value.

3. Qualitative and quantitative data on valuation techniques and important parameters adopted for continuous and non-continuous level-2 fair value measurement projects

Applicable Not applicable

The fair value of forward foreign exchange settlement hedging instruments is determined using level-2 inputs. The hedging exchange rate provided by the bank is used as an important reference for assessing the fair value.

The fair value of the banking wealth management products is determined using level-2 inputs. The net share provided by the bank is used as an important reference for assessing the fair value.

The fair value of the asset management plan fund is determined using level-2 inputs. The net share of the asset management plan provided by the issuer is used as an important reference for assessing the fair value.

4. Qualitative and quantitative data on valuation techniques and important parameters adopted for continuous and non-continuous level-3 fair value measurement projects

Applicable Not applicable

Where level-1 and level-2 inputs cannot be used for the fair value of other equity instrument investments, level-3 inputs should be taken. The closing net assets of the investee are used as an important reference for assessing the fair value. Where the closing net assets of the investee can basically reflect the fair value, the net assets are used as the base for assessing the fair value.

Receivables financing represents the bank acceptance bills receivable, and its management model involves both the collection of contractual cash flows and endorsement transfer or discounting. Therefore, the Company measures the bank acceptance bills held for an indefinite purpose with its face value as the fair value.

The determination of fair value of other non-current financial assets is determined using level-3 inputs. The Company uses all information available on the operating results and operation of the investee after the initial recognition date, and the progress of the investment projects and the net assets provided by the investee as an important reference for assessing the fair value.

5. Data on reconciliation between the opening and closing carrying values and the sensitivity analysis of unobservable parameters of continuous level-3 fair value measurement projects

Applicable Not applicable

6. For continuous fair value measurement projects with a conversion in the fair value hierarchy in the current period, the reasons for the conversion and the policy for determining the time of the conversion

Applicable Not applicable

7. Changes in the valuation techniques in the current period and the reasons for such changes

Applicable Not applicable

8. Fair values of financial assets and financial liabilities not measured at fair value

Applicable Not applicable

9. Others

Applicable Not applicable

XII. Related Party and Related Party Transactions

1. Parent company of the Company

Applicable Not applicable

2. Subsidiaries of the Company

For details of the subsidiaries of the Company, please see the notes.

Applicable Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Full name of the subsidiary	Type of enterprise	Place of registration	Legal representative	Business nature	Registered capital	Percentage of shareholding (%)	Proportion of voting rights (%)	Unified social credit code
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Anhui Keda Industrial Co., Ltd.	Other joint stock company	Maanshan Economic and Technological Development Zone, Anhui Province	Chen Xinjiang	Manufacturing	10,000.00	80.00	80.00	9134050067589409XX
Anhui Keda New Material Co., Ltd.	Limited liability company	Dangtu Economic and Technological Development Zone, Maanshan City, Anhui Province	Dai Tao	Manufacturing	40,000.00	100.00	100.00	91340521355187820D
Fujian Keda New Energy Technology Co., Ltd.	Limited liability company	Luofeng Industrial Park, Taihua Town, Datian County, Sanming City, Fujian Province	Dai Tao	Manufacturing	44,363.16	57.23	57.23	91350425MA2YNNXG0K
Anhui Keda Platinum Platform Energy Technology Co., Ltd.	Limited liability company	Dangtu Economic and Technological Development Zone, Maanshan City, Anhui Province	Zhang Shaobo	Manufacturing	800.00	51.00	51.00	91340521MA2N1EB218
Anhui Keda Prime Platform Energy Technology Co., Ltd.	Limited liability company	Dangtu Economic and Technological Development Zone, Maanshan City, Anhui Province	Fu Jian	Manufacturing	5,200.00	100.00	100.00	91340521MA2RJKP8P
Sichuan Keda Clean Energy New Material Co., Ltd.	Limited liability company	China (Sichuan) Pilot Free Trade Zone Chengdu High-tech Zone	Xu Jianshe	Manufacturing	5,000.00	100.00	100.00	91510100MA6AFBR19Y
Keda(Anhui) New Energy Vehicle Sales Co., Ltd.	Limited liability company	Maanshan Economic and Technological Development Zone, Anhui Province	Xu Jianshe	Commercial services	1,000.00	100.00	100.00	91340500MA2MTEPE07
Anhui Keda Huadong New Energy Vehicle Travel Service Co., Ltd.	Limited liability company	Maanshan Economic and Technological Development Zone, Anhui Province	Zhu Hongjun	Commercial services	1,000.00	51.00	51.00	91340500MA2MUTTP26
Anhui Keda Intelligent Energy Technology Co., Ltd.	Limited liability company	Maanshan Economic and Technological Development Zone, Anhui Province	Zhang Feng	Commercial services	20,001.00	80.00	80.00	91340500MA2MT7G34X
Jiangsu Keda Electric Power Co., Ltd.	Limited liability company	Jiangning District, Nanjing City, Jiangsu Province	Zhang Feng	Commercial services	20,100.00	100.00	100.00	91320115MA1P1QC122
Changzhou Keda Sales Electricity Co., Ltd.	Limited liability company	Zhonglou Economic Development Zone, Changzhou City	Zhang Feng	Commercial services	100.00	100.00	100.00	91320411MA1R8ME22R
Anhui Keda Kenegy Sales Co., Ltd.	Limited liability company	Xuanzhou District, Xuancheng City, Anhui Province	Zhang Feng	Commercial services	2,100.00	100.00	100.00	91340100MA2MXP9E0B
Anhui Ke'an Electric Power Engineering Co., Ltd.	Limited liability company	Maanshan Economic and Technological Development Zone, Anhui Province	Zhang Feng	Commercial services	10,000.00	100.00	100.00	91340500066503989D
Sixian Keda New Energy Technology Co., Ltd.	Limited liability company	Sixian County, Suzhou City, Anhui Province	Zhang Feng	Commercial services	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, Maanshan City, Anhui Province	Zhang Feng	Commercial services	2,000.00	60.00	60.00	91341202MA2NR4H91F
Keda-Suremaker (Wuhu) Industrial Co., Ltd.	Limited liability company	Wanzhi District, Wuhu City	Zhou Peng	Manufacturing	5,000.00	100.00	100.00	9134022166624276X0
Shenyang Keda Clean Energy Gas Co., Ltd.	Limited liability company	Liaoning Faku Economic Development Zone	Ma Liang	Manufacturing	100,000.00	93.00	93.00	91210124550792268N
Guangdong Keda Smart Energy Technology Co., Ltd.	Limited liability company	Shunde District, Foshan City	Zhang Feng	Commercial services	20,001.00	95.00	95.00	91440606MA53N01N91
Keda (Anhui) Clean Energy Co., Ltd.	Other joint stock company	Maanshan Economic and Technological Development Zone, Anhui Province	Li Ting	Manufacturing	4,460.00	97.37	97.37	91340500661503967A
Guangdong Keda Hydraulic Technology Co., Ltd.	Limited liability company	Shunde District, Foshan City	Yang Jun	Manufacturing	4,851.43	43.72	43.72	91440606568290581X
HLT Industry Co., Ltd.	Limited liability company	Sanshui Central Science Technology Park, Foshan City	Yang Xuexian	Manufacturing	20,000.00	100.00	100.00	91440600712393666R
DLT Technology Co., Ltd.	Limited liability company	Sanshui Central Science Technology Park, Foshan City	Guan Huojin	Manufacturing	10,000.00	100.00	100.00	91440607MA4UNRGA45
Anhui Keda Investment Co., Ltd.	Limited liability company	Maanshan Economic and Technological Development Zone	Zeng Fei	Commercial services	25,000.00	100.00	100.00	913405006986740300
Henan KDNEU International Engineering Co., Ltd.	Limited liability company	Shangwu Waihuan Road, Zhengzhou Area (Zhengdong) of China (Henan) Pilot Free Trade Zone	Zeng Fei	Manufacturing	5,000.00	100.00	100.00	914101007067856557
Jiangsu Kehang Environmental Protection Co., Ltd.	Joint stock company	Yancheng Environmental Protection Industrial Park, Jiangsu Province	Long Yuzhou	Manufacturing	38,636.36	100.00	100.00	913209026086112210
Ningxia Kehang Environmental Protection Engineering Co., Ltd.	Limited liability company	Pingluo County, Ningxia Hui Autonomous Region	Long Yuzhou	Manufacturing	5,000.00	100.00	100.00	91640221574868431X
Anhui Keqing Environmental Engineering Co., Ltd.	Limited liability company	Maanshan Economic and Technological Development Zone	Wei Senmao	Manufacturing	5,000.00	100.00	100.00	91340500MA2TN7CAXR
Qinghai Weili New Energy Material Co., Ltd.	Limited liability company	Dongchuan Industrial Zone, Xining City, Qinghai Province	Zeng Fei	Manufacturing	8,681.76	53.62	53.62	91632900679184650E
Guangdong Keda Lithium Industry Co., Ltd.	Limited liability company	Shunde District, Foshan City	Zeng Fei	Manufacturing	100,000.00	100.00	100.00	916300006791880023
Foshan Keda Industrial Co., Ltd.	Limited liability company	Shunde District, Foshan City	He Weidong	Manufacturing	27,334.00	100.00	100.00	91440606MA51BFQE8A
Foshan Keda Ceramic Technology Co., Ltd.	Limited liability company	Shunde District, Foshan City	Qiu Hongying	Import and export trade	2,000.00	100.00	100.00	91440606MA534JQK1E
Artget Fluidtech (Guangzhou) Co., Ltd.	Limited liability company	Panyu District, Guangzhou City	Yang Jun	Manufacturing	1,000.00	63.00	63.00	914401137219513328
Hd(Maanshan) Tourist Transport Co., Ltd	Limited liability company	Maanshan Economic and Technological	Qin Juan	Commercial services	1,000.00	100.00	100.00	91340500680813282J

		Development Zone						
Suzhou Keda Smart Energy Technology Co., Ltd.	Limited liability company	Suzhou City, Anhui Province	Xiang Jing	Commercial services	500.00	51.00	51.00	91341302MA2W4MYLX8
Wuhu Keda Smart New Energy Technology Co., Ltd.	Limited liability company	Wuhu City, Anhui Province	Zhang Feng	Commercial services	1,200.00	100.00	100.00	91340222MA2W7K7P18
Hefei Binhu Keda Intelligent Energy Co., Ltd.	Limited liability company	Baohe Economic Development Zone, Hefei City	Zhang Feng	Commercial services	1,000.00	100.00	100.00	91340111MA2WBGD22X
Hengwang(Anhui) Smart Energy Technology Co., Ltd.	Limited liability company	Bowang District, Maanshan City, Anhui Province	Qin Juan	Commercial services	1,000.00	51.00	51.00	91340506MA2WMGLG8H
Maanshan Ke'an New Energy Technology Co., Ltd.	Limited liability company	Yushan District, Maanshan City, Anhui Province	Zhang Feng	Commercial services	100.00	100.00	100.00	91340500MA2XK3E90X
Wuhu Ke'an Energy Technology Co., Ltd.	Limited liability company	Jiujiang District, Wuhu City, Anhui Province	Zhang Feng	Commercial services	100.00	100.00	100.00	91340207MA2WEEEX40
Foshan Keda Equipment Manufacturing Co., Ltd.	Limited liability company	Sanshui District, Foshan City, Guangdong Province	Zhou Guosheng	Manufacturing	73,500.00	100.00	100.00	91440607MA56FY8T46
Toyo Hydraulic Technology (Dalian) Co., Ltd.	Limited liability company	Jinzhou District, Dalian City, Liaoning Province	Zhang Heping	Manufacturing	588.00	62.24	62.24	91210242MA110D46XT
HLT Technology Co., Ltd.	Limited liability company	Sanshui District, Foshan City, Guangdong Province	Yang Xuexian	Manufacturing	10,000.00	100.00	100.00	91440607MA578CG434
Foshan Ke'an New Energy Technology Co., Ltd.	Limited liability company	Shunde District, Foshan City, Guangdong Province	Zhang Feng	Commercial services	100.00	100.00	100.00	91440606MA56DX766W
Dangtu Ke'an New Energy Technology Co., Ltd.	Limited liability company	Dangtu County, Maanshan City, Anhui Province	Zhang Feng	Commercial services	100.00	100.00	100.00	91340521MA8MYRYQX4
Guangde Ke'an Photovoltaic Electricity Co., Ltd.	Limited liability company	Guangde, Xuancheng City, Anhui Province	Zhang Feng	Commercial services	100.00	100.00	100.00	91341822MA8N02WA38
Kunshan Boyue New Energy Technology Co., Ltd.	Limited liability company	Kunshan, Suzhou City, Jiangsu Province	Zhang Feng	Commercial services	100.00	100.00	100.00	91320583MA26UQCT4R
Shaoguan Keda Machinery Manufacturing Co., Ltd. Shaoguan	Limited liability company	Zhenjiang District, Shaoguan City, Guangdong Province	Zeng Pingli	Manufacturing	10,000.00	80.00	80.00	91440204MA58C6H03U
Keda (Anhui) Lithium Equipment Co., Ltd.	Limited liability company	Yushan District, Maanshan City, Anhui Province	Li Ting	Manufacturing	2,000.00	100.00	100.00	91340500MA8NDDRN9J
Maanshan Zhengpugang New District Taixin New Energy Technology Co., Ltd.	Limited liability company	Yushan District, Maanshan City, Anhui Province	Zhang Feng	Commercial services	100.00	100.00	100.00	91340500MA2WT0TTXB
Dangtu Keda New Energy Technology Co., Ltd.	Limited liability company	Dangtu County, Maanshan City, Anhui Province	Zhang Feng	Commercial services	100.00	100.00	100.00	91340521MA8N13RC67
Guangdong Keda New Energy Equipment Co., Ltd.	Limited liability company	Shunde District, Foshan City, Guangdong Province	Chen Shuifu	Manufacturing	5,000.00	99.98	99.98	91440606MABMRNAQ3D
Anhui Keda Hydraulic Technology Co., Ltd.	Limited liability company	Maanshan Economic and Technological Development Zone, Anhui Province	Yang Jun	Manufacturing	2,000.00	100.00	100.00	91340500MA8PB2FW7D
Hefei Lunuo New Energy Co., Ltd.	Limited liability company	Changfeng County, Hefei City, Anhui Province	Zhang Feng	Commercial services	100.00	100.00	100.00	91340121MA8NUMXP0D

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Maanshan Keci New Energy Technology Co., Ltd.	Limited liability company	Yushan District, Maanshan City, Anhui Province	Zhang Feng	Commercial services	100.00	100.00	100.00	91340500MA8N2T5D0L
Hefei Kema New Energy Co., Ltd.	Limited liability company	Baohai District, Hefei City, Anhui Province	Zhang Feng	Commercial services	100.00	100.00	100.00	91340111MA8NU3H96U
Maanshan Keda Cigao New Energy Co., Ltd.	Limited liability company	Maanshan Cihu High-tech Industrial Development Zone, Anhui Province	Zhang Feng	Commercial services	100.00	100.00	100.00	91340500MA8P8QPQ0Q
Langxi Ke'an New Energy Technology Co., Ltd.	Limited liability company	Langxi County, Xuancheng City, Anhui Province	Zhang Feng	Commercial services	100.00	100.00	100.00	91341821MA8LGUD10D
Foshan Kesheng New Energy Technology Co., Ltd.	Limited liability company	Shunde District, Foshan City, Guangdong Province	Zhang Feng	Commercial services	100.00	100.00	100.00	91440606MA7M5A3W5M
Foshan Kexin New Energy Technology Co., Ltd.	Limited liability company	Shunde District, Foshan City, Guangdong Province	Zhang Feng	Commercial services	100.00	100.00	100.00	91440606MA7M5A3K86LW5M
Foshan Keshiming New Energy Technology Co., Ltd.	Limited liability company	Gaoming District, Foshan City, Guangdong Province	Zhang Feng	Commercial services	100.00	100.00	100.00	914406068MA7BMPTRK86L0W7
Maanshan Kegu New Energy Co., Ltd.	Limited liability company	Maanshan Economic and Technological Development Zone, Anhui Province	Zhang Feng	Commercial services	100.00	100.00	100.00	91340500MA8NXXDK9T
Foshan HLT Ceramic Technology Co., Ltd.	Limited liability company	Sanshui District, Foshan City, Guangdong Province	Zhu Shouli	Import and export	2,000.00	100.00	100.00	91440607MAC7BWW81C
Wuhu Kesen New Energy Co., Ltd.	Limited liability company	Fanchang County, Wuhu City, Anhui Province	Zhang Feng	Commercial services	100.00	100.00	100.00	91340222MA8NTDTK4N
Maanshan Keda Kezhong New Energy Co., Ltd.	Limited liability company	Yushan District, Maanshan City, Anhui Province	Zhang Feng	Commercial services	100.00	100.00	100.00	91340504MA8PLRNW05
Foshan Kerongsheng New Energy Technology Co., Ltd.	Other limited liability company	Shunde District, Foshan City, Guangdong Province	Zhang Feng	Commercial services	100.00	55.00	55.00	91440606MACGCAT004
Chongqing Keda New Energy Materials Co., Ltd.	Limited liability company	Tongliang District, Chongqing	Fu Guoguang	Manufacturing	10,000.00	100.00	100.00	91500151MAC5G48E7T
Guangdong Keda Innovation Private Equity Investment Co., Ltd.	Limited liability company	Shunde District, Foshan City, Guangdong Province	Huang Longju	Finance	1,000.00	100.00	100.00	91440606MAC7PG2M8K

Unit: Ten Thousand Currency: HKD

Full name of the subsidiary	Type of enterprise	Place of registration	Legal representative	Business nature	Registered capital	Percentage of shareholding (%)	Proportion of voting rights (%)
Kami Materials Co., Ltd.	Limited liability company	Hong Kong	Li Yuejin	Import and export	3,311.38	51.00	51.00

Unit: Ten Thousand Currency: USD

Full name of the subsidiary	Type of enterprise	Place of registration	Legal representative	Business nature	Registered capital	Percentage of shareholding (%)	Proportion of voting rights (%)
Forwell International (HK) Co., Ltd.	Limited liability company	Hong Kong	Li Qing	Import and export	6,000.00	100.00	100.00
Keda Industrial (Hong Kong) Limited	Limited liability company	Hong Kong	Li Qing	Import and export	5,870.48	100.00	100.00
Xincheng International (Hong Kong) Co., Ltd.	Limited liability company	Hong Kong	Li Qing	Import and export	2,000.00	100.00	100.00
Guangdong Xincheng Financial and Leasing Co., Ltd	Limited liability company	Shunde District, Foshan City	Wang Gang	Commercial services	2,700.00	100.00	100.00
Anhui Xincheng Financial and Leasing Co., Ltd	Limited liability company	Maanshan Economic and Technological Development Zone, Anhui Province	Wang Gang	Commercial services	3,500.00	100.00	100.00
Keda Holding (Mauritius) Limited	Limited liability company	Mauritius	/	Commercial services	5,371.33	100.00	100.00
Brightstar Investment Limited	Limited liability company	Mauritius	/	Commercial services	5,369.20	51.00	51.00
Tilemaster Investment Limited	Limited liability company	Mauritius	/	Commercial services	9,763.20	51.00	51.00
Keda (Kenya) Ceramics Company Limited	Limited liability company	Kenya	/	Manufacturing	100.00	51.00	51.00
Keda (Ghana) Ceramics Company Limited	Limited liability company	Ghana	/	Manufacturing	100.00	51.00	51.00
Keda (Tanzania) Ceramics Company Limited	Limited liability company	Tanzania	/	Manufacturing	100.00	51.00	51.00

Keda (SN) Ceramics Company Limited	Limited liability company	Senegal	/	Manufacturing	100.00	51.00	51.00
Kami Colourcera Private Limited	Limited liability company	India	SAMEERDIGGIKER	Manufacturing	160.00	72.00	72.00
Keda Ceramics International Company Limited	Limited liability company	Kenya	/	Manufacturing	1,000.00	51.00	51.00

Unit: Ten Thousand Currency: EUR

Full name of the subsidiary	Type of enterprise	Place of registration	Legal representative	Business nature	Registered capital	Percentage of shareholding (%)	Proportion of voting rights (%)
Keda International Company S.a.r.l.	Limited liability company	Luxembourg	Liu Xiaodong	Commercial services	1.20	100.00	100.00
Keda Europe S.r.l.	Limited liability company	Italy	Yang Xuexian	Commercial services	100.00	100.00	100.00
I.C.F.&Welko S.P.A.	Joint stock company	Italy	Yang Xuexian	Manufacturing	400.00	100.00	100.00
Wibe S.L.	Limited liability company	Spain	Zheng Jiang	Manufacturing	120.20	100.00	100.00

Unit: Ten Thousand Currency: INR

Full name of the subsidiary	Type of enterprise	Place of registration	Legal representative	Business nature	Registered capital	Percentage of shareholding (%)	Proportion of voting rights (%)
Keda Industrial (India) Limited	Limited liability company	India	Ashwath	Manufacturing	6,500.00	90.00	90.00

Unit: Ten Thousand Currency: ZMW

Full name of the subsidiary	Type of enterprise	Place of registration	Legal representative	Business nature	Registered capital	Percentage of shareholding (%)	Proportion of voting rights (%)
Keda Zambia Ceramics Company Limited	Limited liability company	Zambia	/	Manufacturing	1.50	51.00	51.00

Unit: Ten Thousand Currency: TRY

Full name of the subsidiary	Type of enterprise	Place of registration	Legal representative	Business nature	Registered capital	Percentage of shareholding (%)	Proportion of voting rights (%)
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Keda Turkey Makine Ticaret Limited Sirketi	Limited liability company	Turkey	Zeng Fei	Import and export	1,350.00	100.00	100.00
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Unit: Ten Thousand Currency: XAF

Full name of the subsidiary	Type of enterprise	Place of registration	Legal representative	Business nature	Registered capital	Percentage of shareholding (%)	Proportion of voting rights (%)
Keda Cameroon Ceramics Limited	Limited liability company	Cameroon	/	Manufacturing	100.00	51.00	51.00

Unit: Ten Thousand Currency: XOF

Full name of the subsidiary	Type of enterprise	Place of registration	Legal representative	Business nature	Registered capital	Percentage of shareholding (%)	Proportion of voting rights (%)
Keda Cote D'ivoire Ceramics Company Limited	Limited liability company	Cote d'Ivoire	/	Manufacturing	10,000.00	51.00	51.00

Unit: Ten Thousand Currency: TZS

Full name of the subsidiary	Type of enterprise	Place of registration	Legal representative	Business nature	Registered capital	Percentage of shareholding (%)	Proportion of voting rights (%)
Keda Tanzania Resource Company Limited	Limited liability company	Tanzania	/	Manufacturing	230.00	100.00	100.00

3. Joint ventures and associated enterprises of the Company

For details of key joint ventures or associated enterprises of the Company, please see the notes.

√ Applicable □ Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Investee	Type of enterprise	Place of registration	Legal representative	Business nature	Registered capital	Percentage of shareholding of the Company (%)	Proportion of voting rights of the Company in the investee (%)	Unified social credit code
Associated enterprises								
Sichuan Guangxing Lithium Battery Technology Co., Ltd.	Limited liability company	Aba Prefecture, Sichuan Province	Feng Yu	Manufacturing	5,000.00	20.00	20.00	915132003145597129
Qinghai Yanhu Lanke Lithium Industry Co., Ltd.	Joint stock company	Golmud, Qinghai	Zhang Chengsheng	Manufacturing	51,797.06	43.58	48.58	91630000781439859F

Maanshan Electricity Co., Ltd.	Qingshan Selling	Limited liability company	Dangtu Economic and Technological Development Zone, Anhui Province	Han Hongdeng	Commercial services	1,960.00	26.02	26.02	91340521MA2RU8N74T
Anhui Keda Co., Ltd.	Ganghua Smart Energy	Limited liability company	Maanshan Economic and Technological Development Zone, Anhui Province	Wu Gang	Commercial services	20,001.00	40.00	40.00	91340500MA2U6ERHX4
Foshan Ceramic Technical Limited	Keda Company	Limited liability company	Shunde District, Foshan City	Huang Jianwu	Manufacturing	10,000.00	49.00	49.00	91440606MA4UUWAC43
Zhangzhou Graphite Co., Ltd.	Grande Material	Limited liability company	Nanjing County, Fujian Province	Wang Xueqiang	Manufacturing	5,000.00	49.00	49.00	91350627717396444C
Guangdong Nanyue Venture Partnership (Limited Partnership)	Keda New Energy Capital Partnership	Limited partnership	Nanhai District, Foshan City	/	Capital market services	25,101.00	59.76	40.00	91440605MABTRA5H94

Other joint ventures or associated enterprises that effected related party transactions with the Company in the current period or that effected related party transactions and generated balance with the Company in the previous period are as follows:

Applicable Not applicable

4. Other related parties

Applicable Not applicable

Name of other related party	Relationship between other related party and the Company
Sunda Group Co., Ltd.	Others
Guangdong Hongyu Group Co., Ltd.	Others
Guangdong Liansu Technology Industrial Co., Ltd.	Others
Macrolink Group Holding Co., Ltd.	Others

Other notes

1) Given that Mr. Shen Yanchang, director of the Company, is the de facto controller of Guangzhou Sunda and Sunda Group, and Sunda Group is an important strategic partner of the Company's overseas architectural ceramics business, as well as the minority shareholder of the Company's African joint venture companies, namely, Keda Kenya, Keda Ghana, Keda Tanzania and Keda Senegal, Guangzhou Sunda, Sunda Group and its wholly-owned subsidiaries are considered to be related parties of the Company in accordance with Article 4 of the Accounting Standards for Business Enterprises No. 36 - Disclosure of Related Parties.

2) Given that Mr. Liang Tongcan is the largest shareholder of the Company, Guangdong Hongyu Group Co., Ltd. and its subsidiaries controlled by him, and enterprises controlled by

his relatives, are considered to be related parties of the Company in accordance with Article 4 of the Accounting Standards for Business Enterprises No. 36 - Disclosure of Related Parties and Article 6.3.3 of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange.

3) Given that Guangdong Liansu Technology Industrial Co., Ltd. holds more than 5% of the Company's shares, Guangdong Liansu and its subsidiaries are considered to be related parties of the Company in accordance with Article 4 of the Accounting Standards for Business Enterprises No. 36 - Disclosure of Related Parties.

4) Given that Macrolink Group Holding Co., Ltd. holds more than 5% of the Company's shares, Macrolink Group and its subsidiaries are considered to be related parties of the Company in accordance with Article 4 of the Accounting Standards for Business Enterprises No. 36 - Disclosure of Related Parties.

In the above table, Sunda Group Co., Ltd. includes Sunda Group Co., Ltd., Guangzhou Sunda International Trading Co., Ltd. and its wholly-owned subsidiaries; Guangdong Hongyu Group Co., Ltd. includes Guangdong Hongyu Group Co., Ltd. and its subsidiaries; Guangdong Liansu Technology Industrial Co., Ltd. includes Guangdong Liansu Technology Industrial Co., Ltd. and its subsidiaries, and Macrolink Group Holding Co., Ltd. includes Macrolink Group Holding Co., Ltd. and its subsidiaries.

5. Related party transactions

(1). Related party transactions involving the purchase and sale of goods and the supply and acceptance of services

Table of Goods Purchase/Service Acceptance

√ Applicable □ Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Related Parties	Content of the Related-party Transaction	Amount for the current period	Transaction limit approved (if applicable)	Whether it exceeds the transaction limit (if applicable)	Amount for the previous period
Sunda Group Co., Ltd.	Materials and labor services	57,888.44			48,194.80
Qinghai Yanhu Lanke Lithium Industry Co., Ltd.	Lithium carbonates				33,557.54
Sichuan Guangxing Lithium Battery Technology Co., Ltd.	Processing fees and raw materials				43.96

Anhui Ganghua Keda Smart Energy Co., Ltd.	Services	2.91			5.39
Guangdong Hongyu Group Co., Ltd.	Ceramic tiles and raw materials	72.82			1.80
Zhangzhou Grande Graphite Material Co., Ltd.	Processing fees and raw materials	479.87			1,025.57
Hunan Liling Hongguanyao China Industry Co., Ltd.	Ceramics	20.24			
FCRI Group Co., Ltd.	Raw materials	63.89			
Maanshan Qingshan Electricity Selling Co., Ltd.	Services				2.16

Table of Goods Sales/Service Supply

√ Applicable □ Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Related party	Related party transaction	Amount incurred in the current period	Amount incurred in the last period
Sunda Group Co., Ltd.	Ceramics, raw materials and equipment	51,131.96	20,389.50
Guangdong Hongyu Group Co., Ltd.	Ceramic machinery equipment	1,339.49	11,887.52
Foshan Sanshui Hongyuan Ceramics Enterprise Co., Ltd.	Ceramic machinery equipment		1.29
Zhangzhou Grande Graphite Material Co., Ltd.	Calcined coke, processing fees, etc.	2,681.53	2,091.13
Maanshan Qingshan Electricity Selling Co., Ltd.	Services	17.00	7.00
Hunan Hualian Porcelain Industry Co., Ltd.	Ceramic machinery equipment	45.75	63.80
Liansu Technology Industry (Chengdu) Co., Ltd.	Accessories	0.59	

Notes to related party transactions involving the purchase and sale of goods and the supply and acceptance of services

√ Applicable □ Not applicable

The foregoing Sunda Group Co., Ltd. includes Sunda Group Co., Ltd., Guangzhou Sunda International Trading Co., Ltd. and its wholly-owned subsidiaries, and Guangdong Hongyu Group Co., Ltd. includes Guangdong Hongyu Group Co., Ltd. and its subsidiaries.

(2).Related management on commission/contracting and entrusted management/outsourcing

Table of Management on Commission/Contracting by the Company

Applicable Not applicable

Notes to related management on commission/contracting

Applicable Not applicable

Table of Entrusted Management/Outsourcing of the Company

Applicable Not applicable

Notes to related entrusted management/outsourcing

Applicable Not applicable

(3).Related party leases

The Company as Lessor:

Applicable Not applicable

The Company as Lessee:

√ Applicable □ Not applicable

Lessor	Type of leased assets	Rental of simplified short-term leases and leases of low-value assets (if applicable)		Variable lease payments not included in the measurement of lease liabilities (if applicable)		Rental paid		Interest expenses on lease liabilities borne		Increased right-of-use assets	
		Amount incurred in the current period	Amount incurred in the last period	Amount incurred in the current period	Amount incurred in the last period	Amount incurred in the current period	Amount incurred in the last period	Amount incurred in the current period	Amount incurred in the last period	Amount incurred in the current period	Amount incurred in the last period
Guangdong Hongyu Group Co., Ltd.	Houses and buildings					9.98	9.57				
Foshan Keda Ceramic Technical Company Limited.	Houses and buildings					240.00	240.00				

Notes to related party leases

√ Applicable □ Not applicable

The above-mentioned Guangdong Hongyu Group Co., Ltd. includes Guangdong Hongyu Group Co., Ltd. and its subsidiaries.

(4). Related party guarantees

The Company as Guarantor

√ Applicable □ Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Secured Party	Amount of guarantee	Start date of guarantee	Expiry date of guarantee	Whether the guarantee is completed
Anhui Xincheng Financial and Leasing Co., Ltd	6,638.43	2021-3-24	2025-1-26	No
Anhui Xincheng Financial and Leasing Co., Ltd	412.20	2023-3-24	2023-9-24	No
Guangdong Xincheng Financial and Leasing Co., Ltd.	6,023.86	2022-4-26	2025-3-24	No
Keda (Anhui) Clean Energy Co., Ltd.	1,412.53	2023-3-7	2024-3-6	No
Keda (Anhui) Clean Energy Co., Ltd.	1,867.45	2023-2-27	2023-11-15	No
Keda (Anhui) Clean Energy Co., Ltd.	291.59	2021-6-30	2024-3-30	No
Keda (Anhui) Lithium Equipment Co., Ltd	153.00	2023-1-31	2023-10-16	No
Foshan Keda Industrial Co., Ltd.	3,141.94	2023-1-11	2023-12-26	No
Henan KDNEU International Engineering Co., Ltd.	1,747.56	2023-1-16	2023-12-29	No
Henan KDNEU International Engineering Co., Ltd.	1,181.70	2023-3-24	2023-10-31	No
Anhui Keda Huadong New Energy Vehicle Travel Service Co., Ltd.	408.00	2022-11-22	2023-11-22	No
Guangdong Keda New Energy Equipment Co., Ltd	864.05	2023-6-14	2024-2-8	No
Fujian Keda New Energy Technology Co., Ltd.	500.00	2021-8-21	2026-12-24	No
Forwell International (HK) Co., Ltd.	3,514.90	2023-1-16	2024-1-8	No
Forwell International (HK) Co., Ltd.	USD1,209.28	2022-6-29	2024-12-30	No
Forwell International (HK) Co., Ltd.	EUR20,000.00	2023-4-24	2026-4-24	No
Forwell International (HK) Co., Ltd.	USD36.90	2023-2-24	2023-12-28	No
Xincheng International (Hong Kong) Co., Ltd.	USD624.00	2022-3-14	2024-5-22	No
Keda (Ghana) Ceramics Company Limited	USD2,045.45	2020-12-3	2027-12-15	No
Keda (Ghana) Ceramics Company Limited	EUR3,770.00	2021-7-21	2026-1-30	No
Keda (SN) Ceramics Company Limited	EUR2780.70	2021-8-1	2027-12-15	No
Keda Zambia Ceramics Company Limited	EUR2,159.06	2021-11-22	2027-12-15	No
Keda Ceramics International Company Limited	EUR2,467.59	2022-9-30	2028-12-15	No

The Company as Secured Party

□ Applicable √ Not applicable

Notes to related party guarantees

Applicable Not applicable

(5).Loans from/to related parties

Applicable Not applicable

(6).Asset transfer and debt restructuring of related parties

Applicable Not applicable

(7).Remuneration of key management members

Applicable Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the last period
Remuneration of key management members of Securities Department	578.70	473.75

(8).Other related party transactions

Applicable Not applicable

6. Accounts receivable and payable by related parties

(1).Receivables

Applicable Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Project	Related party	Closing balance		Opening balance	
		Book balance	Bad debts provision	Book balance	Bad debts provision
Accounts receivable	Sunda Group Co., Ltd.	33,997.34	243.24	9,630.22	89.71
Accounts receivable	Hunan Hualian Porcelain Industry Co., Ltd.	109.36	5.00	98.36	8.46
Accounts receivable	Hunan Hualian Torch Porcelain Insulator & Electrical Apparatus Co., Ltd.	16.25	2.86	16.25	2.86
Accounts receivable	Maanshan Qingshan Electricity Selling Co., Ltd.	7.00			
Accounts receivable	Guangdong Hongyu Group Co., Ltd.	2,908.18	107.16	3,409.14	198.27
Accounts receivable	Zhangzhou Grande Graphite Material Co., Ltd.	1,197.22	18.15		
Accounts receivable	Liansu Technology Industry (Chengdu) Co., Ltd.	0.48	0.02		
Dividends receivable	Sichuan Guangxing Lithium Battery Technology Co., Ltd.			480.00	
Other receivables	Guangdong Hongyu Group Co., Ltd.	7.09		7.09	
Accounts prepaid	Guangdong Hongyu Group Co., Ltd.	52.90		61.84	
Accounts prepaid	FCRI Group Co., Ltd.	413.51			
Notes receivable	Guangdong Hongyu Group Co., Ltd.	57.44			

Notes receivable	Zhangzhou Grande Graphite Material Co., Ltd.	1,100.00		1,170.00	
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(2). Payables

Applicable Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Project	Related party	Closing book balance	Opening book balance
Accounts payable	Zhangzhou Grande Graphite Material Co., Ltd.	479.87	
Other payables	Foshan Keda Ceramic Technical Company Limited	3,494.50	3,314.50
Notes payable	Zhangzhou Grande Graphite Material Co., Ltd.		550.00
Notes payable	Qinghai Yanhu Lanke Lithium Industry Co., Ltd.		5,088.00
Notes payable	FCRI Group Co., Ltd.	395.89	
Accounts payable	FCRI Group Co., Ltd.	2.39	

7. Related party commitments

Applicable Not applicable

For details of the undertakings made by shareholders holding more than 5% of the Company's shares, please refer to "I. Fulfillment of Undertakings" in "Section VI. Key Matters".

8. Others

Applicable Not applicable

XIII. Share-based Payment**1. Overall status of share-based payment**

Applicable Not applicable

Other notes

1. Employee Stock Ownership Plan for 2020

The Company held the 32nd Meeting of the Seventh Board of Directors and the Third Extraordinary General Meeting of 2020 on November 13, 2020 and November 30, 2020, respectively, at which the 2020 Employee Stock Ownership Plan (Draft) and Summary and other relevant proposals were reviewed and approved. On February 9, 2021, the Company transferred 43,113,440 shares to the special securities accounts under the 2020 Employee Stock Ownership Plan through non-trading transfer, the proportion of transferred shares to 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 Employee Stock Ownership Plan during the Reporting Period was

36 months. The shares are unlocked in two installments after 12 months from the date when the 2020 Employee Stock Ownership Plan (Draft) has been reviewed and approved by the Shareholders' Meeting of the Company and the Company has announced the transfer of the last underlying shares to the name of the employee under the Plan, with unlocking ratios of 50% and 50%.

2. Equity-settled share-based payment

Applicable Not applicable

3. Cash-settled share-based payment

Applicable Not applicable

4. Modification and termination of share-based payment

Applicable Not applicable

5. Others

Applicable Not applicable

XIV. Commitments and Contingencies

1. Significant commitments

Applicable Not applicable

2. Contingencies

(1). Significant contingencies on the balance sheet date

Applicable Not applicable

(2). There are no significant contingencies that need to be disclosed by the Company,

which should also be stated:

Applicable Not applicable

3. Others

Applicable Not applicable

(1) [(2019) S. 01. M. CH. No. 2893] Prosecution raised by Jiangsu New Century Jiangnan Environmental Protection Co., Ltd. against the Company and subsidiaries, namely Jiangsu Kehang and Keda (Anhui) Clean Energy, as well as other related parties on infringement of technical secrets

On December 22, 2020, the Intermediate People's Court of Nanjing City, Jiangsu Province, issued the Civil Judgment ((2019) S. 01 M. CH. No. 2893), which ruled that the Company and the relevant parties should compensate Jiangnan Environmental Protection for the economic loss of RMB95 million and RMB1 million of the reasonable expenses incurred to stop the infringement, and bear the case acceptance fee of RMB521.80 thousand.

Being dissatisfied with the verdict of the first instance, the Company, Jiangsu Kehang and the parties concerned filed a lawsuit on January 4, 2021 to the Supreme People's Court. On June 21, 2021, the Company received the *Notice on the Acceptance of Appeal Case of the Supreme People's Court of the People's Republic of China and the Notice of Proof of the Supreme People's Court of the People's Republic of China* ((2021) Z.G.F.ZH.M.ZH. No. 21031). The case was heard at the first and second court sessions in the Supreme People's Court from July 20, 2022 to July 22, 2022 and on January 11, 2023, respectively. The verdict of the second instance is currently pending. As at June 30, 2023, the Company has confirmed the projected liability of RMB 96,521,800.00 in accordance with the Civil Judgment ((2019) S. 01 M.CH. No. 2893).

(2) [(2021) S. 01. M. CH. Nos. 920, 941, 942 and 943] Prosecution raised by Jiangsu New Century Jiangnan Environmental Protection Co., Ltd. against the Company and subsidiaries, namely Jiangsu Kehang and Keda (Anhui) Clean Energy, as well as other related parties on infringement of technical secrets

From March 25 to March 26, 2021, the Company and its partially-owned subsidiaries received four Notices of Response to Litigation ((2021) S. 01. M. CH. Nos. 920, 941, 942 and 943) and other legal documents served by the Intermediate People's Court of Nanjing City, Jiangsu Province, in which Jiangsu New Century Jiangnan Environmental Protection Co., Ltd. filed four lawsuits against the Company and subsidiaries, namely Jiangsu Kehang and Keda (Anhui) Clean Energy, as well as other related parties on infringement of technological secrets, claiming for a compensation of RMB295.2939 million. In 2021, the Company and its subsidiaries filed objections to the jurisdiction of the four cases. From January to February 2022, the court of final appeal made rulings on the four cases one after another, rejecting the appeals of the Company and its subsidiaries regarding the objections to the jurisdiction. In February 2023, the Company and its subsidiaries received the Civil Ruling and the Notice of Response to Litigation, the Complaint, and other legal documents served by the Intermediate People's Court of Nanjing City, and Jiangnan Environmental Protection has applied for withdrawal of the four lawsuits and re-filed lawsuits to the Intermediate People's Court of Nanjing City regarding the four matters. The date of court session has not been determined.

(3) [(2021) Y. 06 M.CH. No. 119] Lawsuit filed by Feng Jun against the Company and subsidiary Guangdong Keda Lithium on the payment of patent technology consulting fees

On June 29, 2021, Keda Industrial received a Notice of Response to Litigation, a Notice of Proof ((2021) Y. 06 M.CH. No. 119) and a Civil Petition served by the Intermediate People's Court of Foshan, Guangdong Province, in which Feng Jun filed a lawsuit against Guangdong Keda Lithium Industry Co., Ltd. on the grounds that the company failed to pay the patented technology consulting fees as agreed in the joint venture contract signed by the relevant parties at the time of its establishment, claiming that the defendant, Guangdong Keda Lithium should pay the plaintiff a total of USD13 million of technology consulting fees, bear all the litigation and preservation costs of the case, and assume joint and several liquidation liability for the above payment obligations.

On September 15, 2021, the Company received a notice from the court that Feng Jun applied to change the amount of payment of technology consulting fees in his first claim from USD13 million to RMB90.571 million, and added a new claim of requesting Keda Lithium to pay him a provisional amount of RMB380.60 thousand for capital occupation.

On June 27, 2022, the Company received the Civil Judgment ((2021) Y. 06 M.CH. No. 119) issued by the Intermediate People's Court of Foshan, which made the verdict of the first instance on the above case, and ruled that the defendant, Guangdong Keda Lithium should pay the plaintiff Feng Jun RMB90.571 million within ten days from the date of the legal effect of the judgment, and the defendant, Keda Industrial, shall assume joint and several liability for the debt. In addition, other claims of the plaintiff Feng Jun were rejected.

Being dissatisfied with the above verdict of the first instance, on July 11, 2022, Guangdong Keda Lithium and the Company filed an appeal to the Higher People's Court of Guangdong Province, and the court session was held on February 7, 2023 at the court, which has not yet resulted in a verdict of the second instance for the time being. As at June 30, 2023, the Company has confirmed the projected liability of RMB91,070,551.57 according to the Civil Judgment ((2021) Y. 06 M.CH. No. 119).

XV.Subsequent Events after the Balance Sheet Date

1. Important non-adjusting matters

Applicable Not applicable

2. Profit distribution

Applicable Not applicable

3. Sales return

Applicable Not applicable

4. Notes to other subsequent events after the balance sheet date

Applicable Not applicable

In order to enhance the expansion of consumables business and build a global ceramic production service provider, the Company signed a joint venture agreement with Shandong Sinocera Functional Material Co., Ltd. on July 5, 2023 upon approval through the internal deliberation procedure. At the same time, the Company invested RMB264 million for the acquisition of 40% equity interest in Shandong SinoCera Create-Tide New Materials High-Tech Co., Ltd., a subsidiary of Shandong Sinocera. Upon the acquisition, the Company and Shandong Sinocera will jointly hold equity interests in SinoCera Create-Tide in the proportion of 40% and 60%, respectively.

XVI. Other Key Matters**1. Correction of previous accounting errors****(1). Retrospective restatement**

Applicable Not applicable

(2). Prospective application

Applicable Not applicable

2. Debt restructuring

Applicable Not applicable

3. Asset replacement**(1). Exchange of non-monetary assets**

Applicable Not applicable

(2). Other asset replacements

Applicable Not applicable

4. Annuity plan

Applicable Not applicable

5. Discontinued operation

Applicable Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Item	Income	Fees	Total profits	Income tax expense	Net profit	Profits from discontinued operation attributable to owners of the parent company
Clean energy services		314.84	-314.84		-314.84	-314.84

Total		314.84	-314.84		-314.84	-314.84
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6. Segment information**(1).Determination basis and accounting policies for reportable segments**

Applicable Not applicable

(2).Financial data on reportable segments

Applicable Not applicable

(3).Where the Company has no reportable segment or cannot disclose the total assets and liabilities of each reportable segment, it should specify the reasons.

Applicable Not applicable

(4).Other notes

Applicable Not applicable

7. Other key transactions and matters influencing the decision-making of investors

Applicable Not applicable

8. Others

Applicable Not applicable

XVII. Notes to the Main Items of the Financial Statements of the Parent Company**1. Accounts receivable****(1).Disclosure by aging**

Applicable Not applicable

Unit: Yuan Currency: RMB

Aging	Closing book balance
Within one year	
Including: Sub-items within one year	
Within one year	635,642,812.41
Subtotal within one year	635,642,812.41
One to two years	71,938,398.05
Two to three years	26,732,743.07
Over three years	11,610,704.85
Total	745,924,658.38

(2).Breakdown by method of establishing allowance for doubtful account

Applicable Not applicable

Unit: Yuan Currency: RMB

Category	Closing balance			Opening balance		
	Book balance	Bad debts provision	Carrying value	Book balance	Bad debts provision	Carrying value

	Amount	Percentage (%)	Amount	Provision percentage (%)		Amount	Percentage (%)	Amount	Provision percentage (%)	
Bad debts provisions made on single item	28,745,307.49	3.85	13,540,968.10	47.11	15,204,339.39	29,425,703.57	4.27	14,221,364.18	48.33	15,204,339.39
Bad debts provisions made on portfolio	717,179,350.89	96.15	42,707,303.63	5.95	674,472,047.26	660,194,883.04	95.73	41,699,659.32	6.32	618,495,223.72
Including:										
Accounts receivable with the bad debts provision made on the credit risk profile portfolio	437,976,451.97	58.72	42,707,303.63	9.75	395,269,148.34	362,444,419.89	52.55	41,699,659.32	11.51	320,744,760.57
Payments for goods from subsidiaries	279,202,898.92	37.43			279,202,898.92	297,750,463.15	43.18			297,750,463.15
Total	745,924,658.38	/	56,248,271.73	/	689,676,386.65	689,620,586.61	/	55,921,023.50	/	633,699,563.11

Bad debts provisions made on single item:

Applicable Not applicable

Unit: Yuan Currency: RMB

Name	Closing balance			
	Book balance	Bad debts provision	Provision percentage (%)	Reason(s) for the provision
Customer 2	17,516,000.00	5,183,813.11	29.59	Projected risk of recovery
Customer 4	4,966,965.00	4,966,965.00	100.00	Expected to be unrecoverable
Customer 7	3,408,152.50	536,000.00	15.73	Projected risk of recovery
Others	2,854,189.99	2,854,189.99	100.00	
Total	28,745,307.49	13,540,968.10	47.11	/

Notes to the bad debts provisions made on single item:

Applicable Not applicable

Bad debts provisions made on portfolio:

Applicable Not applicable

Portfolio-based provision item: Accounts receivable with the bad debts provision made on the credit risk profile portfolio

Unit: Yuan Currency: RMB

Name	Closing balance		
	Accounts receivable	Bad debts provision	Provision percentage (%)
Within one year	360,747,043.78	15,244,869.86	4.23

One to two years	44,011,398.96	7,638,536.46	17.36
Two to three years	22,733,981.77	11,002,087.09	48.39
Three to five years	9,485,109.24	7,822,892.00	82.48
Over five years	998,918.22	998,918.22	100.00
Total	437,976,451.97	42,707,303.63	9.75

Recognition criteria and explanations for setting aside provisions for bad debts by portfolio:

Applicable Not applicable

In case of provisions set aside for bad debts by the general expected credit loss model, please refer to the disclosure of other receivables:

Applicable Not applicable

(3). Bad debts provision

Applicable Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Change in the current period				Closing balance
		Accrual	Recovery or reversal	Transfer or write-off	Other changes	
Bad debts provision	55,921,023.50	-182,751.77	510,000.00			56,248,271.73
Total	55,921,023.50	-182,751.77	510,000.00			56,248,271.73

Including: Significant amount of bad debts provision recovered or reversed in the current period:

Applicable Not applicable

(4). Accounts receivable written off in the current period

Applicable Not applicable

(5). Top five accounts receivable in the closing balance categorized by debtors

Applicable Not applicable

Unit: Yuan Currency: RMB

Unit	Closing balance	Proportion to total closing balance of accounts receivable (%)	Closing balance of bad debts provision
Xincheng International (Hong Kong) Co., Ltd.	158,679,233.27	21.27	
Customer 24	88,440,677.48	11.86	3,399,159.22
Keda Industrial (India) Limited	37,769,982.32	5.06	
Forwell International (HK) Co., Ltd.	37,239,741.37	4.99	
Customer 25	32,576,600.00	4.37	1,401,892.61

Total	354,706,234.44	47.55	4,801,051.83
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(6).Accounts receivable derecognized due to the transfer of financial assets

Applicable Not applicable

(7).Amount of assets and liabilities generated through the transfer of accounts receivable and continuing involvement

Applicable Not applicable

Other notes:

Applicable Not applicable

2. Other receivables**Presentation of items**

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest receivable		
Dividends receivable	100,000,000.00	211,096,750.00
Other receivables	1,208,682,659.15	1,298,694,152.28
Total	1,308,682,659.15	1,509,790,902.28

Other notes:

Applicable Not applicable

Interest receivable**(1). Classification of interest receivable**

Applicable Not applicable

(2). Significant overdue interest

Applicable Not applicable

(3). Provision set aside for bad debts

Applicable Not applicable

Other notes:

Applicable Not applicable

Dividends receivable**(1). Dividends receivable**

Applicable Not applicable

Unit: Yuan Currency: RMB

Item (or investee)	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
HLT Industry Co., Ltd.	100,000,000.00	
Total	100,000,000.00	211,096,750.00

(2). Significant dividends receivable with an age of more than one year

Applicable Not applicable

(3). Provision set aside for bad debts

Applicable Not applicable

Other notes:

Applicable Not applicable

Other receivables**(1). Disclosure by aging**

Applicable Not applicable

Unit: Yuan Currency: RMB

Aging	Closing book balance
Within one year	
Including: Sub-items within one year	
Within one year	599,942,247.73
Subtotal within one year	599,942,247.73
One to two years	244,695,307.29
Two to three years	354,479,130.42
Over three years	228,743,600.00
Total	1,427,860,285.44

(2). Classification based on the fund nature

Applicable Not applicable

Unit: Yuan Currency: RMB

Fund nature	Closing book balance	Opening book balance
Intercompany current accounts	1,421,521,422.78	1,498,082,817.17
Other current accounts	5,142,862.66	7,882,581.80
Export tax rebate		11,261,264.47
Security deposit	1,196,000.00	686,000.00
Total	1,427,860,285.44	1,517,912,663.44

(3). Provision set aside for bad debts

Applicable Not applicable

Unit: Yuan Currency: RMB

Bad debts provision	Phase I	Phase II	Phase III	Total

	Expected credit loss for the next 12 months	Expected credit loss during the whole entire duration (without credit impairment)	Expected credit loss during the whole entire duration (with credit impairment)	
Balance as at January 1, 2023	333,504.99		218,885,006.17	219,218,511.16
Balance as at January 1, 2023 in the current period	333,504.99		218,885,006.17	219,218,511.16
-- Transferred to Phase II				
-- Transferred to Phase III				
-- Reversal under Phase II				
-- Reversal under Phase I				
Accrual in the current period	-40,884.87			-40,884.87
Reversal in the current period				
Transfer in the current period				
Write-off in the current period				
Other changes				
Balance as at June 30, 2023	292,620.12		218,885,006.17	219,177,626.29

Notes to the significant changes in the book balance of other receivables arising from changes in the provision for losses in the current period:

Applicable Not applicable

Bases for determining the amount of provision set aside for bad debts and assessing whether the credit risk of financial instruments has increased substantially in the current period:

Applicable Not applicable

(4). Bad debts provision

Applicable Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Change in the current period				Closing balance
		Accrual	Recovery or reversal	Transfer or write-off	Other changes	
Bad debts provision	219,218,511.16	-40,884.87				219,177,626.29
Total	219,218,511.16	-40,884.87				219,177,626.29

Including: Significant amount of bad debts provision reversed or recovered in the current period:

Applicable Not applicable

(5). Other receivables written off in the current period

Applicable Not applicable

Notes to the verification of other receivables:

Applicable Not applicable

(6). Top five other receivables in the closing balance categorized by debtors

Applicable Not applicable

Unit: Yuan Currency: RMB

Unit	Account nature	Closing balance	Aging	Percentage in the total closing balance of other receivables (%)	Bad debts provision Closing balance
Anhui Keda Investment Co., Ltd.	Intercourse funds	433,000,000.00	Within three years	30.33	
Shenyang Keda Clean Energy Gas Co., Ltd.	Intercourse funds	240,730,000.00	Within five years	16.86	218,742,650.61
Jiangsu Kehang Environmental Protection Co., Ltd..	Intercourse funds	160,500,214.72	Within two years	11.24	
Keda (Ghana) Ceramics Company Limited	Intercourse funds	151,529,700.00	Within one year	10.61	
Keda Zambia Ceramics Company Limited	Intercourse funds	129,882,600.00	Within one year	9.10	
Total	/	1,115,642,514.72	/	78.14	218,742,650.61

(7). Accounts receivable involving government grants

Applicable Not applicable

(8). Other receivables derecognized due to the transfer of financial assets

Applicable Not applicable

(9). Amount of assets and liabilities generated through the transfer of other receivables and continuing involvement

Applicable Not applicable

Other notes:

Applicable Not applicable

3. Long-term equity investments

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value
Investment in subsidiaries	7,307,747,123.36	600,000,000.00	6,707,747,123.36	6,897,697,123.36	600,000,000.00	6,297,697,123.36
Investment in associated enterprises and joint ventures	304,295,556.89		304,295,556.89	322,043,985.49		322,043,985.49
Total	7,612,042,680.25	600,000,000.00	7,012,042,680.25	7,219,741,108.85	600,000,000.00	6,619,741,108.85

(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	Impairment provision set aside in the current period	Closing balance of the provision for impairment
Guangdong Keda Lithium Industry Co., Ltd.	1,403,868,020.85			1,403,868,020.85		
HLT Industry Co., Ltd.	797,954,365.00	59,400,000.00		857,354,365.00		
Keda (Anhui) 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	7,650,000.00		410,526,588.44		
Anhui Keda New Material Co., Ltd.	3,130,200.00			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 Industrial 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.	155,827,500.00			155,827,500.00		

Forwell International (HK) Co., Ltd.	407,745,100.00			407,745,100.00		
Guangdong Hydraulic Technology Co., Ltd.	28,293,578.97			28,293,578.97		
Foshan Ceramic Technology Co., Ltd.	5,000,000.00			5,000,000.00		
Fujian Keda New Energy Technology Co., Ltd.	451,194,477.33	285,000,000.00		736,194,477.33		
Anhui Keda Intelligent Energy Technology Co., Ltd	666,000.00			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	38,000,000.00		80,000,000.00		
Guangdong Keda New Energy Equipment Co., Ltd	25,000,000.00	20,000,000.00		45,000,000.00		
Total	6,897,697,123.36	410,050,000.00		7,307,747,123.36		600,000,000.00

(2). Investment in associated enterprises and joint ventures

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Investor	Opening balance	Change in the current period								Closing balance	Closing balance of the provision for impairment	
		Increase in the investment	Decrease in the investment	Profit or loss of investment recognized by the equity method	Changes in other comprehensive income	Changes in other equities	Cash dividends or profits declared to be distributed	Provision set aside for impairment	Others			
I. Associated enterprises												
Foshan Keda Ceramic Technical Company Limited	155,031,755.71			-205,656.88							154,826,098.83	
Sichuan Guangxing Lithium Battery Technology Co., Ltd.	17,556,364.12		15,000,000.00							- 2,556,364.12		
Guangdong Keda Nanyue New Energy Venture Capital Partnership (Limited Partnership)	149,455,865.66			13,592.40							149,469,458.06	
Subtotal	322,043,985.49		15,000,000.00	-192,064.48						- 2,556,364.12	304,295,556.89	
Total	322,043,985.49		15,000,000.00	-192,064.48						- 2,556,364.12	304,295,556.89	

Other notes:

□ Applicable √Not applicable

4. Operating revenue and operating expense**(1). Operating revenue and operating expense**

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period		Amount incurred in the last period	
	Revenue	Expenses	Revenue	Expenses
Principal business	836,234,905.17	657,403,120.49	1,209,200,897.46	968,289,870.24
Other business	6,006,311.58	3,323,952.14	4,482,770.24	1,062,953.62
Total	842,241,216.75	660,727,072.63	1,213,683,667.70	969,352,823.86

(2). Revenue from contracts

□ Applicable √ Not applicable

(3). Notes to contract fulfillment obligations

□ Applicable √ Not applicable

(4). Notes to allocation to the remaining contract fulfillment obligations

□ Applicable √ Not applicable

5. Income from investment

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the last period
Income on long-term equity investments calculated by the cost method	2,460,157,987.31	248,680,000.00
Returns on long-term equity investments calculated by the equity method	-192,064.48	4,145,952.03
Income from investment arising from the disposal of long-term equity investments	-2,556,364.12	-45,998,302.67
Income from investment in the financial assets held for trading during the holding period		
Dividend income from other equity instrument investments during the holding period		
Interest income from debt investments during the holding period		
Interest income from other debt investments during the holding period		
Income from investment arising from the disposal of the financial assets held for trading	1,784,236.68	595,452.07
Income from investment arising from the disposal of other equity instrument investments		
Income from investment arising from the disposal of debt investments		
Income from investment arising from the disposal of other debt investments		
Debt restructuring gains		

Total	2,459,193,795.39	207,423,101.43
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Other notes:

(1) Income on long-term equity investments calculated by the cost method:

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the last period
Keda Holding (Mauritius) Limited	212,863,035.00	
HLT Industry Co., Ltd.	160,000,000.00	
Guangdong Keda Lithium Industry Co., Ltd.	1,930,000,000.00	248,680,000.00
Qinghai Weili New Energy Material Co., Ltd.	157,294,952.31	
Total	2,460,157,987.31	248,680,000.00

(2) Income on long-term equity investments calculated by the equity method:

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the last period
Sichuan Guangxing Lithium Battery Technology Co., Ltd.		4,351,520.00
Foshan Keda Ceramic Technical Company Limited	-205,656.88	-205,567.97
Guangdong Keda Nanyue New Energy Venture Capital Partnership (Limited Partnership)	13,592.40	
Total	-192,064.48	4,145,952.03

(3) Income from investment arising from the disposal of long-term equity investments:

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the last period
Anhui Keda New Material Co., Ltd.		-45,998,302.67
Sichuan Guangxing Lithium Battery Technology Co., Ltd.	-2,556,364.12	
Total	-2,556,364.12	-45,998,302.67

(4) Income from investment arising from the disposal of the financial assets held for trading:

Unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the last period
Wealth management products	1,784,236.68	595,452.07
Total	1,784,236.68	595,452.07

6. Others

Applicable Not applicable

XVIII. Supplementary data

1. Breakdown of Non-recurring Profit or Loss in the Current Period

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount	Note
Gains/losses from the disposal of non-current assets	-2,378,443.99	
Government grants through profit or loss (exclusive of government grants given in the Company's ordinary course of business at fixed quotas or amounts as per the government's uniform standards)	55,029,545.45	
Gain/Loss from debt restructuring	-100,000.00	
Gain/loss from change of fair value of held-for-trading financial assets and liabilities, and derivative financial assets and liabilities, and income from investment from disposal of held-for-trading financial assets and liabilities, and derivative financial assets and liabilities, and other investments in debt obligations, other than valid hedging related to the Company's common businesses	13,376,525.52	
Transferred-back of provision for impairment test of receivables and contract assets impairment	7,143,626.00	
Other non-operating income and expenses other than the above	1,439,375.45	
Less: Income tax effects	9,167,509.78	
Minority shareholders' equity impact (after tax)	7,090,057.52	
Total	58,253,061.13	

For non-recurring profit or loss items defined under the *Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public--Non-recurring Profit or Loss* and the non-recurring profit or loss items listed in the *Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public--Non-recurring Profit or Loss* 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 profits attributable to common shareholders of the Company	10.88	0.661	0.661
Net profits attributable to common shareholders of the Company after deducting non-recurring profit or loss	10.38	0.631	0.631

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

Applicable Not applicable

4. Others

Applicable Not applicable

Chairman: Bian Cheng

Date of Approval by the Board of Directors for Submission: August 14, 2023

Revision information

Applicable Not applicable