

## **Keda Industrial Group Co., Ltd.**

### **Announcement on Termination of Planning for Spin-off and Listing of Holding Subsidiary**

Keda Industrial Group Co., Ltd. (hereinafter referred to as “the Company”) held the 27th meeting of the 8th Board of Directors on January 19, 2024, reviewed and approved the “Proposal on Termination of Planning for Spin-off and Listing of Holding Subsidiary” (hereinafter referred to as "the spin-off "), thereby agreeing to terminate the spin-off of Anhui KEDA Industrial Co., Ltd. (hereinafter referred to as “Anhui Keda”). The following information is hereby announced:

#### **I. Overview of the spin-off**

The Company held the 15th meeting of the 8th Board of Directors and the 14th meeting of the 8th Board of Supervisors on September 26, 2022, and reviewed and approved the "Proposal on Planning for the Spin-off and Listing of Holding Subsidiary". It was agreed to plan for the spin-off, and authorize both the Company and the management team of Anhui Keda to initiate preliminary preparations such as demonstrating feasibility plans, organizing listing plan's preparation, signing relevant agreements involved in planning process along with other listing-related matters. Once formulated these plans need approval from both board directors' meetings and general shareholders' meetings.

#### **II. Reasons for terminating the spin-off**

After actively promoting relevant matters and organizing intermediary agencies to conduct due diligence and other necessary work, the Company has decided to terminate the spin-off plan based on current market conditions and development plan of Anhui Keda.

#### **III. The impact resulting from termination**

The termination of the spin-off plan will not significantly impact on the production, operations, financial condition of the Company or Anhui Keda, nor will it affect the Company's future development strategy. Anhui Keda will continue to focus on researching, developing, and innovating wall material mechanical equipment and supporting products to ensure sustainable business growth.

#### **IV. Opinions of Independent Directors**

The Company's independent directors believe that the termination of the spin-off is the result of thorough research, complying with relevant laws, regulations, and provisions in the Articles of Association. This decision will not significantly impact the Company's current production, operations, or financial condition. There is no

infringement on the interests of both the Company and its shareholders, especially minority shareholders. Therefore, they agree to terminate the planned spin-off listing.

Board of directors of Keda Industrial Group Co., Ltd.

January 19th 2024