

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

### **Announcement on the progress of the investment fund**

#### **Important Notice**

- Name of investment target: Jiaxing Keda Jinhong Salt Lake Industry Equity Investment Partnership (Limited Partnership) (hereinafter referred to as the "Salt Lake Industry Fund")
- As of the date of this announcement, the Salt Lake Industry Fund has sold all the shares of Qinghai Salt Lake Industry Co., Ltd. (hereinafter referred to as "Salt Lake Stock", 000792.SZ). Currently, the fund holds no active investment projects.
- The decision to terminate the operations of the Salt Lake Industrial Fund has been approved by both the Board of Directors of Keda Industrial Group Co., Ltd. (hereinafter referred to as "the Company") and the partners' meeting of the fund.
- The Company's investment in the Salt Lake Industrial Fund is classified as other equity instruments investments. The upcoming liquidation and dissolution of the fund will not have any influence on the Company's current earnings or its core business development. There will be no significant adverse impact on the Company's operating results.

#### **I. Overview of the investment**

The Company held the 18th meeting of the eighth Board of Directors and the 16th meeting of the eighth Board of Supervisors on December 7, 2022, reviewed and adopted the Proposal of participation in an investment fund, agreed that the Company and its holding subsidiary Jiangsu Weilili New Materials Co., Ltd. (hereinafter referred to as "Jiangsu Weilili", former name: Qinghai Weili New Energy Materials Co., Ltd) signed the "Partnership Agreement of Jiaxing Keda Jinhong Salt Lake Industry Equity Investment Partnership (limited partnership)", and contributed 1.3 billion million yuan in total to subscribe 99.99% of Salt Lake Industry Fund,

The Salt Lake Industry Fund was established on December 21, 2022, and successfully completed the filing procedures with the Asset Management Association of China on January 17, 2023. The filing code is SZA620. The fund manager is Xining Hongxi Fund Management Co., Ltd. (hereinafter referred to as "Xining Hongxi").

In early February 2023, the Salt Lake Industry Fund completed the fundraising, totaling 1,300.13 million yuan. Among which, the Company and Jiangsu Weilili contributed a combined 1.300 billion yuan as limited partners, and Xining Hongxi contributed 0.13 million yuan as a general partner. From February 1, 2023 to February 17, 2023, Salt Lake Industry Fund purchased 50,353,500 shares of Salt Lake Stock through bulk trading, accounting for 0.93% of the total share capital of Salt Lake Stock, and the cumulative purchase amount was RMB1.286 billion, accounting for 98.93% of the fundraising scale of Salt Lake Industry Fund.

For further information regarding Keda's participation in the Salt Lake Industry Fund, please refer to previous announcements available on the Company's website at [www.kedagroup.com](http://www.kedagroup.com).

## **II. Progress of the investment fund**

### **(1) The divestment of the Salt Lake Industry Fund from investment project**

Affected by fluctuations in the global macroeconomic environment, the securities market, and changes in industry cycles, the investment decision-making committee of the Salt Lake Industry Fund has determined to systematically withdraw its investment in Salt Lake Stock through a gradual reduction strategy, with the aim of maximizing the protection of partners' rights and interests.

From July 2, 2024 to October 29, 2024, the Salt Lake Industry Fund sold 50,353,500 shares of Salt Lake Stock through centralized bidding, accounting for 0.93% of the total share capital of Salt Lake Stock, with the sale amount of 0.747 billion yuan (excluding stamp duty, commission and other transaction costs). The funds obtained from this share sale are currently retained within the account of the Salt Lake Industry Fund.

### **(2) Termination of the operation of the investment fund**

Due to the alteration of the macroeconomic situation and the impact of the market environment, with the aim of effectively controlling the risk of overseas investment and withdrawing funds to enhance the efficiency of capital utilization, based on the principle of prudence, the Company consented to prematurely terminate the operation of the Salt Lake Industry Fund.

On October 29, 2024, the Company held the third meeting of the ninth Board of Directors and the third meeting of the ninth Board of Supervisors to review and adopt the Proposal on the Early Termination of the Investment Fund, and agreed to the termination of the Salt Lake Industry Fund. This matter neither constitutes a related party transaction nor constitutes a material asset reorganization situation as stipulated in the "Administrative Measures for Material Assets Reorganization of Listed Companies". It is within the approval authority of the Board of Directors of the Company and does not need to be submitted to the general meeting of shareholders for deliberation.

After communication among all partners, the partners' meeting of the Salt Lake Industry Fund agreed to prematurely terminate the operation of the fund on October 29, 2024, and the relevant parties will promote the asset liquidation and fund cancellation in accordance with the law. The final property distribution amount and distribution time will be determined in accordance with the partnership agreement and the actual situation of the liquidation plan.

## **III. Impact on the Company**

Since its participation in the Salt Lake Industry Fund, the Company and the fund manager have constantly paid attention to the operation of the investment target and the changing trend of the securities market. However, due to the macroeconomic environment, the fluctuation of the securities market, the downturn of the industry cycle and other factors, there are still certain investment risks. In order to further concentrate resources for the development of the Company's core business, the Company agreed to prematurely terminate the operation of the Salt Lake Industrial Fund. In the future, the Company will actively coordinate with fund manager to promote relevant liquidation work.

The capital source for the initial investment of the Company and its holding subsidiary in the Salt Lake Industry Fund is part of the dividend from Qinghai Yanhu

Lanke Lithium Industry Co., Ltd (hereinafter referred to as "Lanke Lithium Industry"). The investment in the Salt Lake Industry Fund is classified as other equity instrument investment. There is no materially adverse impact on the operating results of the Company.

The premature termination of the operation of the Salt Lake Industry Fund will not have an impact on the cooperation among the Company, Salt Lake Stock and Lanke Lithium Industry. Currently, the production and operation of Lanke Lithium Industry is in a favorable condition, and the Company will continue to facilitate the process optimization, quality enhancement, cost reduction and efficiency improvement of Lanke Lithium Industry to support its long-term development.

#### **IV. Risk warning**

As of the disclosure date of this announcement, Salt Lake Industry Fund has sold all its shares of Salt Lake Stock and has no remaining investment projects. The Company will continue to pay attention to the subsequent progress of the liquidation of the Salt Lake Industry Fund to ensure the safety of relevant funds. Meanwhile, the Company will fulfill the obligation of information disclosure in a timely manner. Investors are advised to pay attention to investment risks.

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

October 24th 2024

This announcement is published in both Chinese and English. In the case of any discrepancies, the Chinese version shall prevail.

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#### **Disclaimer**

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