

Foshan City, China, 25 March 2024

Ad hoc announcement pursuant to Art. 53 LR

Announcement On the Annual Results for The Year of 2023

The Board of Keda Industrial Group Co., Ltd. (the "Company") (SIX: KEDA) hereby announces its results for the year of 2023.

Key Financial Indicators for 2023

Unit: in RMB ten thousand

Item	2023	2022	Increase or decrease for the current reporting period over corresponding period last year (%)
Operating income	969,563.98	1,115,719.66	-13.10
Operating cost	686,026.06	787,159.01	-12.85
Gross profit margin (%)	29.24	29.45	A decrease of 0.21 percentage points
Net profit	260,818.99	520,219.25	-49.86
Net profit attributable to shareholders of the listed company	209,199.64	425,093.18	-50.79

Note: All the items above are based on consolidated statements.

I. Explanations on the Operating Results and Financial Conditions

In 2023, in order to cope with multiple challenges, such as the global economic slowdown, the domestic real estate market downturn, and the intensified market competition in the lithium-ion battery industry, the Company actively implemented its globalization strategy, continued to increase the layout of overseas ceramic machinery and accessories consumables market, the development of the field of generalization of ceramic machinery, promoted the project construction of overseas building materials business, and deepened the path of lithium-ion materials to reduce the cost and increase the efficiency of the Company, which contributed to the sustainable development of the Company's business.

1. Operating Income: During the Reporting Period, the Company achieved operating income of RMB 9.696 billion, a decline of 13.10% compared to 2022. Among its main business segments: (i) Building materials machinery achieved operating income of RMB4,477 million, down 20.16% year-on-year, mainly due to the global economic slowdown and the impact of the domestic real estate market environment; (ii) Building ceramics business achieved operating income of RMB3,655 million, an increase of

11.59% year-on-year, mainly due to the continuous growth of the business and further production capacity release in 2023; and (iii) Lithium-ion battery materials business achieved operating income of RMB740 million, down 38.85% year-on-year, mainly due to the lithium-ion battery materials saturated domestic capacity, decline in the price of anode material products and the reduction in lithium carbonate trade revenue. In terms of overseas revenue, the Company's overseas operating revenue was RMB 5.814 billion, down 6.23% year-on-year, mainly due to the decline in overseas sales of building materials machinery, overseas sales revenue accounted for 60.01% of the company's overall revenue.

2. Gross profit margin: In 2023, the company's gross profit margin was 29.24%, down 0.2 percentage points year-on-year, mainly due to the decline in gross margin of overseas building ceramics and lithium-ion battery materials. i) After the release of epidemic situation, the lifting of shipping restrictions and subsequent reduction in transportation costs have intensified competition from local counterparts in the building ceramics market, resulting in a decline in sales prices and a 7.63 percentage point decrease in gross profit margin compared to the same period last year. ii) The domestic lithium-ion battery material industry experienced a downturn, leading to increased competition and a sharp decline in sales prices. As a result, there was a 7.3 percentage point decrease in the gross profit margin for lithium-ions battery material compared to the previous year. iii) Thanks to the Company's strategic focus on international expansion and increased exports facilitated by exchange rate fluctuations, the building materials machinery business experienced consistent growth, with its gross margin improving from 26% to 28.39%, accounting for 46% of total revenue.

3. Net Profit: In 2023 net profit amounted to RMB 2.608 billion, down 49.86% year-on-year; net profit attributable to the listed company amounted to RMB 2.092 billion, down 50.79% year-on-year, mainly due to:

i) During the reporting period, despite Lanke Lithium Industry achieving a substantial year-on-year growth in production and sales volume, the terminal price of lithium carbonate experienced a continuous decline from approximately 500,000 yuan/ton at the beginning of the reporting period to below 100,000 yuan/ton by its end. The significant volatility in lithium carbonate prices had a notable impact on the performance of Lanke Lithium Industry, resulting in a 62.5% decrease compared to the same period last year. As a result, its contribution to the net profit attributable to shareholders of the listed company decreased by approximately 2.156 billion yuan compared with the corresponding period last year.

ii) Impacted by multiple factors, including the global economic slowdown, intensified competition, overall industry effects of the domestic real estate market, declining market prices for lithium-ion battery materials and fluctuations in exchange rates, the net profits of the company's overseas building ceramics, building materials machinery and lithium-ion battery materials business have declined to varying degrees.

Full Annual Report of 2023

The full Annual Report is available on our website:

<https://www.kedagroup.com/investor/report.html>

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