

## Announcement on the Profit Distribution Plan in 2023

### Important notice:

- Distribution per share: Cash dividend of RMB0.33 per share (tax included)
- The profit distribution will be based on the total share capital registered on the record date of the equity distribution after deducting the number of shares in the special securities account for repurchase, the exact date of which will be specified in the announcement of the implementation of the equity distribution.
- If there is a change in the total share capital of the Company prior to the record date of the equity distribution, the Company intends to maintain the same amount of distribution per share and adjust the total amount of distribution accordingly, and will announce the specific adjustment separately.

### I. Content of the Profit Distribution Plan

As audited by Zhongxi CPAS (Special General Partnership), the net profit attributable to shareholders of the listed company for the year 2023 of Keda Industrial Group Co., Ltd. (hereinafter referred to as the "Company") as at 31 December 2023 was RMB 2,091,996,449.37, the net profit of the parent company was RMB 4,354,958,632.71, and the accumulated distributable profit of the parent company as at the end of the period was RMB 3,965,167,523.51. As resolved by the Board of Directors, the Company intends to distribute profits for the year 2023 on the basis of the total share capital registered on the record date of equity distribution after deducting the number of shares in the special account for securities repurchase. The profit distribution plan is as follows:

The Company intends to pay a cash dividend of RMB 3.3 (tax included) per 10 shares to all Shareholders. As at 31 December 2023, the number of shares in the Company's special securities account for repurchase was 60,563,442 shares and the total share capital of 1,948,419,929 shares after deducting the shares in the special securities account for repurchase was 1,887,856,487 shares, on which basis the total proposed cash dividend of RMB 622,992,640.71 (tax included) was calculated, accounting for 29.78% of the Company's net profit for the year 2023 attributable to shareholders of the listed company.

According to the *Guidelines for Self-regulation of Listed Companies on the Shanghai Stock Exchange No. 7—Share Repurchase* and other relevant provisions, if a listed company repurchases shares by means of centralised competitive bidding or offer in consideration of cash, the amount of share repurchases effected by a company in a year shall be deemed as cash dividends and be counted in the calculation of the cash dividend ratio for the year. Accordingly, based on the amount of share repurchases effected by the Company by way of centralized competitive bidding for 2023 of RMB 338,502,489.53 (including transaction costs such as stamp duty and commission), the

total cash dividend amounted to RMB 961,495,130.24, accounting for 45.96% net profit attributable to the shareholders of the Listed Company on a consolidated basis for 2023.

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

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

## **II. Decision-making Procedures Performed by the Company**

### **i. Convening, deliberations and voting at Board Meetings**

At the 28th Meeting of the 8th Board of Directors held on 25 March 2024, the Company reviewed and approved the *Profit Distribution Plan in 2023* with a voting result of 12 votes in favour, 0 votes against and 0 abstentions, and agreed to submit the resolution to the General Meeting of the Company for consideration; the Plan is in line with the profit distribution policy stipulated in the *Articles of Association* and the disclosed shareholder return plan of the Company.

### **ii. Opinion of the Supervisory Committee**

The Supervisory Committee is of the view that the Company's Profit Distribution Plan in 2023 is in the interests of the Company and all Shareholders, in compliance with the Company's current profit distribution policy and the relevant laws and regulations, and the decision-making procedures are legal and compliant. The Supervisory Committee agreed to the Company's *Profit Distribution Plan in 2023* and agreed to submit it to the Company's General Meeting for consideration.

## **III. Related Risk Warning**

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

### **Contact information**

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### **Disclaimer**

This announcement may contain forward looking statements, estimates, opinions and projections with respect to anticipated future performance of the Company ("forward-looking statements"). These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes," "estimates," "anticipates," "expects," "intends," "may," "will" or "should" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. Forward-looking statements are based on the current views, expectations and assumptions of the management of the Company and involve significant known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Forward-looking statements should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such results will be achieved. Any forward-looking statements included herein only speak as at the date of this release. We undertake no obligation, and do not expect to publicly update, or publicly revise, any of the information, forward-looking statements or the conclusions contained herein or to reflect new events or circumstances or to correct any inaccuracies which may become apparent subsequent to the date hereof, whether as a result of new information, future events or otherwise. We accept no liability whatsoever in respect of the achievement of such forward-looking statements and assumptions.