

Stock Code: 600499

Company Name: Keda Group

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

**2023 Annual Report**

## **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 Annual 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. ZHONGXI CPAS (SPECIAL GENERAL PARTNERSHIP) has issued a standard unqualified auditor's report for the Company.**

**IV. Bian Cheng, president of the Company, and Zeng Fei, CFO and head of accounting organization hereby declare and warrant that the financial report in the Annual Report is authentic, accurate and complete.**

**V. The profit distribution plan or the plan of share capital increase through conversion of reserves in the reporting period passed in the board resolutions.**

The 2023 profit distribution plan of the Company: Based on the total number of shares of the Company entitled to the profit distribution of 1,887,856,487 shares (the total share capital of 1,948,419,929 shares less 60,563,442 shares in the special securities account for the repurchase of shares of the Company), it is proposed to distribute cash dividends of RMB 3.30 (tax inclusive) for every 10 shares to all shareholders, with the total cash dividends of RMB 622,992,640.71 (tax inclusive). The plan shall be valid only after being approved by the general meeting of shareholders.

**VI. Disclaimer related to forward-looking statements**

Applicable  Not applicable

The forward-looking statements such as future plans involved in the Annual Report do not be considered as substantial commitments of the Company to investors. Therefore, investors are kindly reminded to pay attention to possible investment risks.

**VII. Whether there is any non-operating capital occupation by the controlling shareholder and its related parties**

No

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

No

**IX. Whether there is such a case that more than half of the directors who cannot guarantee the authenticity, accuracy and completeness of the Annual Report disclosed by the Company**

No

**X. Significant risk warning**

In this Annual Report, the Company has described in detail the risks that the Company may face. Please refer to the contents corresponding to the "Potential Risks" of the "Discussion and Analysis on the Future Development of the Company" in Section III "Management Discussion and Analysis" of this Annual Report.

**XI. Others**

Applicable Not Applicable

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Documents Available for Inspection	Financial statements signed and sealed by the responsible officer of the Company, Accounting Director, and person in charge of accounting department;
	The original audit report sealed by the accounting firm with the signature and seal of the certified public accountant;
	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.
Keda Ceramic, KEDA	Brand of ceramic machinery named “KEDA”
HLT&DLT	Brand of ceramic machinery named “HLT&DLT”
Keda Foshan Industrial	Keda Foshan Industrial Co., Ltd.
HLT	HLT Industry Co., Ltd.
DLT	DLT Technology Co., Ltd.
HLT Technology	HLT Technology Co., Ltd.
Foshan Keda Equipment	Foshan Keda Equipment Manufacturing Co., Ltd.
Shaoguan Keda	Shaoguan Keda Machinery Manufacturing Co., Ltd.
Guangdong Quanitech	Guangdong Quanitech Material Ltd.
Anhui Keda Industrial	Anhui Keda Industrial Co., Ltd
Keda (Anhui) Clean Energy	Keda (Anhui) Clean Energy Co., Ltd.
Keda Hydraulic	Guangdong Keda Hydraulic Technology Co., Ltd.
Guangzhou Agate	Guangzhou Agate Technology Co., LTD
Anhui Keda Investment	Anhui Keda Investment Co., Ltd.
Fujian Keda New Energy	Fujian Keda New Energy Technology Co., Ltd.,
Chongqing Keda New Energy	Chongqing Keda New Energy Material Co., Ltd..
Anhui New Materials	Keda (Anhui) New Material Co., Ltd.
Guangdong Keda New Energy Equipment	Guangdong Keda New Energy Equipment Co., Ltd
Anhui Keda Smart Energy	Anhui Keda Smart Energy Technology Co., Ltd.
Sixian Keda	Sixian Keda new energy technology Co., Ltd.
Jiangsu Kehang	Jiangsu Kehang Environmental Protection Co., Ltd.
Shenyang Keda Clean Energy	Shenyang Keda Clean Energy Gas Co., Ltd.
Keda Suremaker	Keda-Suremaker (Wuhu) Industrial Co., Ltd
Guangdong Keda Lithium	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.
Zhangzhou Juming	Zhangzhou Juming Graphite Material Co., Ltd.
SinoCera Create-Tide	Shandong Sinocera Create-Tide New Materials High-Tech Co., Ltd.
Zhongchuang Qingyuan	Jiangsu Zhongchuang Qingyuan Technology Co., Ltd.
Zhuolitai	Foshan Zhuolitai Machinery Co., Ltd.

Salt Lake Industry Equity	Jiaxing 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)
Chengzhi Zhongke fund	Huade Chengzhi Zhongke Equity Investment (Beijing) Partnership (Limited Partnership)
Guangzhou Sunda	Guangzhou Sunda International Trading Co., Ltd.
Sunda Group	Sunda Group Co., Ltd
Tilemaster	Tilemaster Investment Limited
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.
FDS	F.D.S. Ettmar S.r.l.
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
Contact Address	No. 1 West Huanzhen Road, Guanglong Industrial Park, Chencun Town, Shunde District, Foshan, Guangdong	No. 1 West Huanzhen Road, Guanglong Industrial Park, Chencun Town, Shunde District, Foshan, Guangdong
Tel	0757-23833869	0757-23833869
Fax	0757-23836498	0757-23836498
E-mail address	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	<a href="http://www.kedachina.com.cn">http://www.kedachina.com.cn</a>
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 Annual Report	China Securities Journal, Securities Times, Shanghai Securities News
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Website of the stock exchange for disclosure of the Company's Annual Report	www.sse.com.cn
Archiving location of the Annual Report	The Company, Shanghai Stock Exchange

## V. Stock Overview of the Company

Stock Overview of the Company				
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

Accounting firm engaged by the Company (in China)	Name	Zhongxi CPAs (Special General Partnership)
	Office address	Room 1101, 11/F, 11 Chongwenmenwai Street, Dongcheng District, Beijing
	Names of signatory accountants	Lv Xiaoyun, Su Shengnan

## VII. Main Accounting Data and Financial Indicators of Recent Three Years

### (I) Key accounting data

Unit: Ten Thousand Yuan Currency: RMB

Key accounting data	2023	2022	Increase or decrease for the current reporting period over corresponding period last year (%)	2021
Operating revenue	969,563.98	1,115,719.66	-13.10	979,667.97
Net profit attributable to shareholders of the listed company	209,199.64	425,093.18	-50.79	100,575.73
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss	187,875.40	421,286.85	-55.40	95,215.03
Net cash flows from operating activities	73,083.20	99,741.06	-26.73	128,761.70
	End of 2023	End of 2022	Increase or decrease at the end of the	End of 2021



			current reporting period over the end of corresponding period last year (%)	
Net assets attributable to shareholders of the listed company	1,139,844.17	1,138,847.95	0.09	685,171.89
Total assets	2,360,417.18	2,115,242.31	11.59	1,612,334.43

## (II) Key financial indicators

Key financial indicators	2023	2022	Increase or decrease for the current reporting period over corresponding period last year (%)	2021
Basic earnings per share (RMB per Share)	1.095	2.229	-50.87	0.534
Diluted earnings per share (RMB per Share)	1.095	2.229	-50.87	0.534
Basic earnings per share after deducting non-recurring profit or loss (RMB per Share)	0.984	2.209	-55.45	0.505
Weighted average return on net assets (%)	18.42	46.73	A decrease of 28.31 percentage points	15.80
Weighted average return on net assets after deducting non-recurring profit or loss (%)	16.54	46.31	A decrease of 29.77 percentage points	14.96

Description of the Company's key accounting data and financial indicators for the previous three years at the end of the Reporting Period

Applicable Not applicable

## VIII. Differences in Accounting Data under Domestic and Overseas Accounting Standards

### (I) Differences in net profit and net assets attributable to shareholders of the listed company in the financial reports disclosed under IAS and CAS

Applicable Not applicable

### (II) Differences in net profit and net assets attributable to shareholders of the listed company in the financial reports disclosed under overseas accounting standards and CAS

Applicable Not applicable

### (III) Description of differences between domestic and overseas accounting standards:

Applicable Not applicable

### IX. Key Financial Data by Quarter in 2023

Unit: Ten Thousand Yuan Currency: RMB

	Q1 (January-March)	Q2 (April-June)	Q3 (July-September)	Q4 (October-December)
Operating revenue	249,112.81	225,577.86	228,120.25	266,753.06
Net profit attributable to shareholders of the listed company	40,240.51	86,565.90	75,129.05	7,264.19
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss	37,112.51	83,868.59	74,415.83	-7,521.53
Net cash flows from operating activities	-48,451.53	43,650.03	37,423.38	40,461.32

Description of differences between quarterly data and data from disclosed periodic reports

Applicable Not applicable

### X. Non-recurring Profit or Loss Items and Amounts

Applicable Not applicable

Unit: Yuan Currency: RMB

Non-recurring profit or loss items	Amount in 2023	Notes (if applicable)	Amount in 2022	Amount in 2021
Profit or losses on disposal of non-current assets, including the portion offset for provisions for asset impairment	-4,015,938.35		-21,206,525.15	-23,135,252.26
Government grants included in gain and loss of the Reporting Period, except for government grants that are closely related to the Company's normal business operation, comply with national policies and are enjoyed in accordance with defined criteria, and have a continuing impact on the Company's profit or loss	72,985,895.48		77,317,024.04	98,231,883.07
Profit or losses from changes in fair value of financial assets and liabilities held by non-financial	16,532,496.79		3,604,644.57	8,762,804.70

corporations and profit or losses from the disposal of financial assets and liabilities, except for effective hedging operations related to the Company's normal business operations				
Reclassification of impairment loss allowances of receivables separately tested for impairment	17,963,567.00		26,684,251.16	3,025,456.83
Share payment expense			-55,116,844.18	-31,784,575.00
Investment income arising from the disposal of long-term equity investments			6,179,906.70	9,197,114.74
Profit or loss on debt restructuring	-86,960.60		-1,269,156.84	-137,139.00
Reclassification of provision for impairment of other current assets			92,012,305.74	
Other non-operating income and expenses apart from the aforementioned items	131,152,760.71		-86,097,108.87	8,865,176.21
Less: Income tax effect	14,909,027.60		10,628,499.52	16,832,720.91
Effect equities of non-controlling interest (after tax)	6,380,355.85		-6,583,273.72	2,585,752.86
Total	213,242,437.58		38,063,271.37	53,606,995.52

For non-recurring profit or loss items that the Company has recognised as non-recurring profit and loss items not listed in the Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public--Non-recurring Profit or Loss and the amount of which is material, 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

#### **XI. Items Measured at Fair Value**

Applicable Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Project	Opening balance	Closing balance	Changes in the current reporting period	Amount of impact on the profit in the current reporting period
Financial assets held for trading	39,796.24	29,089.94	-10,706.30	1,325.90

Accounts receivables financing	26,615.45	23,576.65	-3,038.80	
Other equity instruments investments	591.74	81,395.85	80,804.11	
Other non-current financial assets	500.00	500.00		
Financial liabilities held for trading		526.28	526.28	-835.57
Total	67,503.43	135,088.72	67,585.29	490.33

## XII. Others

Applicable Not applicable

## Section III. Management Discussion and Analysis

### I. Discussion and Analysis of Operations

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. During the Reporting Period, the Company achieved operating income of RMB 9.696 billion, a year-on-year decline of 13.10%; net profit attributable to shareholders of the listed company of RMB 2.092 billion, a synchronized decline of 50.79%, which is affected by the fluctuations in the price of lithium carbonate. The results realized by the Company's shareholding company, Lanke Lithium Industry, were lower 62.50% than those of the same period of the previous year. While the overall performance was under pressure, overseas business showed operational resilience, and the company's overseas business revenue accounted for about 60%.

The highlights of the Company's work during the Reporting Period are set out below:

#### (I) Ceramic machinery

##### 1.Horizontal expansion to accelerate business layout, vertical expansion to strengthen service depth

In 2023, the company's domestic ceramic machinery business declined significantly due to the impact of the real estate and building ceramics market. However, it remained committed to its globalization strategy by deeply cultivating local markets overseas for optimal resource allocation and collaborating with partners to explore international growth opportunities. During the Reporting Period, the building materials machinery business achieved an operating income of 4.477 billion yuan, with a gross profit margin

of 28.39%, an increase of 2.38 percentage points; among them, the ceramic machinery business overseas orders accounted for more than 55%, accessories and consumables services have also achieved good results. In terms of overseas market, 8 sets of KEDA KING series of high-efficiency intelligent grinding machine was shipped to Italy; KEDA brand smart post-kiln complete line for the first time entered the Indian market; the European after-kiln AGV tile storing system developed by the Intelligent Warehousing Division was also successfully applied to the Vietnamese market. In addition, orders from India, Southeast Asia, Central Asia received good growth.

In terms of industry chain integration, during the Reporting Period, through the shareholding of ceramic color glaze domestic leading enterprise SinoCera Create-Tide, the establishment of a joint venture in Guangdong Quanitech, the acquisition of the Italian press abrasive enterprise FDS and other business extension initiatives, the Company has expanded the Keda Group industry chain integration advantages, to help the transformation of the "global building ceramics production and service provider". At the same time, the Company accelerated the speed of overseas layout, the foundation of Keda Turkey BOZUYUK plant, the establishment of Indonesia subsidiary and offices in Eastern Europe and Mexico, etc, strengthened the Company's overseas sales and service network, and overseas accessory supply capacity, able to respond to customer needs in a professional and timely manner; FDS acquisition was also for the Company's ceramic business to further plough into the European market, strengthening the resource integration in the European base to add a strong boost.

## **2. Scientific and technological innovation made great achievements, and the exploration of generalization moves forward steadily**

Innovation is the first power to lead the high-quality development of manufacturing industry. The Company takes energy saving and consumption reduction, efficiency improvement and intelligent control as the main line of innovation to help industrial transformation and upgrading. In 2023, the Company's wide-body kiln, polishing line and other ceramic machinery continue to iterate to achieve lower energy consumption and higher operating efficiency, among them the project "Firing Ceramics with Zero-carbon Fuel Pilot Production and Application Demonstration" participated by DLT passed the appraisal, which is of great significance in accelerating the green and low-carbon transformation and development of the industry. In addition, during the Reporting Period, a number of innovative products such as roller press, multi-section swing intelligent polishing machine, automatic picking and packing line, Zhentao MOM platform, inorganic artificial stone whole-plant project and so on were introduced to the market one after another, which continued to maintain KEDA Group's position as the technological leader of the ceramics industry.

At the same time, the Company utilizes its existing experience in the production and manufacture of ceramic machinery and equipment, and continuously explores the outreach of its core technologies and capabilities. During the Reporting Period, the subsidiary HLT signed orders for aluminum extruders nearly RMB400 million, achieved good development. In terms of kiln products, the subsidiary DLT once again provided services for the sanitary ware project of Kajaria Group, the head brand of ceramic tiles in India, signed two tunnel kilns and shuttle kilns for sanitary ware, and

customized the whole line of daily porcelain for Pecasa Company, a well-known Indian tableware company, to help customers upgrade their intelligent production and upgrade the quality of tableware products.

## **(II) Overseas building materials**

### **1. Release capacity to realize stabilizing growth of revenue, multi-factors made profit level under pressure**

In 2023, African market faced certain economic pressure due to high inflation and currency depreciation, but the Company's overseas building materials business continued to expand and maintained resilient growth under the influence of multiple factors such as moderate economic development, population size and further growth in urbanization rate in Africa. During the Reporting Period, the Company fully promoted the construction and capacity release of various production lines, the Phase II of Senegal Building Ceramics Production Project, the Phase II of Zambia Building Ceramics Production Project, and the Phase V of Ghana Building Ceramics Production Project were put into operation during the year, and the Company's first Ghana Sanitary Ware Project was also put into trial production during the Reporting Period. As of the end of the Reporting Period, the Company has operated six factories in five countries in Africa, with 17 production lines of architectural ceramics and one production line of sanitary wares, and achieved a total output of building ceramic products of more than 150 million square meters during the year. The Company's overseas building materials business realized revenue of RMB 3.655 billion in 2023, a year-on-year increase of 11.59%, with a gross profit margin of 35.70%, a year-on-year decline of 7.63 percentage points.

In recent years the Company's overseas building materials business revenue continued to grow. However, the rise in interest rates of the U.S. dollar led to the depreciation of the currencies of some countries in Africa and thus affected the purchasing power of local residents, the resumption of international trade and transportation, the release of the production capacity of other parties in the local market, as well as the impact of the slowdown in the global economy, especially the de-stocking of China and India, has also brought about the structural competition in some regions of the local market, which has led to the decline in the gross margin of the Company's overseas building materials business. On the other hand, due to the continuous demand for project construction of overseas building materials, under the premise of controlling the overall asset ratio, the Company continued to increase overseas medium and long-term foreign currency loans, while the rising interest rates of foreign currencies made the Company's financial expenses further increase, and the large price fluctuations of local currencies in Africa corresponding to foreign currencies also triggered the large foreign exchange gains and losses (including unrealized foreign exchange losses due to foreign currency loans), which made the Company's profitability declined as compared with that of the previous period.

### **2. With continuous development potential, we actively deepen capacity layout**

As an overseas building materials business with a deep commitment to the development of Africa, it will inevitably be strongly correlated with factors such as supply and demand in the African structural market and fluctuations in the local exchange rate, which cannot be separated from changes in international political, economic and even financial policies. The Company's overseas building materials business did face certain operating pressure in 2023, but on the basis of the large population base and low urbanization level in Africa, the African region still has good potential for development. Therefore, the Company continued to deepen the layout of production capacity on the one hand, and at the same time, it also reduced costs and increased efficiency by optimizing the energy structure and supply chain of raw materials, increasing the proportion of local employees, and launching the lean improvement work, etc. We also negotiated with competitors and dynamically adjusted the level of prices in order to minimize the impact of exchange rate fluctuations on profits.

At present, the Company focuses on the strategy of "Large Building Materials", actively deepens the layout of production capacity, and continuously carries out regional expansion and product category extension. Kenya Kisumu Ceramic Sanitary Ware Production Project was put into production in January 2024, Cameroon and Côte d'Ivoire Building Ceramics Production Project, Tanzania and Peru Building Glass Production Project in South America are under construction, in addition, the Honduras Building Ceramics Production Project in the Americas is under preparation. After all the existing projects under construction reach production, it is expected that the Company will form a total annual production capacity of more than 200 million square meters of buildingceramics, 2.6 million pieces of sanitary ware and 400,000 tons of buildingglass. In addition, the Company will be synchronized with the active investigation of the Americas, Asia and other regional opportunities, it is not ruled out to complete the regional layout through self-built or mergers and acquisitions and integration.

### **(III) Lithium-ion battery materials**

#### **1. Anode materials focus on quality improvement, cost reduction and efficiency increase**

During the Reporting Period, subsidiaries Fujian Keda New Energy Phase I 10,000 tons/year artificial graphite anode materials finished production line and Keda (Anhui) New Material 10,000 tons/year artificial graphite production line operated at full capacity, and Fujian Keda New Energy Phase I increased production and improved technology and Phase II partial graphitization production line construction was completed and entered into the trial production stage. Thanks to the release of production capacity of Fujian base, the production and sales of finished anode materials of the Company in 2023 both achieved substantial year-on-year growth. At the same time, affected by the supply and demand relationship and price downturn in the anode materials industry, the Company's anode materials revenue scale is limited, and the Reporting Period achieved operating income of RMB 740 million, and the gross profit rate is under pressure at a stage.

Anode materials industry is in the stage of structural overcapacity and fierce competition in the industry. The Company reduces the marginal management cost through the construction of scale production capacity, and at the same time, deepens the path of cost reduction and efficiency enhancement under the premise of guaranteeing the quality and stability of products. On the one hand, the Company reduces energy consumption by optimizing the conductive and thermal insulation structure, optimizing the production plan according to the peak-valley time-sharing tariff mechanism and other energy-saving measures; on the other hand, it reduces costs through process adjustment, company-owned lithium-ion battery materials machinery product optimization, etc. The graphitization production line adopts self-developed third-generation mobile graphitization production technology, which achieves a reduction of energy consumption of more than 10%, and the research and development of the van graphitization process, which has a much lower unit of energy consumption, is also in full progress.

At present, the Company is closely following the market situation and customer demand, and arranging the construction and capacity release of Fujian Keda New Energy Phase II Anode Material Pretreatment and Finished Product Line, and Chongqing Base Annual Output of 50,000 Tons of Artificial Graphite Anode materials Production Line Project in a step-by-step manner. As for the overseas market, no effective lithium resources were found in the Company's previous exploration area, and the Company is currently carrying out continuous exploration for graphite mines in Africa. In the future, the Company will continue to strengthen industry chain synergy and cooperation, maintain the existing energy storage head customer relationships, and explore new customers, multi-channel to enhance market share, and strive to achieve profitability improvement.

## **2. Market volatility triggers sharp decline in investment income**

During the Reporting Period, the quality and stable production technology transformation project of the shareholding company Lanke Lithium Industry was completed and put into operation, and Lanke Lithium Industry actively carried out scientific research and technological transformation, among which, the industrial test of high efficiency separation of precipitated lithium mother liquor realized the integration and innovation of the mainstream process of the existing lithium extraction from salt lake by adsorption, membrane and extraction methods. The recovery rate of the precipitated lithium mother liquor section was increased from 75% to more than 95%, and the overall lithium resource recovery rate was increased by about 5%.

At present, the Lanke Lithium Industry has a total of 40,000 tons / year lithium carbonate production capacity device, the highest daily output has exceeded 140 tons. In 2023, the year-on-year production and sales volume of Lanke Lithium Industry achieved better growth, with lithium carbonate production of about 36.1 thousand tons, sales of about 38.2 thousand tons and the inventory of 2.0 thousand tons. At the same time, the terminal price of lithium carbonate market continued to fall from about RMB500,000/ton at the beginning of the Reporting Period to below RMB100,000/ton at the end of the Reporting Period. With the dramatic fluctuations in the price of lithium carbonate, the performance achieved by Lanke Lithium Industry declined sharply year-



on-year, ultimately realizing operating income of RMB 6.335 billion and net profit of RMB 2.969 billion. The contribution to the Company's net profit attributable to the listed company was RMB 1.294 billion, a decrease of about RMB 2.156 billion compared to the same period of the previous year.

#### **(IV) Introduction of shareholders to optimize the shareholding structure and expansion of the Board of Directors to stimulate governance vitality**

Guard the enterprise value and build a stable cornerstone together. In the face of declining market sentiment, the Company further optimized its shareholding structure by introducing industrial investors to become the major shareholder. At the beginning of 2023, Guangdong Liansu continued to increase its shareholding in the Company through the secondary market and became the second largest shareholder of the Company, and as of the end of the period, Guangdong Liansu's shareholding reached 7.01% of the total share capital of the Company. In addition, in the second half of 2023, Mr. Liang Tongcan, the largest shareholder of the Company, also increased his shareholding of the Company through the secondary market by a total of 17,314,000 shares, accounting for 0.89% of the total share capital of the Company. The participation of new shareholder and increase in shareholding by the major shareholder reflects their confidence in the future development of the Company and recognition of the long-term investment value of the Company, boosting market confidence and equipping the Company with a more stable shareholding structure, which will help the Company's stable development.

Meanwhile, in order to further promote the specialization and diversification of board members, improve the top-level governance structure of the Company, and enhance the decision-making ability and governance level of the board of directors, the Company increased the number of board members from 9 to 12. Since then the Company has formed a structure of 4 executive directors, 4 non-executive directors and 4 independent directors, with the proportion of outside directors reaching 67%. Among them, the new directors further add perspectives on industrial economy and overseas business; and bring strategic macro perspectives to the company through participation of professor and doctoral supervisor from the Business Administration School of a well-known domestic institution, which help the Company to sort out the business situation and realize the leap of longer-term development goals, and also provides professional guidance and suggestions for the enhancement of the Company's level of corporate governance.

## **II. Industry Status of the Company during the Reporting Period**

### **(1) Building ceramic machinery market**

In 2023, the domestic real estate industry continued to deepen regulation, and the national energy consumption and dual-carbon policy accelerated to implementation. The National Development and Reform Commission and other departments issued the Industrial Key Fields Energy Efficiency Benchmarking Levels and Benchmark Levels (2023 Edition) once again made it clear that sanitary ceramics, building ceramics, flat glass and other 25 fields should in principle complete technical transformation or be

eliminated by the end of 2025. Ceramic industry is accelerating the elimination of backward production capacity, the industry chain is experiencing a slowdown in market growth, transforming old and new production capacity, and continuing to clear low-end production capacity. The overall investment willingness of the domestic market is weak, and the structural contradiction of industry overcapacity persists, but there are also a number of new intelligent, green projects have been put into production. At the same time, the green building materials production scale continues to expand, the quality and efficiency continue to improve, the promotion and application continue to strengthen, and gradually become a new kinetic energy to support the development of the building materials industry.

In this context, the industry by high-speed development step into a new stage of high-quality development, market decline and policy tightening forced enterprises to accelerate transformation and upgrading. Ceramic enterprises that lack product innovation ability and do not meet the requirements of environmental protection policies have been eliminated one after another. Its industry concentration is further enhanced, and the industry chain reshuffle intensified. Head enterprises with core competitive advantages will capture more market share through continuous innovation and resource integration, and acquired new opportunities and development. In respect to ceramic machinery, accelerating the greening of the production process and accelerating the production mode of intelligence has become the general trend. Ceramic machinery and equipment intelligence, digitalization, greening will further accelerate the pace. The Company accelerates the downstream enterprises to replace the backward production capacity with advanced production capacity through technological innovation, green technology application, digital technology upgrading, and production line efficiency enhancement, which empowers the enterprises to achieve high-quality and sustainable development.

Looking at overseas markets, affected by multiple factors such as changes in the international situation and the global liquidity crunch, both upstream and downstream enterprises in the industry chain are facing challenges. Italy is a global ceramic machinery production and export powerhouse, according to the preliminary data compiled by MECS-Acimac Research Center, sales of the Italian ceramic machinery industry in 2023 fell by 1.7%, but still reached 2.31 billion euros, of which export sales fell 4.1% year-on-year to 1.62 billion euros, accounting for 70% of total sales. At the same time, the urbanization needs of developing countries and the upgrading of old production lines have brought certain development opportunities. On the one hand, the company will actively export core equipment to the European and American markets, and continue to build model projects and develop service business; On the other hand, the company will also target areas with better development potential such as a better population base and lower per capita consumption of ceramic tiles to further develop overseas markets for ceramic machinery

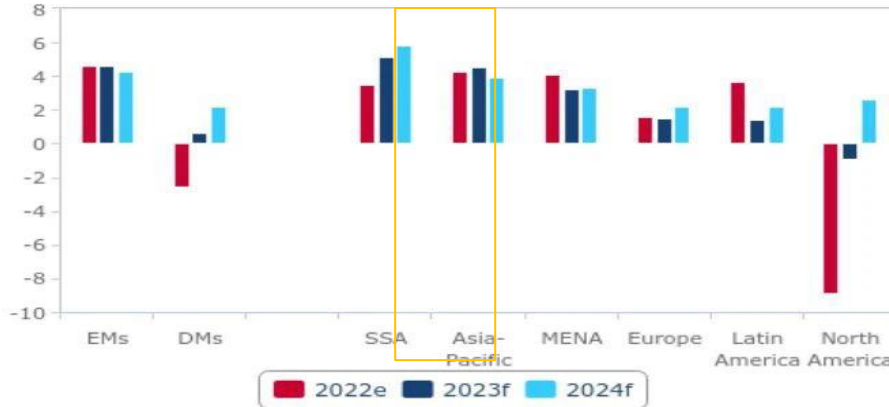
## **(2) Overseas building materials market**

The Company's overseas building materials business covers the demand for building ceramics of the population in sub-Saharan Africa. According to the World Bank's statistics on the population from 2000 to 2022, the population growth rate of Sub-

Saharan Africa has been maintained at 2.5%-3% while the global population growth rate is gradually declining, and the rapid growth of the population scale has driven the level of local infrastructure construction to be continuously upgraded. According to the infrastructure industry report released by Fitch Solution, Sub-Saharan Africa (SSA) will become the fastest growing region in the global infrastructure industry in 2023.

**SSA, Asia Seeing Highest Growth In 2023**

Global - Construction Industry Value Real Growth, % y-o-y



eff = BMI estimate/forecast. Source: National Sources, BMI

Figure: Sub-Saharan Africa (SSA) is the Fastest Growing Region in the Infrastructure Industry by 2023

Continued population growth and rapid infrastructure development in Africa is driving the continued growth of the local building materials market. According to the World Tile Production and Consumption report published by MECS-Acimac, tile production in the African region increased by 13.0% to 1,037 million square meters in 2022, and consumption will increase by 5.4% to 1,242 million square meters, due to the increase in local tile production in Egypt, Algeria, Ghana, Kenya and Zambia.

WORLD MANUFACTURING AREAS				WORLD CONSUMPTION AREAS			
AREAS	2022 (Sq.mt Mill.)	% on world production	% var. 22/21	AREAS	2022 (Sq.mt Mill.)	% on world consumption	% var. 22/21
EUROPEAN UNION (27)	1,267	7.6%	-8.4%	EUROPEAN UNION (27)	1,002	6.1%	-6.3%
OTHER EUROPE (Turkey included)	641	3.8%	-13.5%	OTHER EUROPE (Turkey included)	635	3.9%	-11.9%
NORTH AMERICA (Mexico included)	378	2.3%	0.3%	NORTH AMERICA (Mexico included)	580	3.5%	-3.8%
CENTRAL-SOUTH AMERICA	1,246	7.4%	-8.4%	CENTRAL-SOUTH AMERICA	1,241	7.6%	-14.3%
ASIA	12,188	72.7%	-11.6%	ASIA	11,626	71.0%	-12.6%
AFRICA	1,037	6.2%	13.0%	AFRICA	1,242	7.6%	5.4%
OCEANIA	5	0.0%	0.0%	OCEANIA	51	0.3%	-5.6%
TOTAL	16,762	100.0%	-9.7%	TOTAL	16,377	100.0%	-10.9%

Figure: Global Tile Production and Consumption Data

Against the background of relative saturation of China's building materials market, Africa's building materials industry is in a booming stage, attracting some traders or

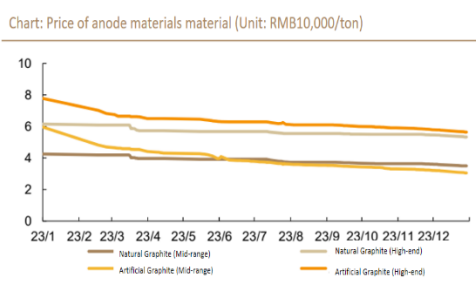
other companies to enter Africa to carry out building materials business, and the number of market participants is gradually increasing. In recent years, the Company and its partners rely on strong technical and equipment strength, complete sales network in Africa and financial security to quickly capture the market, with a wide range of complete supply chain and scale effect to create a moat, and actively establish brand image to enhance competitive advantage, build the competitiveness of overseas building materials business. At present, the Company is actively expanding the business structure of various types of building materials, and expanding the business area to other regions such as South America, and will make full use of the synergistic advantages of the channels of overseas building materials segment to expand the regional market and promote the sustainable development of the overseas building materials segment.

### **(3) Lithium-ion materials and machinery market**

In recent years, under the continuous promotion of the global carbon neutral process, lithium-ion battery has accelerated the rise and ushered in the growth window in the field of new energy vehicles and energy storage fields such as landscape energy storage and communication energy storage, and the new production capacity in the market has continued to increase. In 2023, the expansion rate of lithium-ion battery and related materials production capacity exceeds the release rate of market demand, and industry competition has intensified, but the market demand for power and energy storage lithium-ion batteries still maintains a steady upward growth trend. According to the data of GGII and the Electronic Information Department of the Ministry of Industry and Information Technology of China, in 2023, the total output of lithium-ion batteries in the country exceeded 940GWh, an increase of 25% year-on-year, and the total output value of the industry exceeded RMB1.4 trillion. The output of power and energy storage lithium-ion batteries is 675GWh and 185GWh, respectively, and the installed capacity of lithium-ion batteries (including new energy vehicles and new energy storage) exceeds 435GWh. The growth of lithium-ion battery shipments led to an increase in the demand for core materials, and the output of cathode materials and anode materials reached 2.3 million tons and 1.65 million tons, respectively, an increase of more than 15%; According to the data of Lithium Industry Branch of the China Nonferrous Metals Industry Association, the production of lithium carbonate is about 517,900 tons, with a year-on-year increase of 31.1%; With the regression of raw material prices represented by graphitization, the cost performance of artificial graphite has increased significantly, and the market share has increased to 89%.

After nearly three years of capacity expansion, the lithium-ion battery industry chain will accelerate structural adjustment in 2023. In terms of anode materials, the growth rate of downstream market demand has slowed down, and the expansion capacity of enterprises in the anode materials industry has entered the release period, which anode materials is facing the pressure of capacity absorption and downward price. In 2023, the market price of anode materials showed a downward trend, and gradually stabilized in the second half of the year, with a staged imbalance between supply and demand, and the pace of capacity expansion of anode materials industry slowed down. In terms of lithium carbonate, the price fluctuation of lithium carbonate is more violent due to supply and demand, the price is adjusted rapidly at the beginning of the year, rose slightly from May to July, bottomed out again from July to November, and price at the

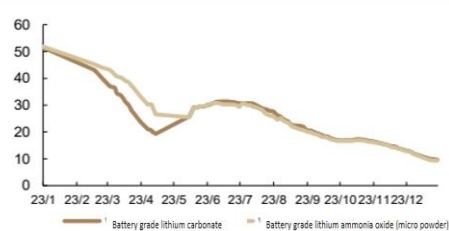
end of the Reporting Period has been close to the production cost line of second-tier lithium carbonate manufacturers and stabilized at the price level of RMB90,000-100,000/ton. In the short term, there are pressures and challenges in the lithium-ion materials industry such as falling market prices and industry chain adjustment. Creating higher quality products at lower cost, improving production efficiency and building a stable supply chain system are the keys for lithium-ion battery enterprises to successfully traverse the cycle in the industry chain reshaping.



- Source: SMM, Deppon Institute

Figure: Price trend of anode materials in 2023

Chart: Price of lithium carbonate and lithium hydroxide for battery (Unit: RMB ten thousand/ton)



Source: SMM, Deppon Institute

Figure: Price trend of lithium carbonate and lithium hydroxide in 2023

In the face of the new industry cycle, the lithium-ion materials industry puts forward higher standards for manufacturing costs, product quality, manufacturing systems and other aspects, and puts forward new requirements for the product automation, intelligent level, energy saving and consumption reduction of lithium-ion battery equipment enterprises, and the delivery capacity of the whole line, forming the demand for high-quality production capacity equipment and driving the iterative development of the lithium-ion materials equipment industry. During the Reporting Period, in the field of lithium-ion materials, the Company promoted the release of production capacity of anode materials projects, deepened the integrated layout of anode materials, and supported the technological reform and production enhancement of Lanke Lithium Industry. In the field of equipment, the Company coordinated and integrated the internal resources of lithium-ion materials and machinery, and independently researched and developed energy-saving and consumption reduction of lithium-ion battery equipment, and the full-component recycling equipment of decommissioned power batteries, etc. In the future, the Company will continue to improve the business layout of lithium-ion materials and machinery, and continue to strengthen its core competitiveness and profitability through process and technological innovation, cost reduction and efficiency.

### III. Business of the Company during the Reporting Period

The Company's main business is the production and sale of building ceramic machinery, overseas building materials, lithium-ion materials, and strategic investment in lithium salt business with Lanke Lithium Industry as the main entity.

#### (1) Ceramic machinery business

**1. Business and Product introduction:** The Company's building materials machinery business 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. 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 become a "comprehensive products and service providers".



On the basis of developing the main business of traditional advantage ceramic machinery, the Company continues to explore cross-industry/field application of mechanical equipment, and continues to enrich the product matrix. At present, 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 sanitary ware, tableware, refractory materials and lithium industry chain.

## 2. Product market position and competitive advantage:

(1) Brand advantage: Keda Group is the world leading supplier of building ceramic machinery, 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, Italy and Indonesia, with ceramic machinery business covering more than 60 countries and regions such as India, Bangladesh, Pakistan, Southeast Asia, Africa, Europe, South and North America, and has better global supply and service capabilities, achieving cross-regional coordination in production, trade, accessories and service resources on a global scale.

(3) Advantage in product structure: By leveraging on the technology and craftsmanship of subsidiaries in China and Italy, the Company has gradually improved its product structure, and covered a multi-product chain in order to meet the diversified needs of customers and to have better product supporting and service capabilities.

**3. Business model:** The Company's building ceramic machinery business has 13 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, India and Indonesia, 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 or operation bases to carry out localised operations, brought forward accessories, consumables and maintenance services established a strong localized sales and service team, and comprehensively upgraded the service system to increase customer loyalty; for overseas high-end markets such as Europe and the U.S., through means such as acquisition, the Company integrates Italian manufacturing to improve the product line and product strength, and promotes 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.

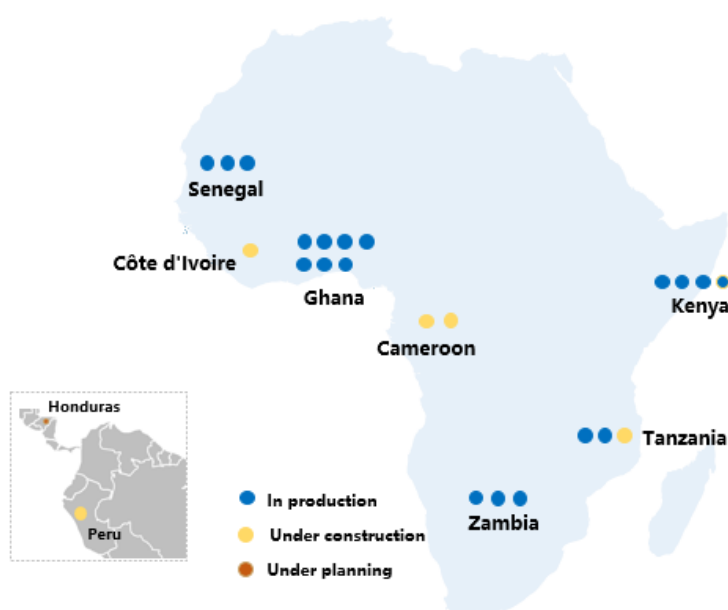
**4. Key performance drivers:** The business of domestic ceramic machinery is driven by the iterative pull of new downstream products, the upgrading of ceramic machinery, the new demand of ceramic enterprises to reduce costs and increase efficiency, and some of the requirements of carbon emissions, green production and other environmental policies. In 2023, with the downturn in the domestic downstream building ceramics and real estate market, the overall share of the Company's domestic ceramic machinery business has decreased. At the same time, the Company continued to deepen the globalization layout and deeply explored the incremental volume of overseas market to further stabilize the proportion of overseas market and optimize the gross profit contribution. During the Reporting Period, in the face of multi-directional challenges at home and abroad, the Company's ceramic machinery overseas orders accounted for more than 55%, of which India, Southeast Asia and other developing countries and regions performed better, Egypt, Italy and some countries in Central Asia has also made remarkable progress.

## (2) Overseas building materials business

**1. Business and product introduction:** Since 2016, in line with the national “Going Out” initiative and the development strategy of "international production capacity cooperation", the Company has seized the market opportunities arising from the industrialization and urbanization in Africa, and actively extended its business to the downstream building ceramics field in Africa. 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 Americas and Asia Large Building Materials and other regions.

By the end of 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 17 building ceramic production lines and 1 sanitary ware production line in operation. In 2023, the total production volume of building ceramics amounted to more than 150 million m<sup>2</sup> 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 0.47 million pieces.

### The Overall Production Capacity Layout of Overseas Building Materials



**2. Market position of product and its competitive advantage:** As a companion of African urbanization, the Company has become a leading supplier of building ceramics in Africa.

(1) Ceramic manufacturing advantages: 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, accessories and consumables, 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, and gradually consolidate its own industrial chain in the operation process.

(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. 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.

**3. Business mode:** 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 key countries in sub-Saharan Africa, jointly set up factories and operate building materials 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 sub-Saharan Africa, and gradually replicate its successful experience in Africa to emerging markets such as South America and Asia.

**4. Main performance drivers:** In recent years, with the advancement of the urbanization process, huge population base and the increasing demand for building materials in Africa, the Company has actively laid out capacity construction and enriched building materials categories, and seized the market development opportunities by replacing imported tiles. With a total population of over 1.4 billion in 2022, Africa has become one of the most populous regions in the world. According to MECS/Acimac Research Center Data, in 2022, Africa's local building ceramics production capacity is 1.037 billion square meters, and the demand is 1.241 billion square meters, compared with China's current ceramic tile production of more than 6 billion square meters. It can be seen that the African region is still an incremental market, and the growth potential of ceramic tile production and consumer demand is large. In 2023, the Company's overseas building materials revenue achieved year-on-year growth of 11.59 %, mainly from the release of new production capacity. The Company will form commercial barriers through mature manufacturing experience, rich sales channels and scale effects, and enhance the company's overseas building materials market share and influence.

### (3) Lithium-ion materials business

**1. Business and product introduction:** 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. Now the operating main entities of the Company's lithium-ion 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 constructed its Phase II 50,000 tonnes/year artificial graphite production line, together with the production layout of the Company's Anhui factory, the Company has a production capacity of 90,000 tonnes/year for graphitization and 50,000 tonnes/year for artificial graphite.

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 40,000 tonnes/year of lithium carbonate and has become an important player in China's salt lake lithium extraction industry. In addition, in 2022 the Company's subsidiary comprehensively started adaptive applications of core machinery 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.

#### **2. Market position of products and its competitive advantage:**

At present, the Company's lithium-ion battery anode materials business has initially achieved large-scale production capacity and is currently in the growth stage. As an enterprise with the coordinated development of anode materials and lithium-ion battery machinery, relying on advantage of technology accumulation and self-developed equipment, the Company continuously optimizes the intelligent manufacturing performance of its anode materials products, and the comprehensive manufacturing cost of which has a certain competitiveness. Based on the high standard requirements of downstream customers for the performance of energy storage products, the Company also continuously optimizes the performance of anode materials and improves the comprehensive competitiveness of products, especially in the aspect of ultra-long cycle artificial graphite for energy storage by the customer's depth of recognition. 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, and based on the high certainty of the Company's existing customers, the anode material capacity utilization has always been maintained at a high level in the industry.

**3. Business mode:** At present, the production and manufacture of the Company's lithium-ion 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.

**4. Main performance drivers:** The Company's anode materials are mainly used in the field of energy storage batteries, but also in the field of power and digital batteries. In the context of the expected long-term and sustained growth of the new energy industry and energy storage industry, the demand for related lithium-ion materials continues to grow. Based on its own core equipment research and development and manufacturing capabilities, the Company optimized the process and reduced the cost, and at the same time realized the layout of the integrated research and development and production of anode material, actively build an industrial ecosystem, strengthen cooperation and collaboration with industry enterprises, and rely on downstream customers' business planning and their own technology accumulation, cooperative research and development and other ways to steadily expand production and product iteration and upgrade.

#### **(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 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,, and has been awarded the national specialized special new "little giant" enterprise. In addition to the production base in Foshan, Guangdong Province, Keda Hydraulic started the construction of the Anhui base in the Reporting Period to enhance product design and manufacturing capacity, expand the hydraulic pump and motor capacity for walking machinery, and complete the industrial chain through acquisitions. in the future it will continue to deploy innovation around the industrial chain, promote the high-quality development of the industry, and actively develop the distribution network and use the Company's overseas channels to expand overseas markets.

(2) Smart energy business: Keda Smart Energy specializes in BIPV (Building Integrated Photovoltaics) R&D and manufacturing, integrated design and construction of new energy light storage, power and carbon asset trading, distribution network operation, power and power station operation and maintenance and other comprehensive energy services. At present, Keda Smart Energy has deployed comprehensive energy service businesses in Anhui, Guangdong, Jiangsu, Fujian, Zhejiang, Shandong, Africa (Kenya, Tanzania) and other places, with annual power transactions over 15 billion KWH, holding 3 distribution network projects, investing in the construction of 32 charging stations and developing light storage new energy self-holding and EPC over 200MW. During the Reporting Period, Keda Smart Energy won

the honorary titles of national " Small and Medium-sized Technology-based Enterprise " and provincial " Specialized in Special New Small and Medium-sized enterprises ". In 2023, Keda Smart Energy management team visited Africa and set up an overseas business unit, and the Company's first overseas photovoltaic power plant project was completed in sanitary ware factory in Kisumu Kenya. In the future, Keda Smart Energy will develop its domestic business around the two bases of Foshan and Maanshan, and will actively expand the overseas market in Africa, adhere to technological innovation and service leadership, and constantly empower customers and reduce energy costs, and strive to become the industry's leading optical storage integrated smart energy service provider.

#### **IV. Analysis of Core Competitiveness during the Reporting Period**

Applicable Not applicable

Under the new situation, global economic uncertainty is becoming the norm, the Company actively embraces the market development trend, seizes the opportunities of industry development, and carries out business layout around the philosophy of "globalization, servitization, digitization and rejuvenation", forges the core advantages of science and technology innovation, and strengthens the foundation of high-quality development. During the Reporting Period, the Company continued to enhance its core competitiveness in the following aspects:

##### **(1) Deepen the global service system and take steps to high-quality export**

With the rise of manufacturing in China, the Company continues to improve its global thinking and localization operation capabilities, deepen its overseas layout, accelerate the construction of service system, sum up the experience of overseas teams, and empower global business development. In terms of ceramic machinery sector, Keda Turkey BOZUYUK factory laid a foundation, Keda Indonesia subsidiary was established, the Company successfully acquired 70% equity of the Italian mold company FDS. Upgrading of several overseas bases, the establishment of subsidiaries and mergers and acquisitions will help deepen the Company's ceramic machine business localization service capabilities, thus to increase customer loyalty by diversified business, and establish a localized long-term partner image. At the same time, in order to improve service quality and speed to meet the diversified needs of customers, the Company continues to optimize overseas parts warehouse and service network, will follow the expansion of the market to carry out a wider global layout in the future.

In the overseas building materials sector, the Company works with Sunda Group to deeply develop Africa and explore the South American market, use the localized supply chain to achieve extensive coverage of the tile market in the Sub-Saharan Africa, actively explore the capacity construction of other types of building materials products such as sanitary ware and glass, and increase the proportion of foreign employees to achieve comprehensive localization operation, bringing "China Solution" for the urbanization development of Africa. At the same time, the Company's exploration

practice as a Chinese private enterprise going abroad also brings new opportunities for the development of domestic manufacturing industry.

Under the overseas layout and business expansion of the Company's global team, the Company's businesses have covered nearly hundreds countries and regions. While building a global network and serving the global market, the Company actively connected with global capital, and successfully landed loans and credit projects with overseas financial institution International Finance Corporation during the Reporting Period, providing a strong guarantee for the Company's "Globalization" strategy.

## **(2) Digitalization drives efficiency change and builds lean value chain**

The Company firmly implements the "Digitalization" strategy and follows the development concept of "internal and external collaboration and innovation-driven". Internally, the Company has increased investment in manufacturing upgrades to achieve the goal of intelligent manufacturing and flexible manufacturing. In 2023, the subsidiary DLT "digital intelligent manufacturing workshop and global remote digital service center" has been completed, which will further enhance manufacturing and service capabilities with the help of digital transformation. Foshan Keda Equipment Intelligent Manufacturing Base under construction plans to enhance supply chain supporting capabilities, product manufacturing quality and efficiency through informatization and digital empowerment under the "one flow" process layout, and build core product quality manufacturing and heavy equipment manufacturing advantages. Externally, the Company uses digital technology to enable the downstream industrial chain to collaborative transformation, the Company realizes the analysis and solidification of ceramic production process data and experience by creating molding, firing, deep processing, warehousing and packaging whole line intelligent control systems, equipment, and digital factory manufacturing execution system (MES) services, and thus breaks the information islands between various processes of ceramic production, help pottery enterprises to achieve centralized production control and management. In 2023, in the 50 typical cases of digital transformation of intelligent manufacturing of building materials industry released by the Department of Raw Materials of the Ministry of Industry and Information Technology, the Company's "Research and development and industrialization of complete sets of intelligent production equipment for building ceramics" case was selected into the category of "intelligent equipment".

At the same time, the Company actively builds the lean value chain, urges all employees to make independent improvement, further improves the standardized operation of the manufacturing system, increases the breakthrough product development centered on the improvement of the research and development system, and extends the scope to the management process construction and optimization field, opening a new chapter of lean in multiple dimensions. During the Reporting Period, Keda Ceramic Machinery, as the pioneer of lean work of the Group, received more than 4,300 effective proposals for all staff's independent improvement activities, the overall completion rate reached 286%. Nine business units/centers carried out a total of 50 standard improvement weeks, 80% of the project efficiency increased by more than 50%, of which nine of these efficiency

improvements exceeded 100%. Under the promotion of lean work, other bases have also started lean production improvement projects, and achieved certain phased results. In the future, the Company will further promote lean manufacturing and strive towards the long-term goal of creating lean manufacturing intelligent factories with stable quality, optimal cost and flexible delivery.

### **(3) Building partnership and sharing culture, and creating talent hub**

Talent is the source of the Company's development, adhering to the cultural concept of "wealth dispersing and people gathering, wealth gathering but people dispersing", the Company has always paid attention to the exploration and practice of diversified incentive mechanisms, created a "partnership culture" oriented by value creation, built a "partnership mechanism" of sharing interests and risks, and gathered a group of like-minded "partners" to jointly promote the Company from a small workshop into a global company with three major businesses: building ceramic machinery, overseas building materials, lithium-ion materials.

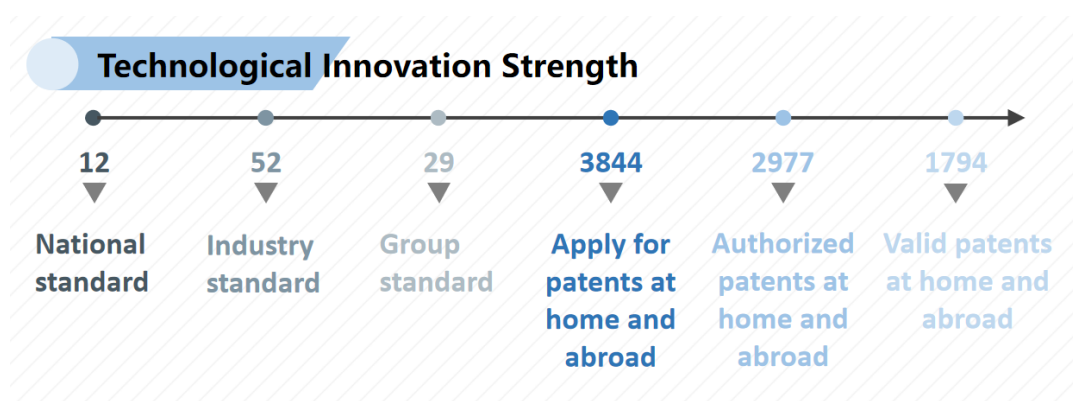
In the past 20 years since listed, the Company has implemented four equity incentives (including Employee Stock Ownership Plans), and built employee stock ownership platforms at the level of listed companies and business sectors, which have covered nearly 1,000 people, and the core employees of both listed companies and subsidiaries can share the Company's development results. In the past two years, in order to improve the Company's long-term incentive mechanism, further effectively combine the interests of shareholders, the Company and the core team, and stimulate the enthusiasm and creativity of the core team and excellent employees, the Company proceeded share repurchase plans in 2022 and 2023 respectively, using a total of more than RMB800 million to buy back 60,563,442 shares of the Company. The repurchased shares will be used for the subsequent implementation of the Employee Stock Ownership Plan and/or equity incentives.

Under the diversified incentive mechanism model, the Company has accumulated a high-quality, dynamic and professional talent team. In the future, the Company will continue to improve the incentive mechanism and salary and welfare policies, continue to enhance the cohesion, attraction and competitiveness of the Company to talents, so that employees can share the development results and become "business partners" to achieve a win-win situation between the Company and employees.

### **(4) Adhere to the guidance of innovation and forge high-quality development engines**

The Company adheres to the innovative development path of "Research and Development", integrates various resources and platforms, and has refined a strong core technology independent research and development capability. Under the guidance of the core business philosophy of "innovation knows no bounds", the Company has set up high-level innovation research and development platforms such as "National Recognized Enterprise Technology Center", "Postdoctoral Research Workstation" and industry-university-research cooperation platforms. In 2023, in order to give full play to the professional value of leaders in various professional fields in technological

innovation and management change, the Company set up Keda Group Expert Committee to support the development of scientific and technological research and development. Over the years, the Company continues to innovate and surpass, relying on a perfect R&D system and continuous R&D investment, accumulated a large number of innovative R&D results. More than 10 projects of the Company, such as "Key Technology R&D and Industrialization of Building Ceramic Wall and Floor Tile Classification and Color Separation Intelligent Detection Line Based on AI Vision", "Intelligent Key Technology R&D and Industrialization of Building Ceramic Polishing Line", "Complete Set of Equipment for High Energy Efficiency and Large Output Foamed Ceramic Tunnel Kiln" and "Firing Ceramics with Zero-carbon Fuel Pilot Production and Application Demonstration" of subsidiary DLT, has passed the appraisal of scientific and technological achievements in 2023.



During the Reporting Period, the subsidiary Keda (Anhui) New Material was awarded the "National Intellectual Property Advantage Enterprise", HLT was awarded the "National Intellectual Property Demonstration Enterprise", Fujian Keda New Energy was awarded the first prize of the enterprise group of "Maker in China" Fujian Small and Medium-sized Enterprise Innovation and Entrepreneurship Competition, Keda Foshan Industrial was selected in the "The Fourth Batch of Foshan Intellectual Property Cultivation Project Entry List", "A Speed and Position Double Closed-loop Control Method of Ceramic Brick Making Machine" of HLT won the Chinese Patent Excellence Award, "A Lithium-ion Battery Artificial Graphite Anode material and Its Preparation Method" of Keda (Anhui) New Material won the Anhui Province Patent Award Silver, "Intelligent Key Technology R&D and Industrialization of Building Ceramic Polishing Line" and "Development and industrialization of intelligent storage and transportation system of ceramic tiles" of Keda Group won the Building Materials Machinery Industry Science and Technology Award and China Construction and Sanitary Ceramics Industry Science and Technology Innovation Award. These awards highlight the recognition of the Company's intellectual property and technological innovation by the relevant units or industries

## V. Main Operations During the Reporting Period

During the Reporting Period, the Company recorded operating revenue of RMB 9,695,639.8 thousand, down 13.10% year-on-year. Specifically, overseas operating revenue was RMB 5,813,734.2 thousand, down 6.23% year-on-year; net profit was

RMB 2,608,189.9 thousand, down 49.86% year-on-year; net profit attributable to the listed company was RMB 2,091,996.4 thousand, down 50.79% year-on-year; net profit attributable to shareholders of the listed company after deducting non-recurring profit or losses amounted to RMB1,878,754.0 thousand, a year-on-year decrease of 55.40%.

## (I) Main business analysis

### 1. Analysis of changes in the income statement and in the subjects related to the financial statement

Unit: Ten Thousand Yuan Currency: RMB

Subject	Balance in the current period	Amount of same period last year	Proportion of change (%)
Operating revenue	969,563.98	1,115,719.66	-13.10
Operating expenses	686,026.06	787,159.01	-12.85
Selling expenses	47,678.34	55,241.71	-13.69
Administration expenses	85,042.64	79,683.21	6.73
Financial expenses	25,381.56	5,249.28	383.52
R&D expense	29,217.06	32,613.97	-10.42
Net cash flows from operating activities	73,083.20	99,741.06	-26.73
Net cash flows from investing activities	-75,361.29	78,598.81	-195.88
Net cash flows from financing activities	-35,109.55	21,504.55	-263.27

Explanation of reasons for changes in financial expenses: The amount of financial expenses in the current period increased by 383.52% compared with the same period last year, mainly due to the company's continued increase in capital investment in the current period, the sharp increase in bank loan balance, and the continued interest rate increase in the US dollar, resulting in increased interest expenses and exchange losses.

Explanation of reasons for the change in net cash flows from investing activities: The net cash flows from investing activities in the current period decreased by 195.88% as compared with the corresponding period of the previous year, which is mainly due to the Company's higher cash dividends distributed to its associate Lanke Lithium as well as the Company's cash payments made for investment in Jiaying Keda Jinhong Fund in the current period.

Explanation of reasons for the change in net cash flows from financing activities: The net cash flows from financing activities in the current period decreased by 263.27% as compared with the corresponding period of the previous year, which is mainly due to the dividends distributed by the listed company to its shareholders during the current



period as well as the issue of funds raised for GDR by the Company in the same period of the previous year.

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

Applicable Not applicable

## 2. Revenue and expenses analysis

Applicable Not applicable

During the Reporting Period, the Company recorded operating revenue of RMB 9,695,639.8 thousand, down 13.10% year-on-year. Specifically, the revenue from principal business was RMB 9,687,547.2 thousand, down 13.10% year-on-year; the expenses of principal business were RMB 6,855,351.6 thousand, down 12.84% year-on-year.

### (1) Principal business by industry, product, region and sales model

Unit: Ten Thousand Yuan      Currency: RMB

Principal business by industry						
By industry	Operating revenue	Operating expenses	Gross margin (%)	Increase or decrease in operating revenue over last year (%)	Increase or decrease in operating expenses over last year (%)	Increase or decrease in gross margin over last year (%)
Machinery and equipment industry	460,000.48	330,245.01	28.21	-19.27	-21.67	An increase of 2.20 percentage points
Overseas building ceramics industry	365,520.85	235,039.09	35.70	11.59	26.61	A decrease of 7.63 percentage points
Lithium-ion material industry	73,959.76	67,186.22	9.16	-38.85	-33.51	A decrease of 7.30 percentage points
Other industries	69,273.63	53,064.83	23.40	-28.13	-32.20	An increase of 4.60 percentage points
Principal business by product						
By product	Operating revenue	Operating expenses	Gross margin (%)	Increase or decrease in operating revenue	Increase or decrease in operating expenses	Increase or decrease in gross margin

				over last year (%)	over last year (%)	over last year (%)
Building materials machinery and equipment	447,720.96	320,618.30	28.39	-20.16	-22.73	An increase of 2.38 percentage points
Overseas structural ceramics	365,520.85	235,039.09	35.70	11.59	26.61	A decrease of 7.63 percentage points
Lithium-ion materials	73,959.76	67,186.22	9.16	-38.85	-33.51	A decrease of -7.30 percentage points
Others	81,553.15	62,691.54	23.13	-22.66	-26.19	An increase of 3.68 percentage points
Principal business by region						
By region	Operating revenue	Operating expenses	Gross margin (%)	Increase or decrease in operating revenue over last year (%)	Increase or decrease in operating expenses over last year (%)	Increase or decrease in gross margin over last year (%)
Domestic	387,381.30	304,327.52	21.44	-21.70	-21.08	A decrease of 0.62 percentage points
Overseas	581,373.42	381,207.63	34.43	-6.23	-4.92	A decrease of 0.90 percentage points

#### Description of principal business by industry, product, region and sales model

1. During the Reporting Period, the Company recorded operating revenue of RMB4,477 million from building materials machinery and equipment, down 20.16% year-on-year, which is mainly due to the global economic slowdown and the impact of the domestic real estate market environment;
2. During the Reporting Period, the Company recorded operating revenue of RMB3,655 million from overseas building ceramics, an increase of 11.59% year-on-year, which is mainly due to the further production capacity release in the African subsidiary during the current period;
3. During the Reporting Period, the Company recorded operating revenue of RMB740 million from lithium-ion materials, down 38.85% year-on-year, which is mainly due to the decline in the price of anode material products and the reduction in lithium carbonate trade revenue;

4. During the Reporting Period, the Company recorded operating revenue of RMB816 million from other products, down 22.66% year-on-year, which is mainly due to the contraction of the Company's clean energy and environmental protection business.

## (2) Production and sales volume analysis table

Applicable Not applicable

Main products	Unit	Production volume	Sales volume	Inventory	Increase or decrease in production volume over previous year (%)	Increase or decrease in sales volume over previous year (%)	Increase or decrease in inventory over previous year (%)
Pressing machine	Set	338.00	346.00	84.00	-15.50	-13.93	-8.70
Polishing machine	Set	353.00	352.00	11.00	-26.61	-26.97	10.00
Kiln	Set	175.00	170.00	9.00	1.16	-2.30	125.00
Overseas building ceramics	100 million m <sup>2</sup>	1.50	1.42	0.23	21.96	18.03	61.71
Finished negative electrode products	1,000 tons	19.15	18.34	1.30	159.84	152.27	165.31
Carburant	1,000 tons	40.86	40.35	1.88	43.32	45.20	37.23

Description of production and sales volume

## (3) Performance of major purchase contracts and major sales contracts

Applicable Not applicable

## (4) Cost analysis table

Unit: Ten Thousand Yuan

Cost analysis by industry							
By industry	Cost component items	Amount in the current period	Percentage of total cost in the current period (%)	Amount in the same period of previous year	Percentage of total costs in the same period of previous year (%)	Percentage change of amount in the current period over the amount in the same period of	Notes

						previous year (%)	
Machinery and equipment industry	Direct materials	272,934.39	82.64	355,142.22	84.24	-23.15	
	Direct labour	13,465.79	4.08	12,495.95	2.96	7.76	
	Manufacturing expenses	40,935.03	12.40	51,064.34	12.11	-19.84	
	Depreciation	2,909.80	0.88	2,911.88	0.69	-0.07	
	Sub-total	330,245.01	100.00	421,614.39	100.00	-21.67	
Overseas building ceramics industry	Direct materials	159,146.87	67.71	123,597.46	66.58	28.76	
	Direct labour	8,552.42	3.64	7,881.43	4.25	8.51	
	Manufacturing expenses	43,362.82	18.45	33,657.85	18.13	28.83	
	Depreciation	23,976.98	10.20	20,500.09	11.04	16.96	
	Sub-total	235,039.09	100.00	185,636.83	100.00	26.61	
Lithium-ion material industry	Direct materials	25,074.89	37.32	67,897.83	67.20	-63.07	
	Direct labour	2,273.11	3.38	1,735.68	1.72	30.96	
	Manufacturing expenses	36,401.07	54.18	28,749.90	28.45	26.61	
	Depreciation	3,437.15	5.12	2,661.37	2.63	29.15	
	Sub-total	67,186.22	100.00	101,044.78	100.00	-33.51	
Other industries	Direct materials	31,204.40	58.81	55,314.26	70.67	-43.59	
	Direct labour	3,846.76	7.25	3,246.35	4.15	18.49	
	Manufacturing expenses	15,682.77	29.55	17,255.84	22.05	-9.12	
	Depreciation	1,991.86	3.75	1,426.10	1.82	39.67	
	Interest	339.04	0.64	1,024.49	1.31	-66.91	
	Sub-total	53,064.83	100.00	78,267.04	100.00	-32.20	
Cost analysis by product							
By product	Cost component items	Amount in the current period	Percentage of total cost in the current period (%)	Amount in the same period of previous year	Percentage of total costs in the same period of previous year (%)	Percentage change of amount in the current period over the amount in the same period of	Notes

						previous year (%)	
Building materials machinery and equipment	Direct materials	266,403.39	83.10	350,654.73	84.51	-24.03	
	Direct labour	12,864.67	4.01	11,904.32	2.87	8.07	
	Manufacturing expenses	38,771.44	12.09	49,684.36	11.97	-21.96	
	Depreciation	2,578.80	0.80	2,697.14	0.65	-4.39	
	Sub-total	320,618.30	100.00	414,940.55	100.00	-22.73	
Structural ceramics	Direct materials	159,146.87	67.71	123,597.46	66.58	28.76	
	Direct labour	8,552.42	3.64	7,881.43	4.25	8.51	
	Manufacturing expenses	43,362.82	18.45	33,657.85	18.13	28.83	
	Depreciation	23,976.98	10.20	20,500.09	11.04	16.96	
	Sub-total	235,039.09	100.00	185,636.83	100.00	26.61	
Lithium-ion materials	Direct materials	25,074.89	37.32	67,897.83	67.20	-63.07	
	Direct labour	2,273.11	3.38	1,735.68	1.72	30.96	
	Manufacturing expenses	36,401.07	54.18	28,749.90	28.45	26.61	
	Depreciation	3,437.15	5.12	2,661.37	2.63	29.15	
	Sub-total	67,186.22	100.00	101,044.78	100.00	-33.51	
Others	Direct materials	37,735.40	60.19	59,801.75	70.40	-36.90	
	Direct labour	4,447.88	7.09	3,837.98	4.52	15.89	
	Manufacturing expenses	17,846.36	28.47	18,635.82	21.94	-4.24	
	Depreciation	2,322.86	3.71	1,640.84	1.93	41.57	
	Interest	339.04	0.54	1,024.49	1.21	-66.91	
	Sub-total	62,691.54	100.00	84,940.88	100.00	-26.19	

Description of other situations of cost analysis

**(5) Changes in the scope of consolidation due to changes in the shareholdings of major subsidiaries during the Reporting Period**

Applicable Not applicable

**(6) Significant changes or adjustments in the Company's business, products or services during the Reporting Period**

Applicable Not applicable

## (7) Major sales customers and major suppliers

### A. Major sales customers of the Company

Applicable Not applicable

The sales of top five customers amounted to RMB 1,808,785.1 thousands, accounting for 18.67% of the annual total sales; the sales of related parties in the sales of top five customers amounted to RMB 839,364.7 thousand, accounting for 8.66 % of the annual total sales.

Proportion of sales to a single customer exceeding 50% of the total sales, new customers among the top five customers, or heavy dependence on a few customers during the Reporting Period

Applicable Not applicable

### B. Major suppliers of the Company

Applicable Not applicable

Purchases from the top five suppliers amounted to RMB 1,941,352.6 thousand , accounting for 21.08% of the total annual purchases; purchases from related parties of the top five suppliers amounted to RMB 1,473,179.4 thousand, accounting for 16.00% of the total annual purchases.

Proportion of purchases from a single supplier exceeding 50% of the total purchases, new suppliers among the top five suppliers, or heavy dependence on a few suppliers during the Reporting Period

Applicable Not applicable

## 3. Fees

Applicable Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Subject	Balance in the current period	Amount of same period last year	Proportion of change (%)
Selling expenses	47,678.34	55,241.71	-13.69
Administration expenses	85,042.64	79,683.21	6.73
Financial expenses	25,381.56	5,249.28	383.52

## 4. R&D investment

**(1) Table of R&D investment**√Applicable Not applicable

Unit: Ten Thousand Yuan

Expensed R&D investment in the current period	29,217.06
Capitalized R&D investment in the current period	
Total R&D investment	29,217.06
Total R&D investment as a percentage of operating revenue (%)	3.01
Percentage of capitalized R&D investment (%)	

**(2) Table of R&D personnel**√Applicable Not applicable

Number of R&D personnel of the Company	797
Number of R&D personnel as a percentage of the Company's headcount (%)	5.25
Educational background structure of R&D personnel	
Type of educational background structure	Number of persons in the educational background structure
Doctoral degree	2
Master's degree	64
Bachelor degree	434
College degree	169
High school degree and below	128
Age structure of R&D personnel	
Age structure categories	Number of persons in the age structure
Under 30 (exclusive)	216
30-40 (including 30, excluding 40)	285
40-50 (including 40, excluding 50)	169
50-60 (including 50, excluding 60)	116
60 and above	11

**(3) Description**

Applicable Not applicable

#### (4) Reasons for significant changes in the composition of R&D personnel and impact on the Company's future development

Applicable Not applicable

#### 5. Cash flows

Applicable Not applicable

Unit: Ten Thousand Yuan      Currency: RMB

Item	2023	2022	Amount of increase/decrease	Increase/decrease (%)
Taxes and levies rebates	16,076.85	39,472.99	-23,396.14	-59.27
Other cash received relating to operating activities	28,044.49	19,193.15	8,851.33	46.12
Cash received from returns of investments	231.17	822.00	-590.83	-71.88
Cash received from the return on investments	145,275.82	296,800.85	-151,525.03	-51.05
Net cash recovered from the disposal of fixed assets, intangible assets and other long-term assets	742.51	8,150.93	-7,408.42	-90.89
Net cash recovered from the disposal of subsidiaries and other operating organizations		3,665.45	-3,665.45	-100.00
Other cash received related to investing activities	302,936.68	51,595.08	251,341.59	487.14
Cash paid for the acquisition and construction of fixed assets, intangible assets, and other long-term assets	154,462.98	99,344.20	55,118.78	55.48
Cash paid for investments	152,278.56	15,000.00	137,278.56	915.19
Cash received from capital contribution	33,012.50	131,932.67	-98,920.17	-74.98
Proceeds from borrowings	474,278.08	269,798.51	204,479.57	75.79
Cash payment for interest expense and distribution of dividends or profits	195,452.81	62,485.28	132,967.53	212.80

(1) The tax rebates incurred decreased by 59.27% as compared to the same period of previous year, which is mainly due to the decrease in export tax rebates and tax retention refunds received by the Company in the current period.

(2) The amount of cash received relating to other operating activities in the current period increased by 46.12% as compared to the same period of previous year, which is



mainly due to the Company's funds of RMB85.96 million unfrozen by the court and the increase in interest income in the current period.

(3) The cash received from investments decreased by 71.88% in the current period as compared to the same period of previous year, which is mainly due to the cash recovered from the disposal of an associate, Zhongchuang Qingyuan, by the Company in the same period of previous year.

(4) The cash received from returns of investments decreased by 51.05% in the current period as compared to the same period of previous year, which is mainly due to the Company's acquisition of dividend payments from Lanke Lithium Industry.

(5) Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets decreased by 90.89% in the current period as compared with the same period of previous year, which is mainly due to the higher cash recovered from the disposal of assets by the subsidiary, Shenyang Keda, in the same period of previous year.

(6) Net cash recovered from disposal of subsidiaries and other operating entities decreased by 100.00% in the current period as compared with the same period of previous year, which is mainly due to the cash recovered from the Company's disposal of its subsidiary, Zhuolitai, in the same period of previous year.

(7) Other cash received relating to investing activities increased by 487.14% in the current period as compared to the same period of previous year, which is mainly due to the Company's redemption of a larger number of wealth management products in the current period.

(8) Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term investments increased by 55.48% in the current period as compared with the same period of previous year, which is mainly due to the increasement of asset investment, higher amount of payments for engineering equipment made by the subsidiaries, Fujian Keda New Energy, Keda Ghana, Foshan Keda Equipment and HLT Technology.

(9) Cash paid for investments increased by 915.19% in the current period as compared with the same period of previous year, which is mainly due to the Company's investment in Jiaxing Keda Jinhong Fund in the current period.

(10) Cash received from absorption of investments decreased by 74.98% in the current period as compared to the same period of previous year, which is mainly due to the issue of funds raised for GDR by the Company in the same period of previous year.

(11) Cash received from borrowings increased by 75.79% in the current period as compared to the same period of previous year, which is mainly because the Company continued to make capital investment in strategic planning and obtained more loans through banks in the current period.

(12) Cash paid for distribution of dividends, profit or repayment of interest increased by 212.80% in the current period as compared with the same period of previous year, which is mainly due to the increase in the Company's dividends in the current period.

## (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

Project	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	As a percentage of total assets at the end of previous period (%)	Percentage of change in the amount at the end of current period over the end of previous period (%)	Description
Monetary funds	360,218.54	15.26	479,681.34	22.68	-24.90	
Financial assets held for trading	29,089.94	1.23	39,796.24	1.88	-26.90	
Notes receivable	5,474.33	0.23	7,504.74	0.35	-27.06	
Accounts receivable	176,691.26	7.49	159,100.98	7.52	11.06	
Accounts receivables financing	23,576.65	1.00	26,615.45	1.26	-11.42	
Advanced payments	41,455.95	1.76	27,232.27	1.29	52.23	
Other receivables	55,297.81	2.34	11,395.88	0.54	385.24	
Inventories	366,773.97	15.54	324,167.43	15.33	13.14	
Contract assets	24,180.56	1.02	38,170.52	1.80	-36.65	
Non-current assets due within one year	43,894.60	1.86	43,236.00	2.04	1.52	
Other current assets	49,919.24	2.11	33,706.54	1.59	48.10	

Long-term receivables	21,198.62	0.90	25,916.48	1.23	-18.20	
Long-term equity investments	300,048.39	12.71	311,916.32	14.75	-3.80	
Other equity instruments investments	81,395.85	3.45	591.74	0.03	13,655.33	
Other non-current financial assets	500.00	0.02	500.00	0.02	0.00	
Fixed assets	403,096.25	17.08	313,098.27	14.80	28.74	
Construction in progress	143,181.73	6.07	67,629.82	3.20	111.71	
Intangible assets	1,704.47	0.07	821.38	0.04	107.51	
right-of-use asset	87,443.00	3.70	86,717.96	4.10	0.84	
Goodwill	91,322.92	3.87	91,322.92	4.32	0.00	
Long-term deferred expenses	34.26	0.00	1,541.68	0.07	-97.78	
Deferred tax assets	33,185.06	1.41	20,120.77	0.95	64.93	
Other non-current assets	20,733.79	0.88	4,457.60	0.21	365.13	
Total assets	2,360,417.18	100.00	2,115,242.31	100.00	11.59	
Short-term loans	57,234.79	5.77	100,632.02	12.87	-43.12	
Financial liabilities held for trading	526.28	0.05				
Notes payable	57,889.54	5.84	68,551.63	8.77	-15.55	
Accounts payable	183,950.36	18.55	152,923.83	19.55	20.29	
Contract liabilities	188,871.57	19.05	157,015.75	20.08	20.29	
Employee benefits payable	20,284.62	2.05	22,353.49	2.86	-9.26	
Taxes payable	8,736.01	0.88	12,761.24	1.63	-31.54	
Other payables	19,808.28	2.00	18,029.87	2.31	9.86	
Non-current liabilities due within	87,969.55	8.87	56,950.73	7.28	54.47	

one year						
Other current liabilities	17,436.83	1.75	13,749.25	1.76	26.82	
Long-term loans	339,855.16	34.26	149,015.38	19.05	128.07	
Lease liabilities	1,601.34	0.16	858.93	0.11	86.43	
Estimated liabilities	205.18	0.02	18,869.97	2.41	-98.91	
Deferred revenue	3,336.86	0.34	4,497.02	0.58	-25.80	
Deferred income tax liabilities	1,648.94	0.17	1,368.31	0.18	20.51	
Other non-current liabilities	2,345.81	0.24	4,488.35	0.56	-47.74	
Total liabilities	991,701.12	100.00	782,065.76	100.00	26.81	

#### Other notes

(1) The closing balance of advanced payments increased by 52.23% at the end of the current period as compared with the end of previous year, which is mainly due to the increased production capacity and orders in building ceramics, lithium-ion battery machinery and clean energy environmental protection sector, which resulted in an increase in prepaid purchases.

(2) The closing balance of other receivables increased by 385.24% at the end of the current period as compared with the end of previous year, which is mainly due to the dividends receivable from the associate Lanke Lithium Industry in the current period.

(3) The closing balance of contract assets decreased by 36.65% at the end of the current period as compared with the end of previous year, which is mainly due to the carry-over of the existing contract assets in the current period to accounts receivable when the conditions for collection were met.

(4) The closing balance of other current assets increased by 48.10% at the end of the current period as compared with the end of previous year, which is mainly due to the increase in input tax to be written-off in the current period.

(5) The closing balance of other equity instruments investments increased by 13,655.33% at the end of the current period as compared with the end of previous year, which is mainly due to the Company participated in the establishment of industrial investment fund Jiaying Keda Jinhong Fund by the Company in the current period.

(6) The closing balance of construction in progress increased by 111.71% at the end of the current period as compared with the end of previous year, which is mainly due to the expansion of production capacity and increase investment in plant and equipment

according to the strategic development, such as the investments in the construction in progress of subsidiaries Keda Cameroon, Foshan Keda Equipment and Keda Tanzania.

(7) The closing balance of right-of-use assets increased by 107.51% at the end of the current period as compared with the end of previous year, which is mainly due to the new lease of land use rights by the subsidiary Keda Zambia.

(8) The closing balance of long-term unamortised expenses decreased by 97.78% at the end of the current period as compared with the end of previous year, which is mainly because the loan front-end fees were reclassified into long-term borrowings.

(9) The closing balance of deferred income tax assets increased by 64.93% at the end of the current period as compared with the end of previous year, which is mainly due to the impact of deferred tax assets recognised in the current period for changes in the fair value of investments in other equity instrument investments.

(10) The closing balance of other non-current assets increased by 365.13% at the end of the current period as compared with the end of previous year, which is mainly due to the increase in production capacity and prepayment of equipment project funds made by the subsidiaries Fujian Keda, HLT Technology and Chongqing Keda in the current period.

(11) The closing balance of short-term borrowings decreased by 43.12% at the end of the current period as compared with the end of previous year, which is mainly due to the repayment of short-term borrowings by the Company in the current period.

(12) The closing balance of financial liabilities at the end of the current period was RMB 5,262.8 thousand yuan, which is mainly due to the change in the fair value of the Company's forward exchange settlement contracts in the current period.

(13) The balance of taxes payable at the end of the current period decreased by 31.54% compared with the balance of the end of the previous year, mainly due to the impact of the decrease in corporate income tax and VAT payable by the Company during the current period.

(14) The closing balance of non-current liabilities due within one year increased by 54.47% at the end of the current period as compared with the end of previous year, which is mainly due to the increase in the Company's long-term borrowings due within one year in the current period.

(15) The closing balance of long-term borrowings increased by 128.07% at the end of the current period as compared with the end of previous year, which is mainly due to the new borrowings of the Company in the current period.

(16) The closing balance of lease liabilities increased by 86.43% at the end of the current period as compared with the end of previous year, which is mainly due to the new lease of land use rights by the subsidiary Keda Zambia.

(17) Projected liabilities decreased by 98.91% at the end of the current period as compared with the end of previous year, which is mainly due to the the Civil Judgment issued by the Supreme People's Court of the People's Republic of China (2021) Supreme Law Zhiminzhong No. 1031) and the Civil judgment issued by the Guangdong Higher People's Court (2022) Yueminzhong No. 4265), the Company transferred back the projected liabilities of previous years in the current period.

(18) The closing balance of other non-current liabilities decreased by 47.74% at the end of the current period as compared with the end of previous year, which is mainly due to the carryover of the Company's accepted projects with government grants to other income.

## 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 "31. Assets with restricted ownership or rights of use" in note 7.

## 4. Other notes

Applicable Not applicable

## (IV) Analysis of industry operating information

Applicable Not applicable

For details, please see "Industry patterns and trends" under "Discussion and analysis of the Company's future development" in this section.

## (V) Analysis of investment situation

Overall analysis of external equity investment

Applicable Not applicable

Unit: Ten Thousand Yuan      Currency: RMB

Investment amount within the reporting period	222,591.27
Number of increase or decrease variation in investment	140,328.46
Investment amount in the corresponding period of last year	82,262.81
Range of increase or decrease in investment (%)	170.59

## Notes:

1. In July 2023, the Company invested RMB264 million to hold 40% equity interest in Shandong SinoCera Create-Tide New Materials High-Tech Co., Ltd.
2. From January to February 2023, the Company invested RMB1.3 billion to establish Jiaxing Keda Jinhong Salt Lake Industrial Equity Investment Partnership (Limited Partnership).
3. From February to November 2023, the subsidiary Fujian Keda New Energy invested RMB134 million to establish Chongqing Keda New Energy Material Co., Ltd. to hold as to 100.00% equity interest in the company.
4. 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%.
5. From February to March 2023, the subsidiary Anhui Keda Investment invested RMB40.3 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%.
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. From November to December 2023, the Company invested RMB25.50 million to establish Guangdong Tefu International Holdings Limited and held as to 51.00% equity interest in the company.
8. In March 2023, the Company increased the capital of Guangdong Keda New Energy Equipment by RMB20 million, and held as to 100.00% equity interest in the company.
9. In April 2023, the subsidiary HLT invested RMB20 million to establish HLT Ceramic Technologies Co., Ltd., and held as to 100.00% equity interest in the company.

**1. Significant equity investment**

Applicable Not applicable

**2. Significant non-equity investment**

Applicable Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Project	Project amount	Project progress (%)	Amount invested during the	Accumulated actual	Source of fund
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			Reporting Period	investment amount	
Ceramics Factory Phase I Project in Cameroon	43,888.43	62.22	26,094.75	27,308.67	Self-financing
Glass Factory Project in Tanzania	56,395.76	46.98	25,905.06	26,496.54	Self-financing
Fujian Keda Phase II Project	54,945.89	46.79	24,748.18	25,709.22	Self-financing
Keda Equipment Manufacturing Infrastructure Project	52,486.00	44.47	22,868.18	23,338.58	Fund-raising + self-financing
Sanitary Ware Project of Kisumu Ceramics Factory	16,682.92	95.03	14,992.39	15,854.16	Self-financing
Digital Factory Project of Large-scale High-end Smart Equipment Manufacturing	25,000.00	97.80	15,943.80	24,450.21	Fund-raising + self-financing
Phase I of Fujian Keda New Enery	40,000.00	99.53	6,003.70	39,813.67	Self-financing
Phase II Project of Senegal Ceramics Factory	25,164.55	100.00	7,954.65	24,705.99	Self-financing
Phase V Project of Ghana Ceramics Factory	22,150.34	100.00	20,463.78	22,188.38	Fund-raising + self-financing
Phase II Project of Zambia Ceramics Factory	18,389.93	100.00	13,777.18	17,327.96	Fund-raising + self-financing
Sanitary Ware Project in Ghana	12,609.38	100.00	3,280.94	12,174.76	Self-financing
Total	367,713.20		182,032.61	259,368.14	

### 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	Amount of private funds invested externally during 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
Jiaxing 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
Huade Chengzhi Zhongke Equity Investment (Beijing) Partnership (Limited Partnership)	4.95		Yougan Technology (Beijing) Co., LTD., Beijing Qingyan Zhishu Technology Co., LTD., Beijing Zhishu Technology Co., LTD	3,980.00

## Investments in derivatives

√Applicable □Not applicable

## (1). Derivative investments for hedging purposes during the Reporting Period

√Applicable □Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Types of derivative investment	Initial investment amount	Opening carrying value	Profits and losses on changes in fair value in the current period	Accumulated changes in fair value recognised in equity	Amount acquired during the Reporting Period	Amount sold during the Reporting Period	Closing carrying value	Closing carrying value as a percentage of the Company's net assets at the end of the Reporting Period (%)
Forward financial contract	96,881.15	96,881.15	-835.57		66,523.40	136,317.17	29,039.07	2.55
Hot Rolled Coil futures	155.93	163.92	46.69		0.00	116.94	0.00	0.00
Total	97,037.08	97,045.07	-788.88		66,523.40	136,434.11	29,039.07	2.55
Description of accounting policies and specific principles of accounting for hedging operations during the Reporting Period, as well as whether there were any significant changes compared with the previous reporting period	No change							
Description of actual profit and losses during the Reporting Period	During the reporting period, the actual profit and loss of forward financial contracts was RMB -6,423.7 thousand yuan, and the actual profit and loss of futures was RMB -471.0 thousand yuan.							
Description of hedging effects	The Company conducts hedging business to hedge the risks of exchange rate fluctuations of expected receipts and payments of import/export contracts and funds held in foreign currencies, and the risks of interest rate fluctuations of existing loans. And use the hedging function of futures							

	market to reduce product cost fluctuations caused by steel price fluctuations. The extent to which changes in the fair value or cash flow of the hedging instrument are able to offset changes in the fair value or cash flow of the hedged item arising from the hedged risk is used to realize the purpose of the hedging.
Sources of funds for derivative investments	Self-owned fund
Risk analysis and description of control measures for derivative positions during the Reporting Period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)	For details of the risk analysis of derivative positions during the Reporting Period and the description of control measures, please see the <i>Announcement on Hedging Business</i> (Announcement No. 2023-029) disclosed by the Company on 15 April 2023 on the website of Shanghai Stock Exchange (www.sse.com.cn).
Changes in the market price or product fair value of invested derivatives during the Reporting Period (The specific methodology used and the setting of relevant assumptions and parameters for the analysis of the fair value of derivatives should be disclosed)	The fair value change is determined at the end of each month based on the transaction valuation report provided by the transaction financial institution.
Involvement in litigation (if applicable)	Not applicable
Date of disclosure of the Board of Directors' announcement on approving the derivative investment (if any)	15 April 2023
Disclosure date of the Board of Shareholders' announcement on approving the derivative investment (if any)	Not applicable

## (2). Derivative investments for speculative purposes during the Reporting Period

Applicable Not applicable

Other notes

None

## 4. Specific progress in the integration of significant asset restructuring during the Reporting Period

Applicable Not applicable

### (VI) Disposal of significant assets and equity

Applicable Not applicable

### (VII) Analysis on major holding and participating companies

Applicable Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Company name	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	192,945.16	192,945.16	111,482.90

Keda (Ghana) Ceramics Company Limited	Production and sales of building ceramics	USD1,000.00	51.00	133,069.43	13,070.97	48,862.29
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### (VIII) Information on structured entities controlled by the Company

Applicable Not applicable

## VI. Discussion and Analysis of the Company's Future Development

### (1) Industry patterns and trends

Applicable Not applicable

#### 1. Building ceramic machinery: The industry experiencing accelerated reshuffle and building a new pattern of high-quality development

(1) Domestic market: intensive introduction of policy, industrial intelligence, and green upgrading

In 2023, the real estate favorable policies continued to increase, protective housing construction, "usual and emergency use of" public infrastructure construction, urban village renovation "three major projects" accelerated, promoting the steady development of the real estate market. It is expected to boost domestic demand for building ceramics and other related products. At the same time, China's green building materials production scale continues to expand, quality and efficiency continue to improve, the promotion and application strengthening, and gradually become a new driving force to support the development of the building materials industry.

At present, China's building ceramics industry is changing from the past rough development to standardization, high-quality development direction. Building ceramics industry entry threshold is relatively low, the downstream market demand growth slower than the expansion of production capacity, as well as water, electricity, oil and transportation costs, making the building ceramics enterprise profit margins are compressed, competition between enterprises becomes more intense. The industry is a low degree of concentration, highly decentralized pattern. According to the China Building Sanitary Ceramics Association data, from January to June 2023, the national ceramic tile output fell 15.1% year-on-year. From January to August 2023, the comprehensive opening rate of the national ceramic tile production line is not more than 60%. The structural adjustment trend of building ceramics industry is becoming more and more significant. The output of low value-added products decreased significantly. The speed of the head enterprises to embrace capital and mergers and acquisitions has accelerated, and the industrial concentration has been further improved. The industry is changing from extensive development in the past to standardized and high-quality development.

Under the guidance of national policies, the building ceramic industry is developing in the direction of green, intelligent and environmental protection. In 2023, the Outline for Building a Quality Country issued by the Central Committee of the Communist Party

of China and The State Council clearly proposed to "promote the high-end, intelligent and green development of the manufacturing industry." In 2024, the Ministry of Industry and Information Technology, the National Development and Reform Commission and other ten departments jointly issued the "Green Building Materials Industry High-quality Development Implementation Plan" proposed that the annual revenue of China's green building materials will exceed RMB300 billion by 2026, with an average annual growth of more than 10% from 2024 to 2026. By 2030, the level of "energy saving, emission reduction, low-carbon, safe, convenient and recyclable" in the whole life cycle of green building materials will be further improved, and a number of internationally well-known green building materials manufacturers and product brands will be formed. It can be predicted that the comprehensive promotion of green building materials will help the industry accelerate backward production capacity clearance and alleviate the current overcapacity situation. At the same time, in January 2024, Guangdong Province officially included the ceramic industry in the scope of carbon emission management and trading, marking the key period of green transformation of China's ceramic industry into the industrial structure, and promoting green manufacturing, the development of green products, the optimization of energy structure, and the rational layout of production capacity have become the development trend of the industry. To this end, ceramic enterprises need to speed up the green transformation of the development mode and promote the formation of green and low-carbon production intelligence. As the only enterprise in China with the ability to supply the whole plant and the whole line of building ceramic machinery, in the face of the current intelligent manufacturing and green manufacturing development of the new road, the Company will continue to increase research and development to optimize product structure, improve product quality, deep research in the field of energy saving and emission reduction and intelligent manufacturing, promote the deep integration and application of modern manufacturing and modern information technology, help ceramic enterprises to achieve green low-carbon transformation and enter a new era of digital intelligent control.

(2) Overseas market: The traditional building ceramic market has declined slightly, and opportunities and challenges coexist

Looking overseas, affected by continued inflation, rising mortgage rates, and lower residential investment, the demand for major foreign ceramics markets has declined. According to the Federation of the Italian Ceramic Industry, the production of Italian ceramic tiles in 2023 is expected to be 341 million m<sup>2</sup>, a decrease of 90 million m<sup>2</sup> (-20.9%) compared to 2022, and the sales of ceramic tiles fell from 449 million m<sup>2</sup> to 362 million m<sup>2</sup> (-19.3%). Exports fell from 356 million m<sup>2</sup> to 277 million m<sup>2</sup> (-22.1%), and domestic sales fell from 93 million m<sup>2</sup> to 85 million m<sup>2</sup> (-8.7%). According to the Brazilian Ceramic Tile Manufacturers Association, the production of Brazilian ceramic tiles in 2023 is expected to be 751 million m<sup>2</sup>, down 18.99% from 927 million m<sup>2</sup> in 2022. In terms of sales, domestic sales of Brazilian tiles in 2023 are expected to be 701 million m<sup>2</sup>, and export sales are expected to be 88 million m<sup>2</sup>, down 4.77% and 22.1% respectively from 2022. Due to factors such as high interest rates, the ongoing war in Ukraine and market saturation due to heavy investment by global customers in recent years, Acimac forecasts that global tile production will decline by 5.6% and remain generally moderate until 2027, with an average annual growth rate of 0.6%.

For the Company's ceramic machinery business, the Company is constantly broadening the boundaries of the industry, in-depth excavation of customer demand, and continue to upgrade and iterate products, extend the industrial chain, increase the added value of the industry, and realize the transformation and upgrading from selling products to selling services. At the same time, the Company is actively laying out the global market, accelerating the penetration of high-end markets in Europe and the United States through the output of production capacity, services and brands, and continuously tapping into the blank markets of emerging and developing countries, seeking high-quality development.

## 2. Overseas building materials: There are wide potential space in African market, and comprehensive capabilities forming guaranteed competitiveness

In recent years, the population of Africa has been growing rapidly, and the emerging population needs more reliable electrical power, affordable housing and better transportation infrastructure. In order to promote sustained economic development and improve people's living standards, African governments have invested heavily in infrastructure construction and have made the improvement of residents' living conditions and supporting facilities a priority of national development planning, which has brought about better market demand in the field of building materials industry.

Infrastructure development and residential consumption are the two main driving factors for the high demand and rapid development of the building materials industry in Africa. In terms of infrastructure development, the construction of a large number of railroads, highways, housing and other urbanization will provide a strong impetus for the continuous growth of the building materials industry in the African region. According to the Infrastructure Industry Report published by Fitch Solution, the infrastructure industry in Sub-Saharan Africa is forecast to grow at an average rate of 5% from 2022 to 2032, which is higher than the global average growth rate and will continue to grow over the next decade, with growth concentrated in country-specific markets such as Tanzania, Côte d'Ivoire and Rwanda. The Programme for Infrastructure Development in Africa (PIDA), adopted by the AU in 2012, aims to promote cross-border infrastructure connectivity in Africa. About 400 projects, 30% of which are infrastructure projects, have been undertaken by early 2023, and the program has attracted a total of about \$400 billion in investment and financing between 2014 and 2022.

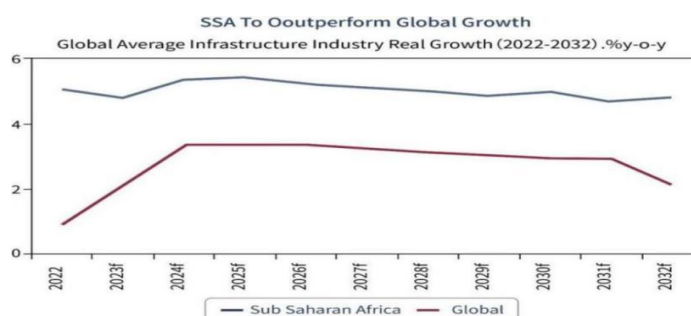


Figure: Global Average Data vs. Sub-Saharan Africa Data for the Projected Growth Curve of the Infrastructure Sector over the Next 10 Years (2022-2032)  
Source: Fitch Solutions

In terms of consumer spending, Africa's middle-class population continues to grow in size. According to the Africa Wealth Report 2023, published by Henley & Partners, the continent currently holds a total of \$2.4 trillion in private wealth, and its number of millionaires is projected to increase by 42% over the next 10 years. Global investment in Africa's commercial and residential real estate sectors is accelerating as the wealth of African residents continues to grow. According to Estate Intel's Africa's New Cities Profile 2023, private developers and governments across Africa are supporting more than 2 billion square meters of land reclamation and new city projects costing more than US\$514 billion to meet the demand for the region's growing urban centers, which will further fuel the booming upstream real estate-related building materials industry.

Based on the accelerated development of infrastructure in Africa and the enhancement of residents' consumption power, the rise of the real estate industry in Africa will give rise to a series of building materials industry chain development. In recent years, many enterprises have layout of African building materials market, further releasing the local consumer demand. The ceramic industry itself has high barriers to entry, high requirements for channels, capital, technology and equipment. The Company has rich experience in the construction of production lines, and with the first-mover advantage of rapid expansion of overseas ceramic tile market, to open up the ceramic production and sales corridor in the east and west of Africa. A solid moat has been formed through localized cost advantages, channel advantages, management advantages, technological advantages, and financial advantages. At the same time, the Company is actively practicing the "Large Building Materials" strategy of overseas building materials segment, making full use of the Company's channel advantages in Africa, promoting the expansion of overseas building materials business from architectural ceramics to sanitary wares, architectural glass and other related diversified fields, further expanding the overseas building materials market, and realizing the sustainable development of the business in the African region. From the development of regional appropriate extension to the Americas, Asia and other emerging overseas markets, the Company will build a large overseas building materials group with international competitiveness.

### **3. Anode materials: intensified market competition and the industry encounters structural adjustment**

In 2023, the anode materials market will increase in volume and decrease in price, and the supply side is abundant, which has become the consensus of the industry. According to incomplete statistics of GGII, there are currently over 90 anode materials production enterprises and the industry capacity is nearly 4 million tons. Although the overall shipment of the industry will continue to maintain growth in the foreseeable term, the current average capacity utilization rate of the whole industry is low, less than 50%. Influenced by supply and demand, the industry price war is highly competitive, with the price of finished anode materials products declining over 40% year-on-year, and the price of graphitization declining over 60% year-on-year. Despite the structural overcapacity and the industry entering the adjustment cycle, the market size of anode materials is expected to maintain the growth trend in the next few years, thanks to the increased demand from the energy storage and power market. GGII expects China's anode material shipments to reach 5.8 million tons in 2030, of which artificial graphite is still the mainstream of the market, with shipments exceeding 4.7 million tons. On the

whole, risks and opportunities coexist in the anode material industry, and there is no differentiated product advantage in the industry. Inferior production capacity with R&D technology advantage and production factor cost advantage will face elimination. With the maturity of material technology and the gradual clearing of duplicated production capacity, the past mode of gaining revenue through duplicated investment and vicious price competition is unsustainable, and the industry will usher in a benign and healthy new pattern of development.

In order to hedge against the short-term supply and demand imbalance in the industrial chain and the impact of falling product prices, effective cost reduction has become the most important rule of survival for enterprises. During the Reporting Period, the Company optimized the cost structure through strict control of raw material supply, optimization of power delivery curve, application of new process equipment, lean production management and other measures. At the same time, with the release of production capacity and market development, the Company's shipments of finished products of artificial graphite achieved a growth of more than 100% compared with the previous year. Measured by industry public data, the market share of anode materials for energy storage has exceeded 5%. On the other hand, it has become an inevitable path for anode materials enterprises to build an integrated project of "anode materials + graphitization" to increase the proportion of self-supply of graphitization, reduce manufacturing cost and improve product gross profit margin. During the Reporting Period, the Company actively constructed an integrated industrial chain layout of artificial graphite. Based on the geographical location of important downstream customers and the local government's support for the new energy industry policy, the Company has promoted the construction of Fujian Phase II and Chongqing Phase III Artificial Graphite Project in an orderly manner in light of the market situation.

#### **4. Lithium salt market: industry supply pattern is encountering reshaping, lithium-ion battery demand growth with strong certainty**

In 2023, with the expansion of upstream lithium mine and lithium carbonate production capacity and the short-term slowdown in demand for new energy vehicles, lithium carbonate appeared to be a stage of overcapacity, and the overall price went down sharply. As the price of lithium carbonate gradually returns to normal position, manufacturers with high costs, no fixed sales channels or no fixed raw materials may face liquidation or transform into substitute processing plants. Lithium carbonate supply pattern will continue to adjust, laying the foundation for future market stability. Cost of lithium extraction from salt lake is on the left side of the industry cost curve, and although the performance has also declined significantly year-on-year, it still maintains a good level of profitability in the overall industry.

Considering the positive impact of industry support policies on new energy vehicles and energy storage industry. According to GGII's estimation, in 2024, the global sales of new energy vehicles are expected to exceed 18 million units, and the global penetration rate of electrification of automobiles may be close to 20%, or there is still much room for improvement. In 2024, the global pre-metering installed capacity may exceed 130GWh, the global shipment of energy storage systems (pre-metering and post-metering) may exceed 160GWh, and the global shipment of energy storage

batteries may exceed 200GWh. Based on the global new energy vehicle penetration rate is still low and global energy storage demand or still relatively strong, lithium-ion battery demand growth certainty is still strong, and drive the demand for lithium-ion materials growth. In the future, with the emergence of new materials, new processes, new technologies, lithium carbonate preparation process or will be further optimized, production efficiency will be improved, the cost may be reduced, which will help enhance the overall competitiveness of the lithium carbonate industry, and promote industrial upgrading.

## (II) Corporate development strategy

Applicable Not applicable

In recent years, the Company has been actively practicing the development strategy of "globalization", exploring the development path of ceramic machinery service, and opening up the second and third core business around the urbanization of Africa and the development of new energy industry, continuing to promote technological and technological innovation, greening, intelligent new product iteration, and supporting the production capacity of overseas projects. After 30 years of reaching the goal of 10 billion revenue scale, Keda Group will focus on the theme of high-quality development, focusing on the three main businesses. In the 4th decade of development, it will create a global building ceramics production service provider, overseas large building materials group, new energy materials and machinery leader as the strategic goal, so as to achieve the Company's long-term development.

### **1. RMB10 billion ceramic machinery goal: based on high-end manufacturing, to create a global wide building ceramics production service provider**

The Company firmly implements RMB10 billion strategic goal of ceramic machinery in five years (please refer to the Company's 2022 Annual Report for details). Practicing the business strategies of dual-axis diversification, global layout, technology leadership + efficiency drive, system winning, talent building foundation, with "being the world's No. 1 of ceramic machinery" as the strategic vision, and high-quality sustainable development as the strategic drive, the Company strives to become the world's No. 1 leading enterprise of ceramic machinery in the world in 8-10 years, and to show "Made in China" brand strength in the global market.

The Company will focus on the two main axes of "customers" and "capabilities" to realize the relevant diversification. On the one hand, the Company will deepen and widen the global market of customers in the ceramic industry, and carry out services including spare parts and consumables, operation, contracting, and maintenance, so as to change from the "supply and service of ceramic machinery" to the "comprehensive product and service provider". On the other hand, the accumulation of years of technology and experience in ceramic machinery and the realization of the ability to epitaxial growth and cross-industry application of equipment has become an important fulcrum to achieve the strategic objectives. In addition, the integration of production, trade, spare parts and service resources on a global scale can realize cross-regional synergies. While consolidating and deepening the layout of emerging and developing



markets, the Company has integrated Italian manufacturing to improve its product lines and product capabilities through mergers and acquisitions and the establishment of local supply chains, accelerating the penetration of high-end markets in Europe and the United States.

In the future, the Company will firmly implement the strategy of "globalization, servitization, digitalization and rejuvenation", give full play to the advantages of "full product series" of equipment + accessories + consumables + services, and the synergistic effect of "full brand coverage" of KEDA, HLT&DLT, ICF&Welko and Create-Tide, further promote global operations and localized services, and strengthen the capacity building of the whole value chain guided by technical strength. Through comprehensive and refined operation to achieve "efficiency driven", the Company will pay attention to talent cultivation, constantly polish the core competitiveness, and continue to maintain steady development in the complex and changing market environment.

## **2. RMB10 billion building materials goal: Market and category extension gradually improved, to build a large global building materials group**

At present, the Company's overseas building materials business has been planned to achieve the goal of RMB10 billion revenue in 5 years (see the Company's 2022 Annual Report). Under the strategic planning of "RMB10 billion building materials", the Company takes "Large Building Materials" as the outline, and strategically extends the production of ceramics to sanitary ware, glass and other building materials, etc. Up to now, the sanitary ware projects in Ghana and Kenya have already been put into production, and the glass project in Tanzania is under construction, and the layout of building materials in Africa gradually completed. At the same time, drawing on the successful experience in Africa, the Company is piloting the glass project in Peru, South America, and extending its building materials business to other overseas emerging markets, so that it will become one of the overseas large-scale building materials groups with international competitiveness in the future.

In order to realize the goal of "Worth 10 billion of building materials", the Company will actively look for global "blank" markets, explore market areas lacking local production capacity but with population size and economic development potential for building materials production capacity layout and carry out technological transformation or capacity expansion of existing production bases according to the market and sales situation. At the same time, the Company will also pay attention to potential high-quality targets, or quickly seize market share through mergers and acquisitions to complete regional integration.

## **3. RMB10 billion new energy goal: play the industrial chain synergistic layout advantages, multi-field efforts to achieve scale growth**

Since entering the field of anode materials in 2015, the Company has initially formed a business structure of "anode materials + lithium salt investment + lithium-ion battery machinery". The output and sales volume of self-owned anode materials and the number of orders for lithium-ion battery machinery have both realized year-on-year

growth. In the next stage, the Company will adhere to the strategic initiatives of cost reduction and efficiency, increase market development, expand business around key customers and emerging customers, and ensure high-capacity utilization of anode materials. The Company will synergize the technical advantages of ceramic machinery for lithium-ion materials, and further extend to the field of new energy equipment, toward the goal of RMB10 billion of revenue.

In terms of lithium-ion materials business, the Company has formed an integrated industrial chain layout of " calcined coke - graphitisation - artificial graphite " and the research and development of sodium-ion hard carbon anode material. As one of the few enterprises in the industry with the synergistic development of "material + machinery", the Company has a comprehensive competitive advantage in the field of lithium-ion battery business. Relying on self-developed core production machinery, the Company has empowered the production of anode materials to reduce costs and increase efficiency. While accelerating the penetration to the head of energy storage battery enterprises, the Company will also explore the power field, through product quality and cost advantages, accumulate market reputation and increase market share. At the same time, the Company is actively focusing on overseas markets, and is currently carrying out continuous exploration of graphite mines in Africa, and will take the opportunity to start the construction of overseas production capacity of anode materials in cooperation with overseas resources, so as to gradually grow into a lithium-ion battery anode material supplier with strong influence in China.

In the lithium-ion materials machinery business, the Company relies on the synergistic layout of the two bases in Guangdong and Anhui. The construction of the Guangdong base will be completed and successfully put into operation in 2023 and the Anhui base project started during the Reporting Period. The Company will take sintering machinery as the core, sort out and clarify the key types of products to be developed, focus on the research and development of energy-saving and consumption-reducing technologies, and accelerate the preparation of technologies for different kiln types. In the future, the Company will be based on the existing core technology advantages, extend the product line, build new energy whole line delivery capacity. At the same time, basing on the lithium-ion battery industry, the Company applied the common technologies in multi-industries, and ultimately realized the goal of becoming the new energy industry's leading core equipment integration solutions provider.

In the lithium salt and other strategic investment business, the Company will work together with the controlling shareholders of Lanke Lithium Industry to support and promote the implementation of the reform measures of the "Double Hundred Actions" of Lanke Lithium Industry, optimize the governance mechanism, innovate the management mechanism, and strengthen the talent management and incentives. The Company will strengthen the research and development efforts to explore the diversification of products, and further optimize the production capacity through technological upgrading, and the recovery of the back-end lithium precipitation mother liquor. At the same time, the Company will also better support the development of its core business through the proceeds from investment projects.

**(iii) Business plan**

√Applicable Not applicable

Looking back to 2023, according to the preliminary strategic planning and business plan, the Company's ceramic machinery segment accounted for a stable proportion of overseas orders. Domestic technological reform projects have landed one after another, and the production and operation gradually covered the lean improvement of the whole manufacture process, and the overall profitability has been improved. Overseas building materials business in ceramic production capacity continued to release, business scale continued to grow. Sanitary ware and glass projects have been launched one after another, and the planning of "Large Building Materials" in Africa has been continuously promoted. In lithium-ion materials, under the market downturn, anode materials revenue and profitability have improved, and lithium-ion battery machinery orders are gradually growing. Strategic investment in lithium carbonate business is under pressure, but the shareholding company firmly implement the technology reform project, and realize capacity growth.

In 2024, the Company will continue to focus on the development of ceramic machinery, overseas building materials and lithium-ion battery materials and machinery. The ceramic machinery business will firmly push forward the globalization layout process and explore the business growth point. Overseas building materials business will continue to promote the construction of production capacity of various categories and improve the strategic layout of "Large Building Materials". The lithium-ion materials and machinery business effectively implemented the cost strategy of anode materials business and improved the product structure of equipment. The Company will strive to achieve a sales revenue of RMB 12 billion including tax for the Group. The key tasks in 2024 are as follows:

**1. Building ceramic machinery business: software and hardware continue to upgrade, support the development of globalization and service**

(1) Promote the process of globalization layout: At present, the Company's ceramic machinery segment has laid out subsidiaries in Turkey, India, Italy and Indonesia, and in the future, it will take the Turkish subsidiary as a blueprint to gradually establish the operation system of its overseas subsidiaries and strengthen the compliance management of its overseas business. The Company will continue to select key markets/countries to establish subsidiaries or operation bases, develop overseas markets in depth, and build a strong localized sales and service team to provide customers with round-the-clock professional and timely services. At the same time, the marketing team will strengthen market research, improve products and services based on customer needs, and continue to develop new markets to expand the influence of the Company's ceramic machinery brand.

(2) Vigorously expand the accessories and consumables business: In the face of the huge potential of the global ceramic machinery accessories and consumables market, "KEDA" and "HLT&DLT" brands have set up an independent business unit to operate the accessories and consumables business. In 2023, the company increased the

accessories consumables business layout. In 2024, the Company will dig deep into the regional accessories and consumables market, expanding the categories; at the same time, the accessories and consumables products complement with overseas ceramic machinery products in terms of talent, technology, supply chain and marketing channels, and achieve a win-win situation by synergistic development.

(3) Build the whole system of ceramic machinery lean management: In 2024, the Company will continue to promote the lean work, combined with reform actions, systematically promote lean production, in-depth lean management, and gradually form a lean system, lean ideas and lean talent, to establish their own system advantages. Around the lean manufacturing, lean R&D, lean supply chain, lean management of four aspects of deepening the lean work, the overall refinement of the operation through the production, management and other levels, it can help the Company's operations to improve quality and efficiency.

## **2. Overseas building materials business: promote the steady landing of the project, improve quality and efficiency to promote production**

(1) Promote the construction of new projects: In terms of building ceramics production capacity, the Company will promote ceramics production projects in Cameroon and Côte d'Ivoire. In terms of new categories of building materials, the Company will support and optimize the production operation of sanitary ware factories in Ghana and Kenya, improve the yield rate of products, and promote the construction and production of glass projects in Tanzania and Peru. In addition, the Company will actively investigate other potential markets such as the Americas and Asia, and start other overseas building materials projects at an opportune time.

(2) Brand and technology leadership strategy: the Company has strengthened its dual-brand strategy, supporting the promotion and dissemination of high-end tile brands and sanitary ware brands. The Company continues to optimize the new categories and colors of tiles in various production areas, and through benchmarking with China's product quality, it will gradually improve the quality and brand power in the African market in 3-5 years. The Company promotes the digitalization of terminal store marketing and increases the construction of dealer stores to promote the upgrading and iteration of stores.

(3) Taking low-cost advantage: The Company has further deepened the degree of localization, such as reducing production and operating costs by optimizing the supply chain of raw materials, strengthening human resources management including staffing, enhancing energy consumption control by building photovoltaic power generation facilities, and deepening cost analysis and management.

(4) Enhancement of production and operational efficiency: The Company optimizes the production management process from the aspects of capacity planning and optimization, lean production management, production line technological reform and production enhancement, quality control and management, process standardization, inventory control and so on, so as to promote the enhancement of the overall production efficiency.

### **3. Lithium-ion materials and machinery business: effective implementation of cost strategy for anode materials business and improvement of equipment product structure**

(1) Anode materials: Based on the development stage of the industry entering into deep reshuffle, cost strategy is the core business strategy of anode materials business in 2024. While adjusting the construction progress of Fujian Phase II and Chongqing base project according to the market situation, the Company has focused on cost optimization through lean production, R&D investment and digital construction, including the establishment of a data-based information management system, online control of the whole manufacturing process, and improvement of per capita output value and management level. The Company has completed the construction of a new material supplier management system, cultivated strategic suppliers, and completed the low-cost procurement of core materials. Meanwhile, the Company has actively explored the research and development of high energy density and fast charging anode materials products, deepened the application of chamber furnace in the production line, and gradually expanded the market through cost-effective products with special features.

(2) Lithium-ion materials and machinery: The Company insists on independent innovation and R&D. It will further optimize the talent structure of lithium-ion materials and machinery, establish a positive R&D management system, promote the process of product standardization, optimize and perfect the existing products, enhance the level of automation, and promote the development of new products.

(3) Lithium salt and other strategic investments: The Company will focus on the implementation of the 40,000-ton lithium carbonate production target of the Lanke Lithium Industry, on the basis of its existing production line capacity, continue to optimize the process, technology enhancement, etc., to further improve the quality of lithium carbonate and lithium resources yield, and explore product diversification. The Company will accelerate the implementation of the project of fresh water recovery of magnesium-containing concentrated discharge and application of domestic membrane, so as to achieve a fresh water recovery rate of 70% and promote energy saving and consumption reduction. At the same time, the Company will also actively explore overseas lithium ore, graphite ore and other mineral resources, looking for suitable resource targets to empower the Company's lithium-ion materials and machinery business.

#### **(iv) Possible risks**

Applicable Not applicable

#### **1. Risks of macroeconomics, industrial policy and geopolitics**

At present, the world's unprecedented changes are accelerating, the global economy is slowly recovering, local conflicts and turmoil are frequent, geopolitical tensions persist, and the world has entered a new period of turbulence and change. In recent years, the Company has been practicing the globalization development strategy, and the revenue of overseas business accounts for more than half of the total revenue, and the trade

restriction caused by the complexity of global politics and economy may adversely affect the Company's development and operation of overseas business. At the same time, the domestic "demand contraction, supply shock, weak expectations" triple pressure still exists, the foundation of economic recovery is not yet solid, and the Company's core business is closely related to the national development strategy, industrial control policies. Adjustment of the national credit and real estate industry control policies, as well as energy conservation and environmental protection and energy saving and emission reduction and other related industrial policy changes, the upstream and downstream of the ceramic industry, lithium-ion battery industry will bring a certain impact, which in turn affects the Company's product sales.

The Company will continue to strengthen its research on the trends of macroeconomic and related industrial policy changes, closely follow the national strategic deployment, proactively adapt to the new trends of industry development, and promptly identify the opportunities and challenges brought by market changes. The Company will strengthen trade compliance and risk prevention and control, enhance compliance review of sensitive regions and customer suppliers, and conduct risk research and monitoring and early warning of key markets to overcome the challenges posed by geopolitics to the Company's operations. At the same time, the Company will uphold the concept of globalized development and continue to enhance the internal development momentum to ensure the sound operation of the Company.

## **2. Overseas operation and exchange rate fluctuation risk**

Under the Company's globalization strategy, the Company actively grasps the development opportunities in the international market, continuously promotes the global business layout, and establishes a number of overseas sales areas and subsidiaries, with business spreading over many countries and regions around the world. Influenced by international political and economic factors, the international situation is complex and volatile, and there is political unrest, armed conflict, debt defaults, etc. in some regions, and there are differences in customs, cultures, politics, laws, etc. in different countries and regions, so the Company's investment in overseas may face certain operational and management risks. In addition, with the deepening of the Company's globalization layout, the Company's products are exported and overseas investment and financing activities are frequent, foreign currency loans increased, and exchange rate fluctuations of the relevant currencies will have a certain impact on the Company's financial position, and the Company's overseas subsidiaries may also be subject to fluctuations in profit and loss caused by exchange rate changes and other factors and the risk of return of funds.

The Company will continue to insist on the high-quality development of overseas business, plowing deep into traditional markets and actively expanding emerging markets. As for the operation of overseas bases, in addition to arranging management teams familiar with the conditions of each country and with rich experience, the Company will gradually deepen the degree of localization of overseas operations and start lean improvement work, so as to enhance its ability to withstand risks and improve the ability to generate efficiency overseas. At the same time, the Company pays close attention to the trend of exchange rate changes, and will reasonably and prudently adopt

foreign exchange hedging and other compliant financial instruments or product price adjustment to hedge against the adverse impact of exchange rate fluctuations.

### **3. Control risks arising from foreign investment and scale growth**

The Company's traditional business is building materials machinery business, since 2007, the Company has entered the lithium-ion materials, aluminum extruders, overseas building materials, lithium-ion materials machinery and other business areas through the establishment of new or merger and acquisition of subsidiaries, and from the traditional building materials machinery suppliers to a comprehensive service provider through vertical extension to the field of accessories and consumables. In recent years, the Company has also participated in industrial fund investment, hoping to cultivate high-quality targets and strengthen the adhesion with the upstream and downstream of the industry chain. However, in the context of the global economic situation is facing more uncertainties, there may be the risk of investment returns less than expected or investment failure. At the same time, with the continuous expansion of the Company's scale of operation and business areas, the business integration and control of the Company's headquarters over its subsidiaries is facing greater challenges.

The Company will continue to strengthen investment-related research and analysis, and grasp market trends in real time. Foreign investment focuses on core business, strictly follows the principles of strategic guidance, risk control, collective decision-making and benefit assessment, and strengthens the risk control of the whole life cycle of investment projects. At the same time, the Company continuously improves the enterprise management system, strengthens the standardized operation of the Company and the construction of enterprise internal control, reasonably divides the authorization, and ensures the compliance and efficient operation of production, procurement, sales, finance, management and other steps. The Company will improve the long-term incentive mechanism and attach importance to talent training, and continue to optimize the construction of the company's management personnel team, so as to provide strong talent support for the Company's sustainable development.

### **4. Risk of goodwill impairment**

In recent years, the Company has acquired a number of companies through asset reorganization, capital increase, equity transfer and other means according to the needs of business development. If the development of the acquired subsidiaries is lower than expected in the future, and there is a significant decline in performance, there will be the risk of goodwill impairment.

The Company will continue to strengthen the post-investment management work, through the operation of the acquired company integration and standardized governance, the Company needs to implement its main responsibility for the operation, to stimulate its growth momentum, give full play to the synergies, improve the operating efficiency of the acquired company, so as to reduce the risk of goodwill impairment.

#### **(v) Others**

Applicable Not applicable

## **VII. Circumstances and Reasons for the Company's Failure to Disclose in Accordance with the Guidelines Due to Non-Applicability of the Guidelines' Provisions or for Special Reasons Such as State Secrets and Trade Secrets**

Applicable Not applicable

## **Section IV Corporate Governance**

### **I. Information on corporate governance**

Applicable Not applicable

During the Reporting Period, the Company continued to improve its corporate governance structure, deepen its standardized operation, strictly fulfill its information disclosure obligations, maintain good investor relations, improve the Company's internal control and management processes, and improve the quality of its corporate governance in accordance with the requirements of laws, rules and regulations, such as the Company Law, the Securities Law, the Guidelines for Governance of Listed Companies, and the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange.

In 2023, the Company held one general meeting of shareholders, eight board meetings, six supervisory board meetings and a number of special meetings, and considered and passed various motions on regular reports, related-party transactions, foreign investments, guarantees, share repurchase and so on. The Company disclosed a total of four periodic reports, 74 announcements and a number of non-announcement documents during the Reporting Period, disclosing information in a true, accurate, complete, timely and fair manner, and implementing proper confidentiality before information disclosure and registration and filing of insider information informants.

In order to improve the corporate governance structure and further enhance the decision-making ability and governance level of the Board of Directors of the Company, the Company increased the number of Board members from 9 to 12 in 2023, and the Board members cover a wide range of professional backgrounds such as corporate management, industry experts, accounting, finance, strategy, etc., which has formed an effective management model that is integrated with the business and is capable of assisting in the Company's good development. In order to further promote the Company's compliance governance and build a strong compliance risk defense, the company has conducted "Compliance + Public Opinion" themed training for more than 100 core management personnel, and produced training videos to be uploaded to the Company's training platform, issued compliance guidelines, and enhanced the Company's overall compliance awareness.

At the same time, the Company builds communication bridges with investors and the market through multiple channels, sincerely communicating with investors through investor briefings, on-site surveys, hotlines, investor columns on the Company's website, SSE Interactive and other channels throughout the year, and effectively safeguarding investors' right to know. Based on the current new media environment,



the Company has set up and operated WeChat public program "Keda Group Investor Relations" to regularly publish information of the Company and industry, and convey the Company's daily work, industry focus and other information to the investors, in order to better communicate with small and medium-sized investors. In addition, the Company has always practiced the concept of sustainable development, actively fulfilled its social responsibilities, paid attention to and respected the demands of all stakeholders, and continuously promoted the Company's high-quality sustainable development.

During the Reporting Period, under the Company's sound internal control system, the Company's production and operation were normal and operated in compliance. Supported by the Company's competitive remuneration and welfare policies, the management team of the Company is stable and actively assumes its duties. Under the guidance of the Company's scientific and perfect corporate governance mechanism, the powers and responsibilities of the Company's authorities, decision-making bodies, supervisory bodies and management are clearly defined, with mutual counterbalance and coordination, better safeguarding the interests of the Company and the legitimate rights and interests of the shareholders. The real status of corporate governance is in compliance with the Company Law and the Guidelines for Corporate Governance of Listed Companies and other normative documents issued by the CSRC.

Whether there are significant differences between corporate governance and the laws, administrative regulations and CSRC's regulations on governance of listed companies; if there are significant differences, the reasons should be stated.

Applicable Not applicable

## **II. Specific measures taken by the Company's controlling shareholder and de facto controller to ensure the independence of the Company's assets, staff, finance, organisation and business, as well as solutions, work progress and follow-up work plans adopted to affect the independence of the Company**

Applicable Not applicable

Information on the controlling shareholder, de facto controller and other entities controlled engaging in the same or similar business as the Company, and the impact of material changes in competition or competition in the same industry on the Company, the solutions adopted, the progress and the subsequent plan of the solution

Applicable Not applicable

## **III. Brief introduction of general meetings**

Session	Date	Enquiry index of the designated website for publishing resolutions	Date of disclosure of resolutions	Resolutions of the Meeting
2022 Annual General Meeting	8 May 2023	The website of the Shanghai Stock Exchange (www.sse.com.cn)	9 May 2023	For details, please refer to the Announcement No. 2023-036 issued by the Company on 9 May 2023.

Shareholders of preference shares with restored voting rights request convening extraordinary general meetings

Applicable Not applicable

Explanation on the General Meetings

Applicable Not applicable

#### **IV. Changes in Directors, supervisors and senior management of the Company**

**(I)Changes in shareholdings and remuneration of current and resigned directors, supervisors and senior management during the Reporting Period**

Applicable Not applicable

Unit: Shares

Name	Position(s)	Gender	Age	Commencement date of the term of office	End date of the term of office	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Increase/decrease in shares during the year	Reasons for increase/decrease	Total pre-tax compensation received from the Company during the Reporting Period (Ten-thousand-yuan)	Whether remuneration received from related parties of the Company
Bian Cheng	Chairman	Male	59	2021/8/20	2024/8/19	98,699,598	98,699,598			380.00	No
Yang Xuexian	Director, General Manager	Male	54	2021/8/20	2024/8/19	30,000	30,000			230.00	No
Zhang Zhonghua	Director	Male	61	2021/8/20	2024/8/19	0	0			210.00	No
Shen Yanchang	Director	Male	50	2021/8/20	2024/8/19	0	0			-	Yes
Chen Xuwei	Director	Male	53	2023/5/8	2024/8/19	0	0			11.66	Yes
Deng Haoxuan	Director	Male	35	2023/5/8	2024/8/19	2,800	0	-2,800	Personal reductions prior to appointment	11.66	Yes
Zuo Manlun	Director	Male	51	2023/5/8	2024/8/19	0	0			11.66	Yes
Zhang Jian	Director	Male	50	2021/8/20	2024/8/19	0	0			18.00	Yes
Chen Huan	Independent Director	Male	61	2021/8/20	2024/8/19	0	0			15.00	Yes
Lan Hailin	Independent Director	Male	64	2023/5/8	2024/8/19	0	0			9.72	No
Li Songyu	Independent Directors	Male	64	2021/8/20	2024/8/19	0	0			15.00	No

Long Jiangang	Independent Director	Male	59	2021/8/20	2024/8/19	0	0			15.00	No
Zeng Fei	Vice President, Treasurer	Male	48	2021/8/20	2024/8/19	208,200	208,200			150.00	No
Zhou Peng	Vice President	Male	60	2021/8/20	2024/8/19	2,049,922	2,049,922			150.00	No
Li Yuejin	Vice President, Secretary of the Board of Directors	Male	37	2021/8/20	2024/8/19	0	0			180.00	No
Peng Hengxiang	Chairman of the Supervisory Board	Female	51	2021/8/20	2024/8/19	0	0			120.00	No
Chen Haiqin	Supervisor	Male	50	2021/8/20	2024/8/19	0	0			-	No
Qiu Hongying	Employee Representative Supervisor	Female	41	2021/8/20	2024/8/19	0	0			72.40	No
Huo Zhaoqiang	Director (resigned)	Male	60	2021/8/20	2023/4/14	0	0			6.00	Yes
Total	/	/	/	/	/	100,990,520	100,987,720	-2,800	/	1,606.10	/

Name	Main Work Experience
Bian Cheng	He joined the Company in 1998, served as director and general manager of the Company until August 2012, and has served as chairman of the Company since August 2012, and among subsidiaries now also an executive director of HLT Industry Co., Ltd., the chairman of the board of Guangdong Keda Hydraulic Technology Co., Ltd., director of Guangdong Twyford International Holding Co., Ltd., Keda Holding (Mauritius) Limited, Tilemaster Investment Limited, the president of Foshan Enterprise Confederation, the president of Foshan Entrepreneur Directors Association, the executive vice president of Foshan Ceramic Industry Association., and vice president of Listed Companies Association of Shunde District of Foshan.
Yang Xuexian	In 1992, he joined Foshan Ceramic Machinery Manufacturing General Factory (the predecessor to Foshan HLT Industry Co., Ltd., a wholly-owned subsidiary of the Keda Group). He successively served as the sales manager, the marketing director and the general manager of Foshan HLT Industry Co., Ltd., and has served as the general manager and a director since April-May 2020 to date, and is currently a general manager of Foshan HLT Industry Co., Ltd., chairman of Guangdong Quanitech Material Ltd. , a director of Keda Europe S. R. L., and a director of I. C. F & Welko S. P. A, and director of Shandong Sinocera Create-Tide New Materials High-Tech Co., Ltd, He is also the vice chairman of China Ceramics Industry Association, vice chairman of China Building Material Machinery Industry Association and vice chairman of China Building Sanitary Ceramics Association.

Zhang Zhonghua	He formerly took various offices at National Development and Reform Commission, Shell (China) Co., Ltd., Chongqing Dongyin Energy Group, and Sound Environmental Resources Co., Ltd. From May 2020 until now, he has served as a director of the Company, and currently the chairman of Anhui KEDA Industrial Co., Ltd., chairman of Fujian Keda New Energy Technology Co., Ltd. and the chairman of Qinghai Salt Lake Lanke Lithium Industry Co., Ltd.
Shen Yanchang	He formerly took various offices at Heilongjiang National Defense Economic and Technological Development Center, Nigeria General Steel Co., Ltd., Guangzhou Okoye Economic and Trade Co., Ltd., and Guangzhou Sunda International Trading Co., Ltd., and was a director of the Company since September 2018, and is currently the chairman of Sunda Group Co., Ltd. the chairman of Guangdong Twyford International Holding CO., LTD., and the executive director of Twyford (Guangzhou) Home Furnishing Co., Ltd..
Chen Xuwei	He formerly took various offices at Xin Zhong Yuan Group, and has been a director of the Company from May 2023 to the present, and currently is the chief financial officer of Guangdong Hongyu Group Co., Ltd. and a director of Guangdong Foshan Ceramics Research Institute Holding Group Co., Ltd..
Deng Haoxuan	He has been a director of the Company since May 2023 and is currently also the deputy director of investment department of Guangdong Hongyu Group Co., Ltd. and a director of Guangdong Dexuan Education Technology Co., Ltd..
Zuo Manlun	Currently he is the Chief Executive Officer and an executive director of China Liansu Group Holdings Limited and a non-executive director of Xingfa Aluminum Holdings Limited, etc. He has been a director of the Company from May 2023 to the present.
Zhang Jian	Since April 2002, he has served as the director of the Strategic Investment Division, the director of the Securities Investment Division, and the director of the Listed Company Division of Macrolink Group. Since September 2018, he has been a director of the Company. He is currently a director of Macrolink Group Co., Ltd. and the senior vice president of Macrolink Holdings Co., Ltd..
Chen Huan	He was formerly a section chief and deputy minister of Guangdong Ceramics Company, the deputy general manager and general manager of Shenzhen Nanyu Art Ceramics Co., Ltd., and an independent director of MONALISA Group Co., Ltd.; from November 1998 to date, he has successively served as secretary general, vice president and president of Guangdong Ceramics Association; from March 2004 to date, he has successively served as the secretary general and the executive vice president of Guangdong Building Materials Industry Association; from June 2020 to date, he is an independent director of the Company as well as the independent director of Guangdong Red Wall New Materials Co., Ltd, a director of Foshan Zhongtao Alliance Technology Co., Ltd., and a director of Foshan Uniceramics Development Co., Ltd.
Lan Hailin	Since September 1997, he has been a professor and doctoral supervisor at the Business Administration of South China University of Technology. He was an independent director of the Company and has been an independent director of the Company again since May 2023. Currently, he is also the executive director and general manager of Guangzhou Blue Ocean Enterprise Management Consultant Co., Ltd. and a director of Guangdong Carbon Seek Energy Co., Ltd..
Li Songyu	He formerly served as a deputy director of the Development Research Center of the People's Government of Henan Province, the director of the Shenzhen Branch of the People's Bank of China, the president of the Foshan Branch of the People's Bank of China, the president of the Guangzhou Branch of China CITIC Bank, the president and senior consultant of the Shenzhen Branch of China CITIC Bank. He is currently an independent director of the Company from August 2021. He is also a director of Palm Eco-Town Development Co Ltd.
Long Jiangang	He formerly took offices in the Guizhou Provincial Committee of the Communist Youth League and Foshan Institute of Science and Technology. He has been an independent director of the Company since August 2021. He is currently the chief researcher of Foshan Shangdao Research Institute (Limited Partnership), and a special commentator of Nanfang Daily, a special host of Foshan TV station.

Zeng Fei	He joined the Company in 2002 and formerly served as the secretary of the Company's board of directors. From August 2009 to September 2018, and from October 2020 until now, he has been served as the Company's financial director. Since May 2015, he has been the Company's vice president. Now he also a director of Anhui Keda Industrial Co., Ltd., a director of Keda (Anhui) Clean Energy Co., Ltd., a director of Anhui Xincheng Financial and Leasing Co., Ltd, an executive director and general manager of Anhui Keda Investment Co., Ltd., executive director and general manager of Guangdong Keda Lithium Industry Co., Ltd. and supervisor of HLT Industry Co., Ltd, he is also a supervisor of Qinghai Salt Lake Lanke Lithium Industry Co., Ltd.
Zhou Peng	Joining the Company in 2002, and once serving as assistant to chairman of the Company, general manager, director and secretary of the board of directors of the deep processing division, he is currently vice president of the Company, as well as a director of Keda (Anhui) Clean Energy Co., Ltd., Fujian Keda New Energy Technology Co., Ltd., Guangdong Keda Hydraulic Technology CO., Ltd. He is also the deputy secretary-general of Guangdong Building Materials Industry Association, vice chairman of Guangdong Mechanical Engineering Society, vice chairman of Foshan Mechanical Engineering Society, vice chairman of Shunde Mechanical Equipment Manufacturing Chamber of Commerce and the deputy director of Foshan Building Materials Industry Association.
Li Yuejin	He joined the Company in 2017 and formerly served as a senior consultant and the project manager of Peking University Zongheng Consulting Group, the secretary of the board of directors and investment director of Yashili International Holdings Co., Ltd., and he is currently a vice president of the Company, the secretary of the board of directors, director of overseas building materials, and also serves as a director of a director and the general manager of Guangdong Twyford International Holdings Co., Ltd., a director of Guangdong Keda Hydraulic Technology Co., Ltd., general manager of Twyford (Guangzhou) Furniture Co., Ltd., supervisor of Anhui Keda Investment Co., Ltd., supervisor of Guangdong Keda Lithium Industry Co., Ltd., director of Keda Holding (Mauritius) Limited, director of Tilemaster Investment Limited, etc., and also director of the Qinghai Salt Lake Lanke Lithium Industry Co., Ltd ..
Peng Hengxiang	She joined the Company in October 2020 and is currently serving as the director of audit and supervision of the Company. She formerly took the office as a deputy director of the financial department of Guangdong Hongyu Group Co., Ltd. And has been the chairman of the Company's Board of Supervisors since August 2021.
Chen Haiqin	He formerly served as the account manager of Shengtang Sub-branch and Jianfu Sub-branch of China Construction Bank Foshan Branch, the account manager, the senior risk manager, the deputy general manager and the general manager of the Corporate Client Department of China Construction Bank Foshan Branch, and the general manger of Foshan Cermic Fund Management Co., Ltd. Since 2018, he has been the general manager of the Investment Center of NEWPEARL Enterprise Group Co., Ltd., and has been a supervisor of the Company since June 2020.
Qiu Hongying	She joined the Company in May 2005 and has served as the Company's general ledger supervisor, the general ledger accounting manager, and the manager of the Audit Division. She is currently the assistant to the general manager of the Company, and has served as the Company's employee supervisor since August 2021 to date.
Huo Zhaoqiang (resigned)	He was formerly a deputy factory director of Shunde Lecong Shunjing Ceramics Factory, the chairman of Jingxiang Ceramics Co., Ltd, and sales general manager of Guangdong Hongyu Ceramics Holdings Co., Ltd. He has been a director of the Company from June 2020 to April 2023. Now he is director and manager of Foshan Xinyuan Technology Development Co., Ltd.

## Other information

Applicable    Not applicable

## (II) Positions held by current and resigned directors, supervisors and senior management during the reporting period

### 1. 1. Positions in shareholders' units

√ Applicable     Not applicable

Name of Staff	Name of Shareholder	Positions Held in Shareholders' Units	Post start date	Post end date
Zuo Manlun	Guangdong Liansu Technology Industry Co., Ltd.	Director, Chairman, Manager	December 1999	
Zhang Jian	Macrolink Holding Co., Ltd.	Senior Vice President	February 2017	
Chen Haiqin	Foshan Newpearl Group Co., Ltd.	General Manager of Investment Center	2018	
Description of positions held in the shareholder	Please refer to the profile for details.			

### 2. Employment in other units

√ Applicable     Not applicable

Name of Incumbent	Name of Other Units	Positions Held in Other Units	Commencement Date of Term of Office	End Date of Term of Office
Bian Cheng	Foshan Federation of Enterprises	President	December 2015	
Bian Cheng	Foshan Entrepreneurs Association	President	December 2015	
Bian Cheng	Foshan Ceramic Industry Association	Executive Vice President	2003	
Bian Cheng	Guangdong Building Materials Industry Association	Honorary President	July 2021	
Bian Cheng	Foshan General Chamber of Commerce	Vice President	June 2022	
Bian Cheng	Shunde High-tech Enterprise Association	Vice President	2006	
Bian Cheng	Shunde Machinery and Equipment Manufacturing Chamber of Commerce	Honorary President	January 2019	
Bian Cheng	Listed Companies Association of Shunde District of Foshan	Vice President	May 2023	
Bian Cheng	Foshan Zhongtao Alliance Technology Co., Ltd.	Director	February 2015	
Bian Cheng	Foshan Unicermics Development Co., Ltd.	Director	April 2019	
Yang Xuexian	China Ceramics Industry Association	Vice President	July 2020	
Yang Xuexian	China Building Material Machinery Industry Association	Vice President	December 2020	
Yang Xuexian	China Building Sanitary Ceramics Association	Vice President	July 2020	

Yang Xuexian	Guangdong Building Materials Industry Association	Vice President	2022	
Yang Xuexian	Guangdong Ceramics Association	Vice President	July 2021	
Yang Xuexian	Guangdong International Chamber of Commerce	Vice President	December 2020	
Yang Xuexian	Shandong Sinocera Create-Tide New Materials High-Tech Co., Ltd.	Director	July 2023	
Zhang Zhonghua	Zhangzhou Juming Graphite Material Co., Ltd.	Chairman of the Board	January 2021	
Zhang Zhonghua	Qinghai Yanhu Lanke Lithium Industry Co., Ltd.	Chairman of the Board	May 2021	
Zhang Zhonghua	Guangxi Zhonghang Lutong Asphalt Co., Ltd.	Director	January 2021	
Zhang Zhonghua	Xinjiang Taibang Technology Co., Ltd.	Director	July 2017	
Shen Yanchang	SUNDA GROUP CO., LTD.	Chairman of the Board	September 2019	
Shen Yanchang	Solipro Limited	Director	September 2017	
Shen Yanchang	Sunda Holding Limited	Director	March 2021	
Shen Yanchang	Kewor Limited	Director	December 2021	
Shen Yanchang	Senbai Hengyi Limited	Director	March 2021	
Shen Yanchang	Sunda Fm Limited	Director	April 2022	
Shen Yanchang	Sunda (mu) holdings limited	Director	April 2016	
Shen Yanchang	Sunda FM Holdings Limited	Director	March 2023	
Shen Yanchang	Sunda International Limited	Director	February 2022	
Chen Xuwei	Guangdong Hongyu Group Co., Ltd.	Chief Financial Officer	April 2017	
Chen Xuwei	Guangdong Foshan Ceramics Research Institute Holding Group Co., Ltd.	Director	October 2022	
Chen Xuwei	Wuzhou Panbo Industrial Co., Ltd.	Director	November 2020	
Chen Xuwei	Guangdong Sheng Tao Technology Co., Ltd.	Director	September 2022	
Chen Xuwei	Jiangmen Hongjia New Material Technology Co., Ltd.	Director	December 2020	
Chen Xuwei	Foshan Zhifeng Enterprise Management Co., Ltd.	Director	January 2021	
Chen Xuwei	Nanchang Bailijia Industrial Co., Ltd.	Supervisor		
Chen Xuwei	Guangdong Hongyu Mineral Investment Co., Ltd.	Supervisor	November 2020	
Chen Xuwei	Guangdong Dexuan Education Technology Co., Ltd.	Supervisor	August 2022	
Chen Xuwei	Guangdong Hongjia Mineral Investment Co., Ltd.	Supervisor	January 2021	



Chen Xuwei	Guangdong Hongyu Business Management Co., Ltd.	Supervisor	July 2018	
Deng Haoxuan	Guangdong Hongyu Group Co., Ltd.	Associate Director of Investment	June 2017	
Deng Haoxuan	Guangdong Dexuan Education Technology Co., Ltd.	Director	August 2022	
Zuo Manlun	Guangdong Liansu Home Building Material Co., Ltd.	Director, Chairman, Manager	July 2005	
Zuo Manlun	Liansu Tech. Development (Wuhan) Co., Ltd.	Director	May 2001	
Zuo Manlun	Heshan Liansu Industrial Development Co., Ltd.	Director	June 2002	
Zuo Manlun	Liansu Tech. Development (Guiyang) Co., Ltd.	Director	December 2005	
Zuo Manlun	Nanjing Liansu Technology Industry Co., Ltd.	Director	June 2006	
Zuo Manlun	Changchun Liansu Industrial Co., Ltd.	Director	October 2007	
Zuo Manlun	Liansu Municipal Pipeline (Hebei) Co., Ltd.	Director	October 2005	
Zuo Manlun	Daqing Liansu Technology Development Co., Ltd.	Director	August 2008	
Zuo Manlun	Hainan Liansu Technology & Industry Co., Ltd.	Director, Chairman of the Board	June 2011	
Zuo Manlun	Yunnan Liansu Technology Development Co., Ltd.	Director, Chairman of the Board	July 2011	
Zuo Manlun	Guangdong Liansu EPCO Residential Equipment Design Service Co., Ltd.	Director, Vice Chairman, General Manager	August 2011	
Zuo Manlun	Hunan Liansu Technology & Industry Co., Ltd.	Director, Chairman of the Board	November 2011	
Zuo Manlun	Guangdong Liansu Security Technology Co., Ltd.	Supervisor	November 2011	
Zuo Manlun	Shandong Liansu Technology & Industry Co., Ltd.	Director, Chairman of the Board	March 2012	
Zuo Manlun	Guangdong Fuxing Industrialized Design and Decoration Engineering Co., Ltd.	Director	July 2012	
Zuo Manlun	Anhui Liansu Technology & Industry Co., Ltd.	Director, Chairman of the Board	January 2023	
Zuo Manlun	Foshan Nanhai Yigao Sanitary Ware Co., Ltd.	Director	September 2013	
Zuo Manlun	Xiaogan Liansu Industrial Development Co., Ltd.	Director	September 2019	
Zuo Manlun	Guangdong Lingshang Real Estate Management Co., Ltd.	Director, Chairman of the Board	August 2019	
Zuo Manlun	Guangdong Liansu Hardware & Electrical Building Materials Mall Co., Ltd.	Director, Manager	October 2014	
Zuo Manlun	Guangdong Shunde Lingshang Property Management Co., Ltd.	Director, Chairman of the Board	August 2019	
Zuo Manlun	Zhejiang Tianjing Plastic Industry Co., Ltd.	Director, Chairman of the Board	November 2015	
Zuo Manlun	Liansu Municipal Pipeline (Xingtai) Co., Ltd.	Director, Chairman of the Board	November 2018	

Zuo Manlun	Guangzhou Environmental Protection Engineering Design Institute Co., Ltd.	Director, Chairman of the Board	April 2016	
Zuo Manlun	Guangdong Huaqing Ecological Environment Co., Ltd.	Director, Chairman of the Board	July 2019	
Zuo Manlun	Zhejiang Liansu Technology Industry Co., Ltd.	Director	August 2016	
Zuo Manlun	Guangdong Liansu Capital Holding Co., Ltd.	Director	December 2016	
Zuo Manlun	Guangdong Liansu Venture Capital Fund Management Co., Ltd.	Director	December 2016	
Zuo Manlun	Guangdong Liansu Environmental Protection Enterprise Management Co., Ltd.	Director, Chairman of the Board	March 2017	
Zuo Manlun	Foshan Shunde Huifengyuan Environmental Protection Engineering Management Co., Ltd.	Director	July 2016	August 2023
Zuo Manlun	Fujian Liansu New Material Technology Co., Ltd.	Director	September 2017	
Zuo Manlun	Hainan Baolai Industry & Trade Co., Ltd.	Director	August 2016	
Zuo Manlun	Hebei Liansu Metal Piping Technology Co., Ltd.	Director, Chairman of the Board	September 2019	
Zuo Manlun	Guangdong Liansu Water Management Co., Ltd.	Director, Chairman of the Board	March 2018	
Zuo Manlun	Guangdong Liansu Inspection Management Co., Ltd.	Director, Chairman of the Board	May 2018	
Zuo Manlun	Guangdong Samanea Business Management Co., Ltd.	Director, Chairman of the Board	July 2018	
Zuo Manlun	Anhui Liansu Huaqing Inspection Technology Co., Ltd.	Director, Chairman of the Board	July 2019	
Zuo Manlun	Jiangsu Yongbao Environmental Protection Technology Co., Ltd.	Director, Chairman of the Board	December 2018	
Zuo Manlun	Shenzhen Liansu Environmental Protection Technology Co., Ltd.	Director, Chairman of the Board	December 2018	
Zuo Manlun	Liansu Municipal Piping (Xiaogan) Co., Ltd.	Director, Chairman of the Board	December 2018	
Zuo Manlun	Shenzhen Huomanyun Logistics Co., Ltd.	Director, Chairman of the Board	May 2019	
Zuo Manlun	Guangzhou Jingxing Construction Technology Co., Ltd.	Director	January 2020	
Zuo Manlun	Guangdong Yeatoon Technology Co., Ltd.	Director, Chairman of the Board	September 2019	
Zuo Manlun	Jiangxi Liansu Technology Industry Co., Ltd.	Director	February 2020	
Zuo Manlun	Guangdong Liansu Huiying Marine Technology Co., Ltd.	Director	April 2020	May 2023
Zuo Manlun	Nanjing Liansu Huadong Real Estate Development Co., Ltd.	Director, Chairman of the Board	December 2020	
Zuo Manlun	Guangdong Lynx Digital Intelligence Technology Limited	Director, Chairman of the Board	December 2020	
Zuo Manlun	China National Petroleum Waterproof (Guangdong) Co., Ltd.	Director, Chairman of the Board, Manager	November 2020	
Zuo Manlun	Liansu Banhao (Heshan) Technology Co., Ltd.	Director, Chairman of the Board	May 2021	

Zuo Manlun	Gansu Liansu Technology & Industry Co., Ltd.	Director, Chairman of the Board	April 2021	
Zuo Manlun	Guangdong Kaihong Intelligent Equipment Co., Ltd.	Director, Chairman of the Board	June 2021	
Zuo Manlun	Hubei Kinghonor Technology Co., Ltd.	Director, Chairman of the Board	August 2021	
Zuo Manlun	Hubei Kangjing New Wind Environmental Protection Equipment Co., Ltd.	Director, Chairman of the Board	August 2021	
Zuo Manlun	Hunan VARY Tech Co., Ltd	Director	April 2021	
Zuo Manlun	Guangdong Century Starlight Creative Park Technology Co., Ltd.	Director, Chairman of the Board	July 2021	
Zuo Manlun	Guangdong Liansu Banhao New Energy Technology Group Co., Ltd.	Director, Chairman of the Board	November 2021	
Zuo Manlun	Guangdong Banhao New Energy Investment Co., Ltd.	Director	February 2022	
Zuo Manlun	Guangxi Liansu Real Estate Management Co., Ltd.	Director, Chairman of the Board	March 2022	
Zuo Manlun	Guangxi Liansu Hotel Management Co., Ltd.	Director, Chairman of the Board	March 2022	
Zuo Manlun	Guangxi Liansu New Material Technology Co., Ltd.	Director, Chairman of the Board	April 2022	
Zuo Manlun	China Liansu Group Holdings Limited	Chief Executive Officer, President, Executive Director, Co-Chief Executive Officer	February 2010	
Zuo Manlun	Xingfa Aluminium Holdings Limited	Non-Executive Director	April 2018	
Zuo Manlun	Foshan Zhanhua Management Consultant Co., Ltd.	Executive Director, General Manager	July 2018	
Zuo Manlun	Guangdong Zonggou Supply Chain Management Co., Ltd.	Chairman of the Board	December 2020	
Zuo Manlun	Guangdong Hechuanglingxing Hardware & Building Materials Co., Ltd.	Chairman of the Board	August 2016	
Zuo Manlun	Foshan Yingsheng Real Estate Co., Ltd	Chairman of the Board	January 2016	
Zuo Manlun	Maoming Liansu Building Materials Co., Ltd.	Supervisor	June 2011	
Zuo Manlun	Guangdong Yingxin Fuxing Hotel Management Co., Ltd.	Chairman of the Board	March 2016	
Zuo Manlun	Urumqi Liansu Technology Development Co., Ltd.	Supervisor	December 2007	
Zuo Manlun	Guangdong Liansu Machine Manufacturing Co., Ltd.	Vice Chairman	July 2005	
Zuo Manlun	Foshan Gaoming Dajiahao Real Estate Co., Ltd.	Supervisor	June 2007	
Zuo Manlun	Foshan Shunde Yingxin Property Management Co., Ltd.	Supervisor	September 2004	
Zuo Manlun	Foshan Zhuorui Management Consultant Co., Ltd.	Chairman of the Board	July 2019	
Zuo Manlun	Guangdong Liansu Industrial Special Pipeline Co., Ltd.	Chairman of the Board and Director	November 2023	

Zhang Jian	Hengtian Goldenrock Investment Management Co., Ltd.	Director	December 2015	
Zhang Jian	Sichuan Hongda Co., Ltd.	Director	October 2022	
Zhang Jian	New Power Capital Investment Co., Ltd.	Director	July 2018	
Zhang Jian	Macrolink Capital Holdings Limited	Executive Director, General Manager	August 2018	
Zhang Jian	Changshi Investment Limited	Director	June 2019	
Zhang Jian	Beijing Macrolink Investment Co., Ltd.	Director	February 2016	
Zhang Jian	Macrolink Development Investment Co., Ltd.	Director	January 2017	
Zhang Jian	Macrolink Asia Industrial Investment Limited	Director	May 2016	
Zhang Jian	Dongyue Group Co., Ltd	Executive Director	July 2006	
Zhang Jian	Macrolink Southern Holding Co., Ltd.	Director	September 2018	
Zhang Jian	Sailun Group Co., Ltd.	Director	July 2022	
Zhang Jian	Dongyue Fluorosilicon Technology Group Co., Ltd.	Director	June 2018	
Zhang Jian	Macrolink Culturaltainment Development Co., Ltd.	Director	May 2011	
Zhang Jian	Xinbian (Hainan) Technology Development Co., Ltd.	Director	April 2022	
Zhang Jian	Hunan Hualian China Industry Co., Ltd.	Director	October 2011	
Zhang Jian	Shenzhen Macrolink Industry and Trade Development Co., Ltd.	Legal Representative, Executive Director, General Manager	October 2018	
Zhang Jian	New Silkroad Culturaltainment Limited	Executive Director	February 2004	
Zhang Jian	Hengtian Goldenrock (Shenzhen) Investment Management Co., Ltd.	Director	December 2015	
Zhang Jian	Macrolink International Development Limited	Director	August 2018	
Chen Huan	Guangdong Ceramics Association	President	December 1998	
Chen Huan	Guangdong Building Materials Industry Association	Executive Vice President	March 2004	
Chen Huan	China Ceramic Industry Association	Vice President	December 2007	
Chen Huan	Foshan China Ceramics Union Technology Co., Ltd.	Director	February 2015	
Chen Huan	Foshan Unicceramics Development Co., Ltd	Director	April 2019	
Chen Huan	Guangzhou Zongheng Jianke Exhibition Co., Ltd.	Director	May 2022	
Chen Huan	Guangdong Redwall New Materials Co., Ltd.	Independent Director	June 2023	

Lan Hailin	South China University of Technology	Professor, Doctoral Supervisor	September 1997	
Lan Hailin	Guangdong Tanxun Energy Co., Ltd.	Director	June 2018	
Lan Hailin	Guangzhou Blue Ocean Enterprise Management Co., Ltd.	Executive Director and General Manager	November 2014	
Lan Hailin	Wuxiang Meidi (Guangzhou) Cultural Tourism Investment Co., Ltd.	Supervisor	April 2022	
Lan Hailin	Guangzhou Wuxiang Meidi Rural Tourism Culture Development Co., Ltd.	Supervisor	April 2022	
Li Songyu	Yinghuan (Shenzhen) Information & Technology Co., Ltd.	Supervisor	September 2020	
Li Songyu	Longsi Clearing Services (Guangzhou) Co., Ltd.	Manager	October 2023	
Li Songyu	Palm Eco-Town Development Co., Ltd.	Director	February 2022	
Long Jiangang	Shenzhen Kunyue Culture Media Co., Ltd.	Supervisor	April 2017	
Long Jiangang	Guizhou Plateau Tea Oil Co., Ltd.	Director	April 2021	
Long Jiangang	Guangdong Acenovo Fabric & Clothing Design Holding Co., Ltd.	Chief Supervisor	March 2011	
Long Jiangang	Foshan Shangdao Research Institute (Limited Partnership)	Chief Researcher	May 2015	
Long Jiangang	Foshan Huajun Shangdao Research Institute Co., Ltd.	Supervisor	April 2018	
Peng Hengxiang	Foshan Nanhai Huijie Real Estate Development Co., Ltd.	Vice Chairman and Director	January 2018	
Peng Hengxiang	Guangzhou Jinpibao Real Estate Co., Ltd.	Supervisor	November 2018	
Peng Hengxiang	Foshan Leyun Innovation Technology Co., Ltd.	Supervisor	May 2018	
Chen Haiqin	Guangdong Jinkang Mingzhu Technology Co., Ltd.	Supervisor	November 2022	
Chen Haiqin	Shangqiu Hengshi Tourism Development Co., Ltd.	Supervisor	September 2020	
Chen Haiqin	Shangqiu Henghong Tourism Development Co., Ltd.	Supervisor	September 2020	
Chen Haiqin	Huzhou Yuean Real Estate Co., Ltd.	Supervisor	November 2020	
Chen Haiqin	Guangdong ABM Environmental Science & Technology Co., Ltd.	Supervisor	July 2023	
Chen Haiqin	Guangdong Mingzhu Xingrui Energy Investment Co., Ltd.	Chairman of the Board	August 2023	
Chen Haiqin	Guangdong Qingneng Xinmingzhu New Energy Development Co., Ltd.	Director	October 2023	
Chen Haiqin	Guangdong Guitai Shengshi Mingzhu Wine Industry Co., Ltd.	Supervisor	June 2022	
Chen Haiqin	Guangdong Jinguanjia New Material Co., Ltd.	Supervisor	December 2021	June 2023
Qiu Hongying	Foshan Xinglan Trade Co., Ltd.	Supervisor	December 2020	

Zeng Fei	Foshan Keda Ceramic Technical Co., Ltd	Manager and Director	September 2016	
Zeng Fei	Qinghai Yanhu Lanke Lithium Industry Co., Ltd.	Supervisor	May 2021	
Zeng Fei	Shandong Sinocera Create-Tide New Materials High-Tech Co., Ltd	Supervisor	July 2023	
Zhou Peng	Guangdong Building Materials Industry Association	Deputy Secretary General	April 2018	
Zhou Peng	Guangdong Mechanical Engineering Society	Deputy Chairman	October 2019	
Zhou Peng	Foshan Mechanical Engineering Society	Deputy Chairman	2012	
Zhou Peng	Shunde District Machinery and Equipment Manufacturing Chamber of Commerce	Vice President	January 2019	
Zhou Peng	Guangdong Automation Society	Deputy Chairman	September 2021	
Zhou Peng	Guangdong Association of Circular Economy and Comprehensive Utilization of Resources	Vice President	December 2021	
Zhou Peng	Foshan Building Material Industry Association	Vice President	2022	
Zhou Peng	Foshan Digital Industry Promotion Association	Vice President		
Zhou Peng	Foshan Shunde Chencun Chamber of Commerce	Vice President	October 2021	
Zhou Peng	Foshan Service Trade and Outsourcing Association	Vice President Unit	May 2023	
Zhou Peng	Shunde District Intellectual Property Association	President Unit		
Zhou Peng	Sichuan Guangxing Lithium Technology Co., Ltd.	Director	January 2023	
Li Yuejin	Foshan Keda Ceramic Technical Co., Ltd.	Supervisor	July 2020	
Li Yuejin	Qinghai Yanhu Lanke Lithium Industry Co., Ltd.	Director	May 2021	
Li Yuejin	Shandong Sinocera Create-Tide New Materials High-Tech Co., Ltd	Director	July 2023	
Huo Zhaoqiang	Foshan Xinyuan Technology Development Co., Ltd.	Director, Manager	April 2011	
Huo Zhaoqiang	1506 Creative City Investment Co., Ltd.	Supervisor	July 2016	January 2024
Huo Zhaoqiang	Beijing Tianhe Runfeng Investment Consulting Co., Ltd.	Supervisor	April 2018	January 2024
Description of employment in other units	For details, please see the biographies.			

### (III) Compensation of Directors, Supervisors and Senior Management

Applicable Not applicable

Decision-making Procedures for Compensation of Directors, Supervisors and Senior Executives	The remuneration of the Directors of the Company shall be submitted to the Board and the general meeting for consideration and approval after being reviewed and approved by the Remuneration and Appraisal Committee of the Board; the remuneration of the supervisors shall be submitted to the Supervisory Committee and
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	the general meeting of shareholders for consideration and approval; and the remuneration of the senior management shall be submitted to the Board of Directors for consideration and approval after being reviewed and approved by the Remuneration and Appraisal Committee of the Board.
Whether a director recuses himself from the Board's discussion of his remuneration matters	Yes
Details of recommendations issued by the Remuneration and Appraisal Committee or the Specialized Meeting of Independent Directors on matters relating to the remuneration of Directors, Supervisors and Senior Management	On March 25, 2024, the Remuneration and Appraisal Committee of the Board. On 25 March 2024, the Company convened the meeting of Remuneration and Appraisal Committee of the Board of Directors to consider and approve the "Proposal on the Remuneration Plan of the Company's non-independent Directors" and the "Proposal on the Remuneration Plan of the Company's Senior Management", and confirmed the remuneration of directors and senior management in 2023. The Committee believes that the remuneration of directors and senior managers in 2023 is in line with the relevant provisions of the company's remuneration management and performance assessment, and the newly proposed remuneration scheme is conducive to further improving the incentive and restraint mechanism of the company, mobilizing the enthusiasm and creativity of the company's directors and senior managers, and promoting the company to further inspire innovation and creativity.
Basis for determining the remuneration of directors, supervisors and senior management	According to the "Proposal on Adjustment of Allowance for Independent Directors" approved at the Second Extraordinary General Meeting of 2021 of the Company, the standard of allowance for independent directors will be adjusted from RMB120,000/year to RMB150,000/year (including personal income tax); According to the "Proposal on the Remuneration for Non-Independent Directors of the Company" approved at the 2022 Annual General Meeting of the Company and the "Proposal on the Remuneration for Senior Management of the Company" approved at the Seventh Meeting of 8th Session of the Board of Directors of the Company, Non-Independent Directors, who do not hold any other specific positions in the Company, will be granted a Director's Allowance of RMB180,000 per annum for performing their duties and responsibilities; Internal Directors Mr. Bian Cheng, Mr. Yang Xuexian, Mr. Zhang Zhonghua and the Company's senior management are remunerated in accordance with the Company's relevant systems/programs for the management of remuneration and performance appraisal, in accordance with the specific positions held by them in the Company, their actual work performance and in conjunction with the Company's operating results; Director Mr. Shen Yanchang, who is the de facto controller of the Company's strategic partner in the overseas building materials business, the Sunda Group, does not receive any remuneration or allowance from the Company; Pursuant to the "Proposal on the Remuneration for Supervisors of the Company" approved at the 2021 annual general meeting of the Company, supervisors who are serving in the Company shall receive the remuneration for their existing positions in the Company, which shall be determined comprehensively in accordance with the Company's economic benefits, based on their duties, actual work performance, and by reference to the remuneration levels of companies of comparable size in the same industry, etc.; supervisors who do not serve in any other specific positions in the Company do not receive remuneration.
Actual payment of remuneration to directors, supervisors and senior managers	For the actual payment of remuneration of the Directors, Supervisors and senior management of the Company, please refer to "(I) Changes in shareholding and remuneration of current and resigned Directors, Supervisors and senior management during the Reporting Period" in this section.
Total remuneration actually received by all directors, supervisors and senior	RMB16,061 thousand

management at the end of the Reporting Period	
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#### (IV) Changes in directors, supervisors and senior management of the Company

Applicable Not applicable

Name	Position	State	Reasons
Huo Zhaoqiang	Director	Resigned	Retirement
Chen Xuwei	Director	Elections	Elected as a Director of the Company by the 2022 Annual Meeting of Shareholders
Deng Haoxuan	Director	Elections	Elected as a director of the Company by the 2022 Annual General Meeting of Shareholders
Zuo Manlun	Director	Elections	Elected as a director of the Company at the 2022 Annual General Meeting of Shareholders
Lan Hailin	Independent Director	Elections	Elected as an Independent Director of the Company at the 2022 Annual Meeting of Shareholders

#### (V) Information on punishment by securities regulatory authorities in the past three years

Applicable Not applicable

On 20 October 2021, Mr. Zhou Peng, Vice President of the Company, reduced his shareholding in the Company through disposal of 100,000 shares by centralized competitive bidding during the reporting period for the third quarter of 2021 due to misconduct. On 10 November 2021, the Shanghai Stock Exchange issued a verbal warning notification in relation to Mr. Zhou Peng's illegal reduction. In September 2023, Mr. Zhang Zhonghua, a director of the Company, received an Administrative Penalty Decision ([2023] No. 3) issued by the Hubei Securities Regulatory Bureau ("HSRB") for being a directly responsible supervisor for the disclosure of false information in the annual reports of 2017 and 2018 by Tus Environmental Science and Technology Development Co., Ltd., which was a non-Company matter, and the Hubei Securities Regulatory Beaura imposed a fine of RMB300,000 on Mr. Zhang Zhonghua. The above penalized subject not the Company, the matters involved are not related to the Company and will not have any impact on the Company's production, operation etc.

#### (VI) Others

Applicable Not applicable

#### V. Board Meetings Held during the Reporting Period

Number of sessions	Date of convening	Conference resolution
The 19th Meeting of 8th Session of Board of Directors	January 9, 2023	The meeting considered and approved the Proposal on Foreign Investment, as detailed in the Announcement on Foreign Investment (Announcement No. 2023-001) disclosed by the Company on January 10, 2023.



The 20th Meeting of 8th Session of Board of Directors	March 3, 2023	The meeting considered and passed 3 proposals, including Proposal on Affiliate Transactions of the Company and its Subsidiaries and Proposal on Foreign Investment, details of which are set out in the Announcement of Resolutions of the 20th Meeting of the 8th Board of Directors of the Company disclosed on March 4, 2023 (Announcement No. 2023-008).
The 21st Meeting of 8th Session of Board of Directors	April 14, 2023	The meeting considered and passed 21 proposals, including the Report on the Work of the Board of Directors for the Year 2022 and the Annual Report and its Summary for the Year 2022, details of which are set out in the Announcement of Resolutions of the 21st Meeting of the 8th Session of the Board of Directors disclosed by the Company on April 15, 2023 (Announcement No. 2023-022).
The 22nd Meeting of 8th Session of Board of Directors	April 25, 2023	The meeting considered and approved the First Quarterly Report 2023, as detailed in the Company's First Quarterly Report 2023, disclosed on April 26, 2023, for further details.
The 23rd Meeting of 8th Session of Board of Directors	May 8, 2023	The meeting considered and passed four proposals, including the Proposal on Confirmation of the Company's Organizational Structure and the Proposal on Election of Members of the Specialized Committees of the Eighth Session of the Board of Directors of the Company, as detailed in the Announcement of Resolutions of the 23rd Meeting of the 8th Session of the Board of Directors of the Company disclosed by the Company on 9 May 2023 (Announcement No. 2023-037).
The 24th Meeting of the 8th Session of Board of Directors	August 14, 2023	The meeting considered and passed four proposals, including the Semi-annual Report and its Summary for the Year 2023, Proposal on the Addition of New Related Parties and Additional Estimated Affiliate Transactions, details of which are set out in the Announcement of Resolutions of the 24th Meeting of the 8th Session of the Board of Directors of the Company disclosed by the Company on August 15, 2023 (Announcement No. 2023-047).
The 25th Meeting of 8th Session of Board of Directors	September 11, 2023	The meeting considered and approved the proposal on the repurchase of the Company's shares, as detailed in the Proposal on the Repurchase of the Company's Shares (Announcement No. 2023-055) disclosed by the Company on September 12, 2023.
The 26th Meeting of 8th Session of Board of Directors	October 24, 2023	The meeting considered and approved the Third Quarterly Report 2023, as detailed in the Company's Third Quarterly Report 2023, disclosed on October 25, 2023.

## VI. Directors' fulfillment of duties

### (i) Participation of Directors in the Board of Directors and the General Meeting of Shareholders

Name of Director	Independent Director or not	Attendance of board meeting						Attendance of General Meeting
		Number of board meetings that he/she should attend during the year	Number of meetings he/she was present personally	Number of meetings attended by means of telecommunications	Number of meetings he/she entrusts a proxy to attend	Number of absences	Did any of them fail to attend meetings in person for two consecutive times	Number of the General Meetings attended
Bian Cheng	Not	8	8	0	0	0	Not	1

Yang Xuexian	Not	8	8	0	0	0	Not	1
Zhang Zhonghua	Not	8	8	5	0	0	Not	1
Shen Yanchang	Not	8	8	6	0	0	Not	1
Chen Xuwei	Not	4	4	2	0	0	Not	1
Deng Haoxuan	Not	4	4	2	0	0	Not	1
Zuo Manlun	Not	4	4	2	0	0	Not	1
Zhang Jian	Not	8	8	7	0	0	Not	1
Chen Huan	Yes	8	8	4	0	0	Not	1
Lan Hailin	Yes	4	4	2	0	0	Not	1
Li Songyu	Yes	8	8	4	0	0	Not	1
Long Jiangang	Yes	8	8	6	0	0	Not	1
Huo Zhaoqiang	Not	3	3	3	0	0	Not	0

Explanation of absence from board meetings in person for two consecutive times

Applicable Not applicable

Number of Board meetings held during the year	8
Including: number of physical meetings	0
Number of meetings held by means of telecommunications	0
Number of meetings held both physically and via telecommunications	8

**(ii) Directors' objections to matters relating to the Company**

Applicable Not applicable

**(iii) Others**

Applicable Not applicable

**VII. Specialized committees under the Board of Directors**

Applicable Not applicable

**(i) Specialized committees under the Board of Directors**

Category of Specialized Committees	Name of member
Audit Committee	Li Songyu, Chen Xuwei, Chen Huan, Lan Hailin, Long Jiangang
Nomination Committee	Bian Cheng, Zuo Manlun, Chen Huan, Lan Hailin, Li Songyu
Remuneration and Appraisal Committee	Bian Cheng, Yang Xuexian, Chen Huan, Lan Hailin, Li Songyu
Strategy Committee	Bian Cheng, Zuo Manlun, Deng Haoxuan, Zhang Jian, Lan Hailin

**(ii) 7 meetings of the Audit Committee held during the Reporting Period**

Date of the meeting	Content of the meeting	Important comments and suggestions	Performance of other duties
February 13, 2023	Consideration of the Financial Accounting Statements for FY2022 for the first time	Provide a review opinion on the FY 2022 Financial Accounting Statements and agreed with the financial audit for FY 2022 based on these financial statements.	/
March 3, 2023	Consideration of the Proposal on Affiliate Transactions of the Company and Subsidiaries	After full communication and discussion, the proposal was unanimously considered and passed, and it was agreed that the proposal would be submitted to the 20th Meeting of the 8th Session of the Board of Directors of the Company for consideration.	/
April 3, 2023	Consideration of the 2022 Annual Financial Accounting Statements again	Review the 2022 Financial Accounting Statements again, and it is agreed that the 2022 Annual Report of the Company will be prepared on the basis of these financial statements.	/
April 14, 2023	Consideration of "Annual Report and its Summary of 2022", "Financial Accounting Report of 2022", and 7 other proposals	After full communication and discussion, the proposal was unanimously considered and approved, and it was agreed that the proposal would be submitted to the 21st Meeting of the 8th Session of the Board of Directors of the Company for consideration.	/
April 25, 2023	Consideration of the First Quarterly Report 2023	After full communication and discussion, the proposal was unanimously considered and approved, and it was agreed that the proposal would be submitted to the 22nd Meeting of the 8th Session of the Board of Directors of the Company for consideration.	/
August 14, 2023	Consideration of 3 proposals, including the Semi-Annual Report and its Summary for 2023	After full communication and discussion, the proposal was unanimously considered and approved, and it was agreed that the proposal would be submitted to the 24th Meeting of the 8th Session of the Board of Directors of the Company for consideration.	Review of the Compliance Review Report on Significant Matters for the First Half of 2023

October 24, 2023	Consideration of the Third Quarterly Report 2023	After full communication and discussion, the proposal was unanimously considered and approved, and it was agreed that the proposal would be submitted to the 26th Meeting of the 8th Session of the Board of Directors of the Company for consideration.	/
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**(iii) The Strategy Committee held three meetings during the Reporting Period**

Date of the meeting	Content of the meeting	Important comments and suggestions	Performance of other duties
January 9, 2023	Consideration of the Proposal on Investment	After full communication and discussion, the proposal was unanimously considered and approved, and it was agreed that the proposal would be submitted to the 19th Meeting of the 8th Session of the Board of Directors of the Company for consideration.	/
March 3, 2023	Consideration of the Proposal on Investment	After full communication and discussion, the proposal was unanimously considered and approved, and it was agreed that the proposal would be submitted to the 20th Meeting of the 8th Session of the Board of Directors of the Company for consideration.	/
April 14, 2023	Consideration of the Environmental, Social and Corporate Governance (ESG) Report 2022	After full communication and discussion, the proposal was unanimously considered and approved, and it was agreed that the proposal would be submitted to the 21st Meeting of the 8th Session of the Board of Directors of the Company for consideration.	/

**(iv) The Nomination Committee held 2 meetings during the Reporting Period**

Date of the meeting	Content of the meeting	Important comments and suggestions	Performance of other duties
April 4, 2023	Consideration of two proposals: Proposal for the Nomination of Candidates for Non-Independent Directors for the 8th Session of the Board of Directors and Proposal for the Nomination of Candidates for Independent Directors for the 8th Session of the Board of Directors.	After carefully reviewing the qualifications, performance capability and moral character of the candidates for directors and independent directors, we approved the nomination of the relevant candidates and the submission for consideration at the 21st Meeting of the 8th Session of the Board of Directors of the Company.	/
May 8, 2023	Consideration of the Proposal for Election of the Chairman of the Nomination Committee of the 8th Session of the Board of Directors of the Company	It was unanimously agreed to elect Mr. Lan Hailin as the chairman of the Nomination Committee of the 8th Session of the Board of Directors of the Company.	/

**(v) The Remuneration and Appraisal Committee held 2 meetings during the Reporting Period**

Date of the meeting	Content of the meeting	Important comments and suggestions	Performance of other duties
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April 14, 2023	Consideration of two proposals: Proposal on the Purchase of Liability Insurance for Directors, Supervisors and Senior Management and Proposal on the Remuneration for Non-Independent Directors of the Company	After full communication and discussion, all members unanimously indicated that they had no objection. In view of the fact that the proposal on the purchase of directors' liability insurance was related to the members present at the meeting, all members recused themselves from voting on the proposal; two members recused themselves from voting on the proposal on the remuneration for non-independent directors, while the other members unanimously agreed to the proposal; and all members approved to submit the aforesaid proposal to the 21st Meeting of the 8th Session of the Board of Directors of the Company for deliberation.	/
May 8, 2023	Consideration of the Proposal for Election of the Chairman of the Remuneration and Appraisal Committee of the 8th Session of the Board of Directors of the Company	It was unanimously agreed to elect Mr. Chen Huan as the chairman of the Remuneration and Evaluation Committee of the 8th Session of the Board of Directors of the Company.	/

**(vi) The specific circumstances of the objectionable matter**

Applicable Not applicable

**VIII. Explanation of the risks identified by the Supervisory Board for the Company**

Applicable Not applicable

The Supervisory Board has no objections to the supervisory matters in the Reporting Period

**IX. Employees of the parent company and major subsidiaries at the end of the Reporting Period**

**(i) Employees**

Current employees in the parent company	1,386
Current employees in the main subsidiaries	13,785
Total number of current employees	15,171
Number of retired employees whose costs shall be borne by the parent company and the main subsidiaries	0
Professional composition	
Professional composition category	Number of professional compositions
Production staff	10,239
Sales staff	837

Technical staff	853
Finance staff	256
Administrative staff	2,986
Total	15,171
Educational attainment	
Type of educational background	Number (person)
Postgraduate or above	230
Bachelor degree	2,236
Junior college degree	2,050
Secondary vocational school education and below	10,655
Total	15,171

## (ii) Remuneration policy

Applicable    Not applicable

The Company formulated and implemented the human resources and performance appraisal policies in strict accordance with the Company Law, the Labor Law and related industry management regulations, adhering to the cultural concept of "people gather when wealth is scattered, and people scatter when wealth is gathered", and establishes a compensation and incentive system in which the individual performance is fully connected with the organizational performance. The Company's staff salary allocation is based on the guiding principle of "setting salary according to the post and changing salary according to the post", combining the market salary level and the Company's performance, and determining the salary level according to the staff's value creation ability, the staff's status and performance in the value creation process, and the results of value creation. At the same time, the Company pays attention to the exploration and design of diversified incentive mechanisms, and provides employees with competitive remuneration through the establishment of a three-dimensional remuneration incentive system, such as performance bonuses, employee shareholding plans, technical awards, etc. The Company gives full play to the incentive-oriented role of remuneration, stimulates the sense of belonging and identity of employees, and realizes the win-win development of the company and its employees.

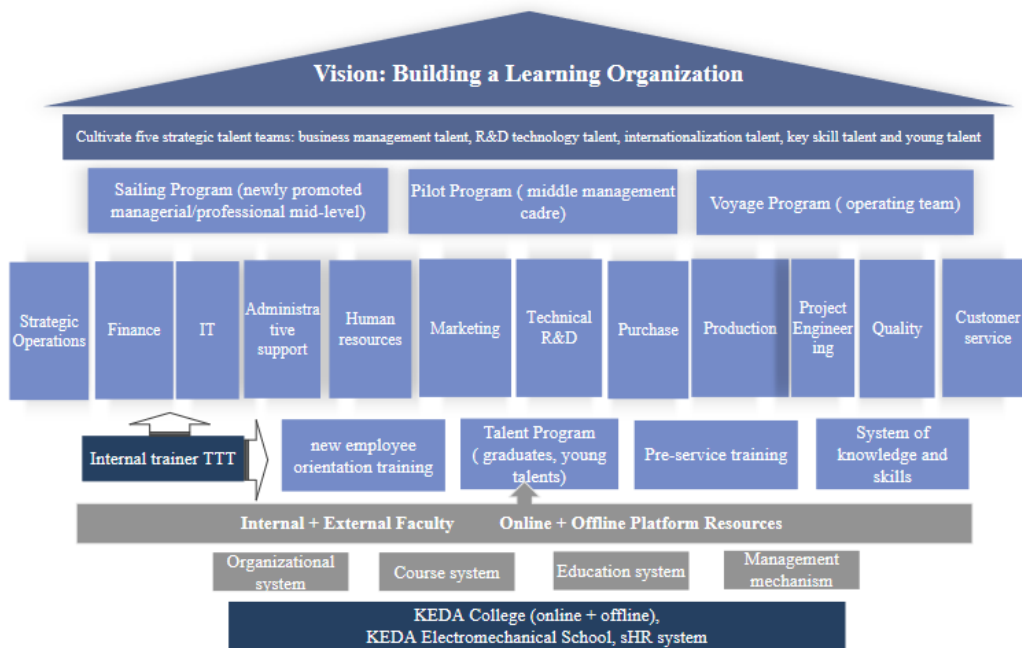
The company is committed to building and improving the employee career development mechanism. Through multi-channel and multi-level employee career development channels, the Company's development and employee career development are closely linked; through the annual rank assessment, employees could obtain salaries, benefits, training and career development opportunities that match the values their positions brought to the Company, which provided a solid guarantee for enhancing the core competitiveness of the Company, and at the same time the Company made its efforts to build a favorable working environment

for employees and offer more opportunities for employees' pursuit of their values and career development.

**(iii) Training plan**

√Applicable    □Not applicable

The Company is committed to creating a staircase-like career development path for employees. By establishing a clear position system, the Company helps employees to position themselves, carries out tailor-made training courses to improve the professional quality of employees, and to establish a Keda Talent Pool. In recent years, combined with the Company's strategy and employment requirements, the Company focuses on five key talent teams and different levels of talent teams, such as operation and management talents, R&D and technical talents, internationalization talents, key skill talents, and young talents, and carries out special training projects with different focuses, selects and cultivates a number of outstanding young talents with broad vision, strong practical ability and courage to take on responsibilities, improves the construction of ladder, and empowers the talents to give new impetus to the enterprise.



In order to cultivate the core talent, key talent and shortage talent echelon required for the Company's future development, the Company jointly created a key talent training specialization - Keda Group (Guangdong Base) Potential Young Talent Training Program with the famous academic institution Sun Yat-sen University in 2023. Through MBA core courses, benchmarking visits and action learning seminars, 45 key personnel have completed the papers and action learning reports by combining what they have learned from the program, as well as their practice and thinking at work, and have refined management experience and application cases with reference value for the Company's operation and management

enhancement and improvement. At the same time, the Company has carried out a number of trainings such as Keda Group (Shunde Base) Middle Management Training Camp, Keda Group (Shunde Base) R&D Talent Training Camp, Keda Group (Anhui) International Vision and Overseas Strategic Operation Training, providing different topics for employees with different functions, and focusing on improving their management, research and development, marketing and other skills. In addition, as an explorer of the new conceptual model of university-enterprise cooperation and a bearer of social responsibility, the Company draws on the German dual-system cultivation model, and effectively walks out of an innovative road of integration of industry and education and university-enterprise cooperation by co-designing the curriculum, co-cultivating talents, and co-solving the problems with Foshan Institute of Vocational Technology. In the process of deepening the exploration of the integration of industry and education, we will explore more possibilities in university-enterprise cooperation and cultivate more high-quality skilled talents with innovative spirit and practical ability.

At the same time, the "Keda Academy" online learning platform will be launched in Guangdong and Anhui bases of the Company in 2022, providing an efficient and convenient digital learning platform for employees, which can better accumulate and precipitate internal and external experience, knowledge and learning resources, promote the construction of the Company's learning organization, and support the implementation of the Company's strategic objectives. As of December 2023, the number of online platform users is 2,685, the cumulative number of learning hours generated is 187,880, the average per capita learning hours on the platform is 70, and the cumulative number of uploaded internal training course materials is 604.

#### (iv) Information on labor outsourcing

Applicable Not applicable

Total man-hours for labor outsourcing	4,273,102.60 hours
Total remuneration paid for labor outsourcing	RMB176.1245 million yuan

### X. Plan for Profit Distribution or Capitalization by Converting Capital Reserves

#### (i) Preparation, execution or adjustment of the cash dividend policy

Applicable Not applicable

In order to safeguard investors' rights and interests, the Company has made clear stipulations on the principles and requirements of profit distribution in the Articles of Association and Shareholders' Dividend Return Planning, which meet the requirements of relevant normative documents such as "Guidelines for the Supervision of Listed Companies No. 3 - Cash Dividends of Listed Companies" and "Self-regulatory Guidelines for Listed Companies of Shanghai Stock Exchange No. 5 - Equity Distribution.

##### 1. Profit distribution in 2022



During the reporting period, the Company implemented the 2022 Profit Distribution Plan: based on the total number of 1,917,856,391 shares of the Company entitled to profit distribution (total share capital of 1,948,419,929 shares less the number of shares in the Company's special securities account for repurchase of 30,563,538 shares), a cash dividend of RMB6.8 (tax inclusive) was distributed to all shareholders for every 10 shares, and a total of RMB 1,304,142,345.88 (tax inclusive) of cash dividends were distributed, accounting for 30.68% of the net profit attributable to shareholders of the Company in 2022. The system and distribution procedures of the Company's profit distribution plan are in line with the provisions of the Articles of Association and the requirements of the shareholder resolutions. The Company's independent directors have expressed independent opinions on the Company's profit distribution issues. The relevant decision-making procedures are proper and compliant with law, which safeguarded the legitimate rights and interests of minority shareholders.

## 2. Profit distribution in 2023

The 2023 profit distribution plan of the Company: Based on the total number of shares of the Company entitled to the profit distribution of 1,887,856,487 shares (the total share capital of 1,948,419,929 shares less 60,563,442 shares in the special securities account for the repurchase of shares of the Company), it is proposed to distribute cash dividends of RMB 3.30 (tax inclusive) for every 10 shares to all shareholders, with the total cash dividends of RMB 622,992,640.71. The plan shall be valid only if it is reviewed and approved by the general meeting of shareholders.

### (ii) Special explanation of cash dividend policy

Applicable   Not applicable

Whether it met the requirements of the Articles of Association or the resolution of the General Meeting	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the dividend standard and proportion were definite and clear	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the relevant decision-making procedures and mechanisms were complete	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the Independent Directors performed their duties and played their due roles	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the medium and small shareholders had the opportunity to fully express their opinions and demands and whether their legitimate rights and interests have been fully protected	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**(iii) If the Company records profits with positive profits available for distribution to shareholders from the parent company during the reporting period, but there is no proposal for cash profit distribution plan, the Company shall disclose the reasons and the use and plan of use of the undistributed profits in detail**

Applicable   Not applicable

**(iv) Profit distribution and conversion of capital reserve into share capital during the Reporting Period**

Applicable   Not applicable

Unit: Yuan Currency: RMB

Number of bonus shares for every 10 shares (share)	-
Dividend per 10 shares (RMB) (tax inclusive)	3.30
Number of shares converted for every 10 shares (share)	-
Amount of cash dividends (tax inclusive)	622,992,640.71
Net profit attributable to ordinary shareholders of the listed company in the consolidated statement for the dividend year	2,091,996,449.37
Percentage of net profit attributable to ordinary shareholders of the listed company in the consolidated statements (%)	29.78
Amount of shares repurchased in cash included in cash dividend	338,502,489.53
Total amount of dividends (tax inclusive)	961,495,130.24
Percentage of total dividends to net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements (%)	45.96

## **XI. 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 preliminary announcements and with no progress or change in subsequent implementation**

Applicable Not applicable

### **(ii) Events not disclosed in preliminary announcements 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 RMB 86,226,880. 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 on 9 February 2021. 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.

Based on the confidence in the future development of the Company and recognition of the Company's value, the Company held the Second Holders' Meeting of the 2020 Employee Stock Ownership Plan and the 27th Meeting of the 8th Session of the Board of Directors in January 2024, respectively, and considered and passed the Proposal on the Extension of the Validity Period of the 2020 Employee Stock Ownership Plan, agreeing to the Company's extension of the validity period of the current Employee Stock Ownership Plan for a period of 12 months, that is, the validity period was extended until February 11, 2025. For details, please refer to the Announcement on the Extension of the Duration of the 2020 Employee Stock Ownership Plan disclosed by the Company on January 20, 2024.

As of the end of the Reporting Period, the shares of both phases of the Employee Stock Ownership Plan have been unlocked, and the total number of shares of Keda Group held in the account is 21,556,720 shares.

#### Other incentives

Applicable Not applicable

Basing on the consideration of the Company's strategic development plan, optimization of equity structure in business sectors, and long-term employee incentives, the Company introduced employee shareholding platform for its subsidiaries Anhui Keda Industrial and Fujian Keda New Energy in 2021 and 2022, respectively. For specific details, please refer to the Announcement on Capital Increase and Share Expansion of wholly-owned Subsidiaries and Related Party Transactions and Announcement on Equity Transfer and Related Party Transactions of Subsidiaries disclosed by the Company on June 9, 2021, January 20, 2022 and April 30, 2022. According to the management arrangement of the Company's ceramic machinery and overseas building materials business, as well as the adjustment of the positions of relevant management personnel of subsidiaries Anhui Keda Industrial and Fujian Keda New Energy, and in consideration of the future talent incentives, the company's subsidiary Anhui Keda Investment plans to transfer a total of 1.81% and 1.58% equity of Anhui Keda Industrial and Fujian Keda New Energy held by Mr. Yang Xuexian, the director and general manager, Mr. Zhang Zhonghua, the director, and Mr. Li Yuejin, the senior management personnel through the employee shareholding platform with its own funds. The transaction amounts are RMB4.8893 million and RMB10.6103 million, respectively. For specific details, please refer to the Announcement Regarding the Transfer of Partnership Property Shares by Subsidiaries and Related Party Transactions released by the Company on the same date.

**(iii) Equity incentives granted to directors and senior management during the Reporting Period**

Applicable    Not applicable

**(iv) Establishment and implementation of the appraisal mechanism and incentive mechanism for senior management during the Reporting Period**

Applicable    Not applicable

In order to further improve the incentive and restraint mechanism of the Company, effectively mobilize the enthusiasm and creativity of the senior management of the Company, and promote the Company to further improve the work efficiency and operating efficiency, in accordance with the Company's remuneration and performance appraisal management system or plan, the senior management of the Company is remunerated according to the specific positions they hold in the Company, their actual work performance and combined with the Company's business performance and other comprehensive indicators, including annual salary and company efficiency bonus. The basic annual salary is paid on a monthly average basis, while the company's efficiency bonus is authorized according to the operating performance assessment. Through performance-oriented appraisal, the Company strengthened the constraint of responsibility objectives, and enhance the enterprising spirit and sense of responsibility of the management.

**XII. Construction and implementation of internal control system during the reporting period**

Applicable    Not applicable

The company has established a strict internal control management system in strict accordance with the requirements of the CSRC, the Shanghai Stock Exchange, the Company Law, the Articles of Association and other laws and regulations. The compliance governance structure implemented by the Company is under the responsibility of the Board of Directors, supervised and managed by the Audit Committee, the Supervisory Committee and the Audit and Supervision Division, and implemented by various functional departments. During the Reporting Period, the Company continued to optimize the internal control system, further sorted out and standardized the business processes, deepened the implementation and supervision and inspection of the internal control system, ensured the effective implementation of the systems, and enhanced the level of business operation and management as well as the ability of risk prevention and control.

The Company has established a relatively sound internal control management and supervision system. The Audit and Supervision Division of the Company is responsible for the daily inspection and evaluation of the completeness, rationality and effectiveness of the internal control and its implementation, making suggestions for improving internal control, and supervising and inspecting its implementation. During the Reporting Period, the Audit and Supervision Division conducted audit and inspection on the finance, internal control, major projects and other businesses of the Company's functional departments and branches on a regular or irregular basis, focusing on areas such as procurement, supply chain, investment and merger and acquisition, infrastructure projects and safety production, etc. and

reported to the Board of Directors in a timely manner in respect of the internal control deficiencies identified during the supervision and inspection process and supervised its improvement. In addition, the Company and its subsidiaries within the scope of consolidated financial statements have completed the self-evaluation of internal control for 2023 as planned. The Audit and Supervision Division monitors the self-evaluation of internal control, conducts key spot checks on some companies, conducts evaluation tests on key control points and risk points of internal control, puts forward suggestions for improving weak links of internal control, and forms evaluation conclusions. After the testing and evaluation conducted by the Audit and Supervision Division on all aspects of the Company's operations, the Company did not have any material or significant deficiencies in internal control during the Reporting Period. For details, please refer to the 2023 Internal Control Assessment Report disclosed by the Company on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on 26 March 2024.

Information on material defects in internal control during the Reporting Period

Applicable Not applicable

### **XIII. Management and control to subsidiaries by the Company during the reporting period**

Applicable Not applicable

During the Reporting Period, the Company implemented management control over its subsidiaries in accordance with the Company Law, the Articles of Association and the relevant requirements for the standardized operation of listed companies, guided its subsidiaries to establish and improve their corporate governance structure, and revised and improved various management systems, such as the Information Disclosure Management System, the Legal Affairs Management System, the Budget Management System, and the Measures for the Management of Specialized Borrowings for the Employees of Keda Group. It managed or supervised the standardized operation, information disclosure, legal affairs, budget and special loans of subsidiaries, and continuously improved the internal control and risk management of subsidiaries. The Company achieves governance monitoring of subsidiaries and conducts a timely follow-up on the financial positions, production and operation and evaluation of performance of each subsidiary by assigning persons to the board of directors, supervisory board or as key senior management or otherwise. The Company has prepared the Financial Report and Analysis Policy, which requires all subsidiaries to ensure that the accounting information is true, accurate, complete and up-to-date in accordance with accounting policies and company regulations. The Audit and Supervision Department of the Company conducted regular or irregular supervision and inspection of subsidiaries to supervise the implementation of various systems and regulations, and to promote the compliance of subsidiaries, and to improve their operational efficiency and anti-risk capability. Meanwhile, the Company continued to promote the informatization construction of its subsidiaries, and strengthened the collection and management of operating and financial information of its subsidiaries through the informatization means of OAS, ERP, and Yuannian systems.

**XIV. Information on the Internal Control Auditor's Report**

Applicable Not applicable

For details, please refer to the Company's Internal Control Audit Report disclosed on March 26, 2024 on the website of the Shanghai Stock Exchange (www.sse.com.cn).

Whether to disclose the internal control auditor's report: yes

Opinion type for internal control auditor's report: standard, unqualified opinion

**XV. Rectification of self-examination problems of special actions for governance of listed companies**

Not applicable.

**XVI. Others**

Applicable Not applicable

**Section V. Environmental and Social Responsibility****I. Environmental Information**

Is there any environmental protection mechanism?	Yes
Amount of environmental protection funds invested during the reporting period (Unit: RMB ten thousand)	1,597.77

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

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 gas, solid waste
- 2) Name of characteristic pollutants: particulate matter, SO<sub>2</sub>, NO<sub>x</sub>
- 3) Information on key pollutants discharging during the reporting period:

Distribution position of pollutant discharging outlets	Number of outlets	Items	Name of pollutants	Manner of outlets	Standard limit (mg/m <sup>3</sup> )	Total emission in 2023 (t)	Total allowable emission (t/a)	Executive standard	Excess emission
Calcination and graphitization waste gas and other general waste gas vent	16	Particulate matter	Organized emissions	≤2.71	≤120	5.249	5.784	GB18484-2020	n/a
		SO <sub>2</sub>		≤85	≤200	14.2789	17.559		n/a
		NO <sub>x</sub>		≤13	≤300	8.5938	14.861	GB16297-1996	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 each of 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. After collection, it is entrusted to a company with solid waste (desulfurization gypsum) treatment qualification 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 pollution 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 discharge of Keda Foshan Industrial was as follows:

- 1) Main pollutants: waste gas, solid waste
- 2) Name of characteristic pollutants: particulate matter, SO<sub>2</sub>, NO<sub>x</sub>, VOCs
- 3) Information on key pollutants discharging during the reporting period:

Distribution position of pollutant discharging outlets	Number of outlets	Items	Name of pollutants	Emission concentration (mg/m <sup>3</sup> )	Standard limit (mg/m <sup>3</sup> )	Total emission in 2023 (t)	Total allowable emission (t/a)	Executive standard	Excess emission
Incineration waste gas vent	1	Particulate matter	Organized emissions	1.9	30	0.0027	1.998	GB18484-2020	n/a
		SO <sub>2</sub>		ND	100	/	3.501		n/a
		NO <sub>x</sub>		89	300	0.1324	14.718	GB16297-1996	n/a
Painting and combustion waste gas and other general waste gas vent	8	Particulate matter	Organized emissions	ND	120	/	/	DB44/26-2001	n/a
		SO <sub>2</sub>		ND	425	/	0.009		n/a
		NO <sub>x</sub>		15	/	0.0531	0.422	DB44/816-2010	n/a
		VOCs		10.7	90	0.463	1.52		n/a

Note: "ND" indicates no detection.

In 2023, Keda Foshan Industrial commissioned a CMA-qualified third-party testing unit to manually monitor the company's factory outlet waste gas, waste water, noise and other sources of pollution, the emissions of the above pollutants are in line with the requirements of the national emissions license in the limit value, without exceeding the emission; 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. General industrial solid waste generated during the production process is the production residue of refractory bricks and refractory cotton blankets, which is collected and stored in the specialized industrial solid waste warehouse, and 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 built waste gas treatment facilities for calcination furnaces and crushing and screening, and Keda Foshan Industrial has built incineration waste gas treatment facilities, pre-treatment storage waste gas treatment facilities and waste gas treatment facilities for spray paint and combustion, and the above treatment facilities ensure that the waste gases are discharged to the standard. At the same time, the above key pollutant discharging units have signed a commissioned testing contract with a qualified third-party testing company to regularly supervise and test the exhaust gas emissions after treatment. Fujian Keda New Energy has installed online monitoring at the calciner exhaust gas discharge port and has signed a commissioned maintenance contract with a qualified third-party to regularly calibrate the online monitoring operation and maintenance 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 aforesaid key pollutant discharging units have all carried out environmental impact assessment of 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 environmental completion acceptance of the projects on schedule upon completion of the projects. All of the above key pollutant discharging units have obtained emission permits in accordance with the relevant provisions of the national emission permits.

### **4. Contingency Plans for Environmental Emergencies**

Applicable   Not applicable

All of the above key pollutant discharging units have established a comprehensive emergency response mechanism for environmental emergencies, fully assessed and investigated environmental risks and environmental emergency response resources, compiled Emergency Response Plans for Environmental Emergencies and submitted them to the local ecological environment bureaus to complete the filing. In order to improve their ability to respond to environmental pollution emergencies involving public crises, the above key pollutant discharging units regularly organize emergency plan drills for environmental pollution accidents to improve the ability of their staff to respond to environmental emergencies.

### **5. Environmental Self-Monitoring Scheme**

Applicable   Not applicable

During the reporting period, all of the above key pollutant discharging units 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 discharge outlet of waste gas and waste water for monitoring, and sets noise

monitoring points at the factory boundary to monitor the changes and standards of waste gas, waste water and noise pollution sources.

#### **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 and implemented a number of environmental protection management systems internally. The Company implements environmental policy, environmental objectives, audit results, statistical analysis of data, management review and corrective and preventive measures in accordance with the environmental protection management system, including the annual formulation of environmental objectives, signing of environmental protection responsibilities with departmental heads at the beginning of the year, monitoring and measuring and routine environmental monitoring, etc. The Company scientifically and effectively standardizes the management of major pollutants such as wastewater, exhaust gas, industrial solid waste, noise, etc., to prevent and control environmental pollution and to improve the working environment.

In terms of air pollution control, 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 at the Foshan base to improve the efficiency of the collection and treatment of waste gases, to further reduce the emission of pollutants and minimize the impact on the environment; in terms of waste water treatment, the Company has built a waste water treatment facility to ensure that waste water meets the standards for discharge; in terms of solid waste disposal, general solid waste is mainly transported by local sanitation departments on a regular basis, and hazardous waste is transferred by the company to qualified units for treatment, and a monitoring system

and related management form have been established to keep a close eye on the situation; in terms of noise treatment, the Company adopts sound insulation, muffling, vibration damping and other treatment measures according to the different nature and characteristics of the noise and sound sources, so as to ensure that the plant boundary meets the emission standards. 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, adheres to green technology innovation to lead green development, promotes the economical, intensive and efficient utilization of natural resources, synergistically pushes forward green and low-carbon development, and courageously undertakes and fulfills its environmental responsibility, seeking to "Green solution, greener life"!

### **3. Reasons for non-disclosure of other environmental information**

Applicable Not applicable

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

Applicable Not applicable

The Company consciously fulfills and undertakes the social responsibility of environmental protection, integrates the "dual-carbon" strategy into the operation and management process of the enterprise, prevents and controls environmental pollution in the production process, advocates the practice of green development concepts in daily life, and promotes the continuous improvement of ecological and environmental quality.

During the Reporting Period, HLT III project and Shaoguan Keda have been put into production, and many projects such as Foshan Keda Equipment and Anhui High-end Equipment Intelligent Manufacturing Park are under construction. Before the construction of the projects, the Company has hired a professional environmental assessment company to evaluate and analyze the possible environmental impact, and take appropriate measures to reduce its impact on the environment, during the construction process implement the relevant environmental management system, to fulfill the relevant approval procedures, and the strict implementation of the "three-simultaneity" system, the environmental assessment documents and the approval of the pollution control measures. The project prioritizes the use of equipment with low energy consumption and material saving, and actively carries out technological innovation to reduce energy consumption, so as to improve the Company's economic and social benefits. In addition, green factory of Anhui Keda Industrial is equipped with energy-saving devices, exhaust gas collection, purification and emission systems, which effectively reduces energy consumption and pollutant emissions, improves production efficiency and environmental quality, and has been evaluated by the Ministry of Industry and Information Technology of the People's Republic of China as a "national green factory" in

2023. In the future, it will continue to make positive exploration and research in solid waste utilization, sustainable development, etc., and give full play to the demonstration and leading role of the "national green factory", which will empower the sustainable green and low-carbon development of the enterprise.

At the same time, the Company continues to improve the construction of environmental protection system and standards, and strengthens the implementation of various environmental protection systems. The Company actively implements the requirements of pollution management in accordance with the law, establishes and improves the pollution permit management system, and applies for pollution permits according to the requirements. The Company has signed a commissioned testing contract with a third-party qualified testing company to regularly test the waste water and waste gas discharged after treatment, and test and supervise the handling of pollutants in the Company. It actively advocates low-carbon work and life, and strengthens the concept of green office for all employees to create a green and friendly working environment. For details, please refer to the Environmental, Social and Corporate Governance (ESG) Report of Keda Industrial Group Co., Ltd. for the year 2023 disclosed on the same day as this report.

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

Has the Company adopted carbon reduction measures?	Yes
Reduction of CO2 equivalent emissions (Unit: ton)	4,737.88
Types of carbon reduction measures (such as using clean energy to generate electricity, using carbon reduction technologies in the production process, researching and developing new products that help reduce carbon emissions, etc.)	Use clean energy to generate electricity, use carbon reduction technology in the production process, and research and develop new products that help reduce carbon

Specific description

Applicable    Not applicable

The Company focuses on building an environment-friendly and resource-saving enterprise, accelerating the construction of a green manufacturing system and realizing sustainable and high-quality development through the use of clean energy, promoting the development and promotion of energy-saving and emission reduction products and processes. During the Reporting Period, photovoltaic power generation systems were constructed in the projects of HLT III, Shaoguan Keda, Foshan Keda Equipment, Anhui High-end Equipment Intelligent Manufacturing Park, etc. At the same time, the Company expanded the capacity of photovoltaic power generation of the existing Foshan Base, and the total photovoltaic power generation of the domestic base in 2023 is 7,153.47 MWh, which reduce the carbon dioxide emission by 4,080.00 tons. Among them, Foshan Keda Equipment is also planning to use IoT technology to intelligently control the compressed air station, set up a park energy management system for centralized control of the use of water, electricity and gas, through the system of integrated the overall energy consumption will be controlled at an optimal level. African Production Base have adopted measures such as photovoltaic power generation and flue gas residual heat utilisation to reduce carbon emissions. In addition, in response to the

national dual-carbon strategy the Company layout of integrated energy business, and has invested and built over 28 distributed photovoltaic power stations in several prefecture level cities in Guangdong, Jiangsu and Anhui provinces, serving 28 customers, with a total installed capacity of about 47.46MW, an annual power generation of 45,933,700 kWh, an annual replacing standard coal of 14,129.2 tons, an annual reduction of carbon dioxide emissions, sulphur dioxide emissions and nitrogen oxides by 38,630.23 tons, 91.87 tons, 87.27 tons respectively, and a saving clean water of 56,498.43 tons.

In order to comply with the development trend of green and low-carbon ceramic industry, the Company innovates low-carbon energy-saving, green concept in technology development, subsidiary Keda Foshan Industrial innovatively introduced tunnel kiln all-salt method of solid-phase roasting technology in the roasting of lithium mica and other low-grade lithium ore process. Compared with the traditional rotary kiln, lithium leaching rate and energy saving effect are significantly improved; subsidiary DLT Technology and other parties started the demonstration project of the "advanced zero-carbon ammonia-hydrogen combustion technology for laminam/tile mass production line", so as to promote the application of zero-carbon ammonia-hydrogen combustion technology in the laminam/tile mass production line, to accelerate the promotion of the building ceramics industry, green and low-carbon transformation and development.

## II. Social Responsibilities

### (i) Does the Company separately disclose its social responsibility report, sustainable development report or ESG report

Applicable Not applicable

For details, please refer to the 2023 ESG Report released by Keda Industrial Group Co., Ltd. on the same date.

### (ii) Social responsibility work

Applicable Not applicable

External donations, public welfare projects	Quantity	Description
Total investment (RMB0,000)	386.78	Scholarships, road repairs, and donations for public service activities
Of which: Funds (RMB0,000)	330.68	
Supplies in monetary terms	56.10	
Number of people benefitted	/	

### Specification

Applicable Not applicable

Keda Group has always been practicing the mission of "Green Solution, Greener Life", and has been actively participating in public welfare undertakings with a heart of gratitude, demonstrating its corporate responsibility and commitment. During the Reporting Period, the Company donated to the relevant units by participating in the "Old School Renewal Action" in Shunde District, Foshan City, to promote more old schools to get a new look, while the Company also supported the development of local education through donations to relevant organizations for education, Children's Day condolences, etc. In terms of overseas operation, the subsidiary has held many voluntary activities and charitable donations, such as sponsoring the construction of schools in KAUE area in Lusaka, Zambia, assisting in the construction of the cultural and educational center for young people in Palmarin, Fatick Region, Senegal, as well as donating scholarships for the locals and supporting the development of various public welfare activities, which have demonstrated the social responsibility of the Chinese-funded enterprises and enhanced the Company's brand influence in the locality.

### III. Poverty Alleviation and Rural Revitalization Efforts

Applicable Not applicable

Poverty alleviation and rural revitalization projects	Quantity	Description
Total input (RMB0,000)	57.08	
Of which: Funds (RMB0,000)	57.08	
Supplies in monetary terms (RMB0,000)	/	
Number of beneficiaries (persons)	/	
Forms of assistance (e.g., industrial poverty alleviation, employment poverty alleviation, education poverty alleviation, etc.)	Targeted assistance, regular sympathy and charitable donations	

#### Specification

Applicable Not applicable

The Company actively responded to the national strategy of rural revitalization, and improved the living conditions of local villagers through targeted assistance, regular sympathy and charitable donations, contributing to the construction of a sustainable and beautiful countryside. During the Reporting Period, the Company participated in the 2023 Guangdong (Shunde) "6·30" activities helping rural revitalization to Qiandongnan, Guizhou and donated RMB200,000, donated RMB100,000 on the day of poverty alleviation and relief in Leping, and at the same time, practiced the Company's actions in rural revitalization by donating funds to relevant organizations and making targeted donations to the impoverished households.

## 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 undertaking	Any period for performance	duration of undertaking	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.	10 April 2019, 25 February 2020;	Yes	from 4 June 2020 to 5 June 2023.	Yes		

**(ii) Where profit forecast has made for the Company's assets or projects and the reporting period is within the period of profit forecasts, the Company's explanation on whether its assets or projects have reached the original profit forecast**

Attained  Not attained  Not applicable

**(iii) The completion of the performance commitment and impact on goodwill impairment test**Applicable Not applicable**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. Explanation of the board of directors of the Company on the "non-standard opinion audit report" by the accounting firm**Applicable Not applicable**V. Analysis and explanation of the Company on reasons and impact in relation to the changes of accounting policies and accounting estimate and the corrections of significant accounting errors****(i) Analysis and explanation of the reasons and impact in relation to the changes of accounting policies and accounting estimate**Applicable Not applicable

The content of and reasons for changes in accounting policies	Approval process	Notes (names and amounts of statement items materially affected)
On November 30, 2022, the Ministry of Finance issued the Interpretations of Accounting Standards for Business Enterprises No. 16 (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.

**(ii) The Company's analysis and explanation of the reasons and effects of the correction of significant accounting errors**Applicable Not applicable**(iii) Communication with the former accounting firm**Applicable Not applicable



**(iv) Approval process and other explanations**

Applicable Not applicable

**VI. Engagement and removal of the accounting firm**

Unit: Ten Thousand Yuan Currency: RMB

	Currently engaged
Name of domestic accounting firm	Zhongxi CPAS (Special General Partnership)
Remuneration of domestic accounting firm	180
Audit period of domestic accounting firm	23
Name of the certified public accountants of the domestic accounting firm	Lv Xiaoyun, Su Shengnan
Cumulative years of audit services by the certified public accountants of the domestic accounting firm	1, 1

	Name	Remuneration
Accounting firm of internal control audit	Zhongxi CPAS (Special General Partnership)	70

**Engagement and removal of the accounting firm**

Applicable Not applicable

**Change of accounting firm during audit period**

Applicable Not applicable

Explanation of the decrease of 20% or more (including 20%) in audit fees compared to the previous year

Applicable Not applicable

In recent years, with the growth of the Company's business scale, the number of the Company's domestic and overseas subsidiaries has also increased to a certain extent, and the expansion of the scope of business and the increase in the types of business have also increased the complexity of the audit work. The pricing principle of the audit fee for the year of 2023 was determined on the basis of various factors such as the Company's business scale, the industry in which it operates and the complexity of the accounting treatment, as well as the auditing staff and workload required for the audit of the Company's annual report, and the fee standard of the CPA firm.

**VII. Risk of delisting**

**(i) Reasons for delisting risk warning**

Applicable Not applicable

**(ii) Responsive measures taken by the Company**

Applicable Not applicable

**(iii) Circumstances and reasons for facing delisting risk**

Applicable Not applicable

**VIII. Matters relating to bankruptcy and restructuring**

Applicable Not applicable

**IX. Material litigation and arbitration**

The Company had material litigation and arbitration during the year

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

**(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)	Enforcement of litigation (arbitration) judgment
Jiangsu New Century Jiangnan Environmental Protection Co., Ltd.	Jiangsu Kehang, Keda Group, Keda (Anhui) Clean Energy, Liu Huaiping	Jiangsu Kehang	Disputes over infringement of trade 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.	2,417.23	/	On December 22, 2020, the Company received the Civil Judgment of the first instance, which ruled against the Company, its subsidiaries and related parties, and agreed to all of the plaintiffs' litigation requests. On January 4, 2021, the Company, its subsidiaries and related parties filed an appeal to the Supreme People's Court. On December 14, 2023, the Company received the Civil Judgment of the second instance, in which the Supreme People's Court upheld the Company's, its subsidiaries' and related parties' part of the appeal request.	The judgment of the first instance was reversed, Jiangsu Kehang was ordered to immediately stop infringing the technical secrets of Jiangnan Environmental Protection, compensate Jiangnan Environmental Protection for the economic loss of RMB22,285,200 and the reasonable expenses of RMB1,000,000 incurred for stopping the infringement, and other litigation requests of Jiangnan Environmental Protection and other appeal requests of the appellant were rejected. The Company has accrued estimated liabilities of RMB96,521,800 in 2020 based on the result of the first instance judgment. As the judgment of this litigation is final, the Company will carry out the corresponding accounting treatment based on the final amount of compensation and	Jiangsu Kehang has paid RMB23,285,200 to Jiangnan Environmental Protection, RMB521,800 to the Court of First Instance for litigation costs and RMB365,260 to the Court of Second Instance for litigation costs.

								the provisions of the relevant accounting standards, which will have a positive impact on the net profit of the Company for the year of 2023.	
Jiangsu New Century Jiangnan Environmental Protection Co., Ltd.	Jiangsu Kehang, Keda (Anhui) Clean Energy, Keda Group, Liu Huaiping	Same as respondent	Disputes over infringement of trade secrets	From March 25 to March 26, 2021, the Company and its controlling subsidiaries received four Notices of Response to Litigation and other legal documents served by Nanjing Intermediate Court, in which Jiangnan Environmental Protection filed four lawsuits with the court on the grounds of infringement of technical secrets by its subsidiary, Jiangsu Kehang, the Company and related parties.	11,883.76	No	In February and December 2023, the Company and its subsidiaries received the Civil Ruling and other legal documents served by Nanjing Intermediate Court on two occasions, and Jiangnan Environmental Protection applied to Nanjing Intermediate Court to withdraw the four lawsuits on two occasions, during which it re-filed the lawsuits in respect of the aforesaid four events. In January 2024, the Company and its subsidiaries received the Notification of Response to Lawsuit, the Complaint, and other legal documents and changes in the litigation requests of Jiangnan Environmental Protection, which re-filed the lawsuits in respect of the aforesaid four events and changed the economic losses claimed to RMB117,637,600.	The case is in the first trial and it is not possible to judge the impact of the matter for the time being.	/
Feng Jun	Guangdong Keda Lithium Industry, Keda Group	/	Disputes over joint venture contracts	On June 29, 2021, the Company received the Notice of Appeal and other legal documents from Foshan Intermediate People's Court of Guangdong Province (hereinafter	9,107.06	/	On April 12, 2022, the Company's bank account of RMB85,962,500 was frozen due to Feng Jun's application to the Foshan Intermediate Court for property preservation. On June 27, 2022, the Company received the Civil Judgement of	The judgment of the first instance was revoked and all the litigation requests of Feng Jun were rejected, with Feng Jun bearing the case acceptance fee and preservation fee. The Company's bank account of RMB85,962,500 has been unfrozen. In addition,	/

				<p>referred to as the "Foshan Intermediate Court"), in which Feng Jun filed a lawsuit with the court on the grounds that Guangdong Keda Lithium had not yet paid the consultancy fee for patented technology in accordance with the agreement of the Joint Venture Contract signed by the relevant parties at the time of the establishment of Guangdong Keda Lithium Industry.</p>		<p>the first instance, which ruled that part of the plaintiff's litigation requests were granted. On July 11, 2022, Guangdong Keda Lithium Industry and the Company filed an appeal to the Guangdong Higher People's Court. On October 25, 2023, the Company received the Civil Judgement of the second instance, which found that the appeal requests of Guangdong Keda Lithium Industry and the Company were substantiated.</p>	<p>the Company has accrued estimated liabilities of RMB91,070,600 in 2022 based on the result of the first-instance judgment. As the judgment of the litigation is final, the Company will carry out corresponding accounting treatment based on the final amount of compensation and the provisions of the relevant accounting standards, which will have a positive impact on the net profit of the Company for the year of 2023.</p>	
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**(iii) Other description**

Applicable Not applicable

**X. 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

In September 2023, Mr. Zhang Zhonghua, a director of the Company, received an Administrative Penalty Decision ([2023] No. 3) issued by the Hubei Securities Regulatory Bureau ("HSRB") for being a directly responsible supervisor for the disclosure of false information in the annual reports of 2017 and 2018 by Tus Environmental Science and Technology Development Co., Ltd., which was a non-Company matter, and the HSRB imposed a fine of RMB300,000 on Mr. Zhang Zhonghua with a warning. The above penalized subject is not the Company, the matters involved are not related to the Company and will not have any impact on the Company's production and standardized operation.

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

Applicable Not applicable

**XII. 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 held the 20th Meeting of the 8th Session of the Board of Directors and the 2022 Annual General Meeting of Shareholders on March 3, 2023 and May 8, 2023, respectively, to consider and approve the Proposals on Affiliate Transactions of the Company and its Subsidiaries, and held the 24th Meeting of the 8th Session of the Board of Directors on August 14, 2023, to consider and approve the Proposals on the Addition of Related Parties and Affiliate Transactions. In the year of 2023, it was agreed that the Company and its subsidiaries would enter into affiliate transactions with Guangzhou Sunda, Sunda Group and its subsidiaries. For the whole year, it is expected that the purchase of raw materials and commodities will amount to RMB1,057.00 million, the sale of building materials and raw materials will amount to RMB956.16 million, and the acceptance of labor services provided by related parties will amount to RMB352.60 million. It was agreed that the Company and

its subsidiaries would sell machinery to the subsidiaries of Hongyu Group for RMB40.10 million; it was agreed that the Company's subsidiaries would purchase lithium carbonate from the participating company Lanke Lithium Industry for RMB400.00 million, purchase raw materials for graphitization from the participating company Zhangzhou Juming for RMB 5 million, sell raw materials for graphitization for RMB 7 million, and provide consulting services for graphitization processing and technology for RMB30.10 million; and it was agreed that the Company's subsidiaries would purchase ink and color glaze from SinoCera Create-Tide and its subsidiaries for RMB110.2515 million. The aforementioned estimated amount is the total amount including tax of the contract signed with the relevant related parties, and the sales of some equipment parts are subject to actual delivery.

As at the end of the Reporting Period, according to the contracts actually entered into by the Company and its subsidiaries with various related parties, i.e. taking the amount of the contracts entered into during the Reporting Period as the statistical caliber, the Company and its subsidiaries entered into contracts with Guangzhou Sunda, Sunda Group and their subsidiaries for the purchase of raw materials and commodities of RMB 1,042,402,200, sale of building materials products and raw materials of RMB 844,279,900, and acceptance of labor service by the related party of RMB430,777,100. The Company and its subsidiaries entered into contract with subsidiary of Hongyu Group for the sale of machinery amounting to RMB6,481,700. The subsidiary entered into contract for the purchase of lithium carbonate amounting to RMB48,000,000 with Lanke Lithium Industry; the subsidiary entered into contract with Zhangzhou Juming for the purchase of graphitization raw materials amounting to RMB4,808,700, and for the graphitization processing and technical consulting services amounting to RMB29,207,100, and no sales of graphitization raw materials were made. The subsidiary entered into purchase of ink and color glaze of RMB98,240,300 with SinoCera Create-Tide and its subsidiaries. The actual amount of transactions recognized during the reporting period is set out in "Connected Transactions" under "Related Parties and Connected Transactions" in Section X "Financial Reports".

### **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

Basing on the consideration of the Company's strategic development plan, optimization of equity structure in business sectors, and long-term employee incentives, the Company introduced employee shareholding platform for its subsidiaries Anhui KEDA Industrial and Fujian Keda New Energy in 2021 and 2022, respectively. For specific details, please refer to

the Announcement on Capital Increase and Share Expansion of wholly-owned Subsidiaries and Related Party Transactions and Announcement on Equity Transfer and Related Party Transactions of Subsidiaries disclosed by the Company on June 9, 2021, January 20, 2022 and April 30, 2022. According to the management arrangement of the Company's ceramic machinery and overseas building materials business, as well as the adjustment of the positions of relevant management personnel of subsidiaries Anhui KEDA Industrial and Fujian Keda New Energy, and in consideration of the future talent incentives, the company's subsidiary Anhui KEDA Investment plans to transfer a total of 1.81% and 1.58% equity of Anhui KEDA Industrial and Fujian Keda New Energy held by Mr. Yang Xuexian, the director and general manager, Mr. Zhang Zhonghua, the director, and Mr. Li Yuejin, the senior management personnel through the employee shareholding platform with its own funds. The transaction amounts are RMB4.8893 million and RMB10.6103 million, respectively. For specific details, please refer to the Announcement Regarding the Transfer of Partnership Property Shares by Subsidiaries and Related Party Transactions released by the Company on the same date

### 3. Matters not disclosed in temporary announcement

Applicable Not applicable

### 4. Results which are relating to result agreements and shall be disclosed for the reporting period

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

Matters Overview	Query Index
<p>The Company signed the Guangzhou Jinda Yingfei Venture Capital Fund Partnership (Limited Partnership) Partnership Agreement 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. As of the end of the reporting period, Jinda Yingfei completed the filing procedures with the Asset Management Association of China</p>	<p>For details, please refer to the Announcement on Participation in the Establishment of Equity Investment Fund and Related Party Transaction, the Announcement on Completion of Filing and Registration of the Subscription Investment Fund and 2022 Annual Report disclosed by the Company on 19 June 2021, and 11 August 2021 and 15 April 2023.</p>



and obtained the private investment fund filing certificate, and the Company has actually contributed RMB5 million to Jinda Yingfei.	
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## 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 about RMB 200 million to subscribe for 15,117.156 thousand 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](http://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 announcements

Applicable   Not applicable

**(iv) Amounts due to or from related parties****1. Matters that have been disclosed in preliminary announcements and have no progress or changes in subsequent implementation**Applicable Not applicable**2. Matters that have been disclosed in preliminary announcements but have progress or changes in subsequent implementation**Applicable Not applicable**3. Matters not disclosed in preliminary announcements**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) Others**Applicable Not applicable**XIII. Material Contracts and Their Performance****(i) Trust, Contracting and Lease****1. Trust**Applicable Not applicable**2. Contracting**Applicable Not applicable**3. Lease**Applicable Not applicable

**(ii) Guarantee**

√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	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 and subsidiaries														
Total guarantee for the subsidiaries incurred during the reporting period						256,406.23								
Total balance of guarantee for the subsidiaries as at the end of the reporting period (B)						203,378.44								
Total amount of the Company's guarantee (including guarantee for its subsidiaries)														
Total guarantees amount (A+B)						203,378.44								
Proportion of total guarantee amount to the net assets of the Company (%)						17.84								
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)	159,107.63
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)	159,107.63
Description of possible several and joint liability for undue guarantee	
Description of guarantees	

### (iii) Cash asset management entrusted to others

#### 1. Entrusted financing

##### (1) Overall situation of entrusted financing

Applicable   Not applicable

Unit: Yuan Currency: RMB

Type	Source of financing	Amount incurred	Undue balance	Overdue amount uncovered
Bank financial products	Own funds	150,000,000.00	150,000,000.00	
Brokerage financial products	Own funds	95,000,000.00	130,000,036.65	

##### Other circumstances

Applicable   Not applicable

**(2) Individually entrusted wealth management**

Applicable Not applicable

**Other circumstances**

Applicable Not applicable

**(3) Impairment provision for entrusted wealth management**

Applicable Not applicable

**2. Entrusted loan**

**(1) General status of entrusted loan**

Applicable Not applicable

**Other circumstances**

Applicable Not applicable

**(2) Individually entrusted wealth management**

Applicable Not applicable

**Other circumstances**

Applicable Not applicable

**(3) Impairment provision for entrusted wealth management**Applicable Not applicable**3. Other circumstances**Applicable Not applicable**(iv) Other major contracts**Applicable Not applicable**XIV. Explanation of the progress of the use of proceeds**Applicable Not applicable**(i) Overall use of proceeds**Applicable Not applicable

Unit: RMB ten thousand

Source of proceeds	Time of availability of proceeds	Total amount of issue proceeds	Of which: Amount of over-raised funds	Net proceeds after deducting issuance costs	Total committed investment of proceeds	Adjusted total committed investment of issue proceeds (1)	Total accumulated committed investment of issue proceeds as at the end of the Reporting Period (2)	Progress of cumulative investment as at the end of the Reporting Period (%) (3) = (2)/(1)	Amount invested in the current year (4)	Percentage of amount invested in the current year (%) (5) = (4)/(1)	Total amount of fund-raising for change of use
Others	July 29, 2022	116,773.91	0	114,021.03	114,021.03	114,021.03	107,501.76	94.28	64,065.25	56.19	0

**(ii) Details of the fund-raising project**

√Applicable    □Not applicable

Unit: RMB ten thousand

Project name	Nature of the project	Whether it involves changing the investment direction	Source of fund-raising	Time of fund-raising	Whether to use over-raised funds	Total committed investment of project proceeds	Adjusted total investment amount of proceeds (1)	Amount invested in the current year	Cumulative total amount of fund-raising capital invested as of the end of the Reporting Period (2)	Progress of cumulative investment as of the end of the Reporting Period (%) (3) = (2)/(1)	Date of project reaches intended useable state	Whether the project has been completed	Whether the progress is in line with the planned progress	Specific reasons for progress falling short of plan	Benefits realized in the current year	Benefits realized or R&D results of the project	Has there been any significant change in the feasibility of the project, and if so, please provide details	Amount of savings
Building new machinery production lines, improving the technical level of existing production lines, expanding the production capacity of the company's core products to meet domestic and international market demand (35%)	Production and construction	No	Others	July 29, 2022	No	39,907.36	39,907.36	34,242.79	36,106.91	90.48	Not applicable	No	Yes	Not applicable	Not applicable	Not applicable	Not applicable	
For investment in technology research and development and quality control to enhance the company's core competitiveness and support the Group's expected revenue growth (10%)	R&D	No	Others	July 29, 2022	No	11,402.10	11,402.10	8,558.41	9,281.99	81.41	Not applicable	No	Yes	Not applicable	Not applicable	Not applicable	Not applicable	

Building and upgrading production capacity at overseas bases, improving services for overseas customers and exploring strategic acquisitions opportunities for high-quality peer targets (30%)	Production and construction	No	Others	July 29, 2022	No	34,206.31	34,206.31	21,262.74	33,718.50	98.57	Not applicable	No	Yes	Not applicable	Not applicable	Not applicable	Not applicable
Supplemental working capital and other general corporate purposes (25%)	Loan repayment and supplement of working capital	No	Others	July 29, 2022	No	28,505.26	28,505.26	1.30	28,394.36	99.61	Not applicable	No	Yes	Not applicable	Not applicable	Not applicable	Not applicable

**(iii) Change or termination of fund-raising investment during the reporting period**

Applicable Not applicable

**(iv) Other use of proceeds during the reporting period**

1. Prior investment and replacement of fund-raising investment projects

Applicable Not applicable



2. Temporary replenishment of liquidity with idle proceeds

Applicable Not applicable

3. Cash management of idle proceeds and investment in related products

Applicable Not applicable

4. Using over-raised funds to permanently replenish working capital or return bank loans

Applicable Not applicable

5. Other

Applicable Not applicable

**XV. Description of other significant matters that have a significant impact on investors' value judgments and investment decisions**

Applicable    Not applicable

**1. Investment in main business**

(1) In order to strengthen the expansion of consumable parts business and create a global construction pottery production and service provider, through the Company's internal review procedure, the Company successively acquired 40% of the shares of SinoCera Create-Tide, a holding subsidiary of Shandong Sinocera Functional Material Co., Ltd., and 70% of the shares of Italian mold company FDS in the second half of 2023. SinoCera Create-Tide has many years of high-end ceramic color glaze and ceramic ink R&D and production of technology accumulation and rich experience, the business scope includes ceramic colors, glazes, full range of inks product supply and design solutions. At present, the Company has jointly established Guangdong Quanitech, which is held by Keda Group, and will promote the expansion of its overseas business through Keda's overseas customer resources in the future. The business of FDS includes the research and development, manufacturing and renovation maintenance of various types of ceramic press molds, which will form a synergy with the Company's ceramic machinery business, helping the Company to further cultivate high-end markets in Italy, Europe and the United States, and enhance the Company's global brand image and comprehensive strength.

(2) In order to actively implement the "Large Building Materials" strategy of the Company's business in Africa, make full use of the channel coordination advantages of the overseas building materials segment, and promote the expansion of the overseas building materials business from ceramics to sanitary ware, household glass and other related diversified fields. The Company held the 20th Meeting of the 8th Session of the Board of Directors on March 3, 2023, and considered and passed the Proposal on Foreign Investment, agreeing that the African subsidiary invested USD86,762,700 in the construction of Tanzania architectural glass production project. In addition, after consideration and approval by the Investment Decision-making Committee of the Company, it was agreed that the African subsidiary invested USD36,110,400 for the construction of Phase II of the Zambia Architectural Ceramics Production Project. For details, please refer to the Announcement on Foreign Investment disclosed by the Company on March 4, 2023 on the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)).

(3) In order to improve the integrated layout of the Company's anode materials to achieve scale effect, expand the production capacity of artificial graphite and the market scale of the products, 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 January 9, 2023, and considered and passed the Proposal on Foreign Investment, agreeing Fujian Keda New Energy to establish a wholly owned subsidiary Chongqing Keda New Energy. It carries out the project of annual output of 50,000 tons of artificial graphite anode materials production line, and the project is expected to have a total investment of RMB1 billion. For details, please refer to the Announcement on Foreign Investment disclosed by the Company on January 10, 2023 on the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)). In addition, during the Reporting Period, the subsidiary Fujian Keda New Energy was also

constructing a 50,000-ton artificial graphite integration project. Based on the current sluggish market environment for anode materials, the Company has slowed down the investment and construction of the above two projects in Chongqing Keda New Energy and Fujian Keda New Energy, and has strengthened the related production process enhancement, lean management and cost reduction and efficiency enhancement work.

## 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 Jiaxing 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](http://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 May 8, 2023, at which it was agreed that the Company would sign the "Partnership Agreement of Huade Chengzhi Zhongke Equity Investment (Beijing) Partnership (Limited Partnership)" and contribute RMB50 million to subscribe for the share of Huade Chengzhi Zhongke fund initiated and established by Huade Chengzhi Zhongke Investment Management (Beijing) Co. Ltd. as a general partner. As at the end of the reporting period, the Company held 4.95% of the shares of Huade Chengzhi Zhongke Fund. For details, please refer to the Announcement on Foreign Investment and Subscription of Investment Fund Shares and Progress Announcement on Participation in Investment Fund disclosed by the Company on the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on May 9, 2023, November 30, 2023 and December 26, 2023 respectively.

## Section VII. Change in Shares and Details of Shareholders

### I. Changes in share capital

#### (i) Table of changes in shares

##### 1. Table of changes in shares

Unit: Shares

	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 changes 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. The impact of the changes in shares on financial indicators such as earnings per share and net assets per share in the last year and the latest period (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) Changes in restricted shares**Applicable Not applicable

Unit: Shares

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. Securities Issuance and Listing****(i) Securities issuance as of the reporting period**Applicable Not applicable

Description of securities issuance as of the reporting period (for bonds with different interest rates during the duration, please explain separately):

Applicable Not applicable**(ii) Changes in the total number of shares of the Company and the structure of shareholders and changes in the structure of the Company's assets and liabilities**Applicable Not applicable**(iii) Existing internal employee shares**Applicable Not applicable**III. Controlling Shareholders and Actual Controllers****(i) Total number of shareholders**

Total number of common shareholders as of the end of the reporting period (households)	85,331
Total number of common shareholders as of the end of the previous month before the annual report disclosure date (households)	79,121
Total number of preferred shareholders with voting rights restored as of the end of the reporting period (households)	0
Total number of preferred shareholders with voting rights restored at the end of the previous month before the annual report disclosure date (households)	0

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

Unit: Shares

top ten shareholders (excluding shares lent through the transfer facility)							
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	17,314,000	374,456,779	19.22	0	Pledged	222,261,000	Domestic natural persons
Guangdong Liansu Technology Industrial Co., Ltd.	136,600,077	136,600,077	7.01	0	N/A	0	Domestic non-state legal person
Lu Qin	0	125,983,334	6.47	0	N/A	0	Domestic natural persons
Macrolink Holding Co., Ltd.	0	100,519,652	5.16	0	Frozen	100,519,652	Non-State Legal Entity
Bian Cheng	0	98,699,598	5.07	0	N/A	0	Domestic natural persons
Foshan Newpearl Group Co., Ltd.	-1,000,000	51,994,111	2.67	0	N/A	0	Non-state legal persons
Xie Yuezeng	0	42,395,289	2.18	0	N/A	0	Domestic natural persons
Shi Liyun	-11,000	40,171,100	2.06	0	N/A	0	Domestic natural persons
Shi Tingbo	-19,308,200	33,783,200	1.73	0	N/A	0	Domestic natural persons
Hong Kong Central Clearing Company Limited	2,969,954	30,658,336	1.57	0	N/A	0	Overseas legal person
top ten unlimited shareholders							
Name of shareholder	Number of circulating shareholdings with unrestrictive sales conditions	Type and number of shares					
		Type	Number				
Liang Tongchan	374,456,779	RMB ordinary shares	374,456,779				
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 Holding 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.	51,994,111	RMB ordinary shares	51,994,111
Xie Yuezeng	42,395,289	RMB ordinary shares	42,395,289
Shi Liyun	40,171,100	RMB ordinary shares	40,171,100
Shi Tingbo	33,783,200	RMB ordinary shares	33,783,200
Hong Kong Central Clearing Company Limited	30,658,336	RMB ordinary shares	30,658,336
Explanation of repurchase special account among the top ten shareholders	The Company's special securities account for repurchase added 29,999,904 shares during the Reporting Period, and held a total of 60,563,442 shares of the Company as at the end of the period, accounting for 3.11% of the Company's total share capital stock.		
Explanation of the above shareholders' proxy voting rights, entrusted voting rights and waiver of voting rights	N/A		
Description of the above shareholders' affiliation or concerted action	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 voting rights restored and number of shares held	None		

Note: As of the close of the SIX Swiss Exchange on December 29, 2023 (Swiss time), the number of the Company's GDRs (Global Depositary Receipts) outstanding was 3,049,103, which represents 25.41% of the actual number of GDRs issued.

Participation of top ten shareholders in the lending of shares in the transfer business

Applicable Not applicable

Unit: Shares

Participation of the top ten shareholders in refinancing and lending shares								
Name of shareholder (full name)	Shares held in general account and credit account at the beginning of the period		Shares lent at the beginning of the period and not yet returned		Shares held in general account and credit account at the end of the period		Shares lent and not yet returned at the end of the period	
	Total number of shares	Proportion (%)	Total number of shares	Proportion (%)	Total number of shares	Proportion (%)	Total number of shares	Proportion (%)
Foshan Newpearl Group Co., Ltd.	52,994,111	2.72	0	0.00	51,994,111	2.67	1,000,000	0.05

Changes in the top ten shareholders from the previous period

Applicable Not applicable

Unit: Shares

Changes of the top ten shareholders compared with the end of the previous period
--

Name of shareholder (full name)	Addition/withdrawals during the Reporting Period	Number of shares lent and not yet returned at the end of the period		Number of shares held in shareholders' ordinary accounts and credit accounts and outstanding shares lent at the end of the period	
		Total number of shares	Proportion (%)	Total number of shares	Proportion (%)
Guangdong Liansu Technology Industrial Co., Ltd.	Addition	0	0	136,600,077	7.01
Bank of China Limited - SDIC UBS New Energy Hybrid Securities Investment Fund	Withdrawal				

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

#### IV. Shareholders and actual controllers

##### (i) Controlling shareholders

###### 1. legal person

Applicable Not applicable

###### 2. Natural person

Applicable Not applicable

###### 3. Special notes on no controlling shareholders

Applicable Not applicable

As of 31 December 2023, the shareholders holding more than 5.0% of the Company's shares were natural persons Liang Tongcan, Lu Qin, Bian Cheng, and legal person Guangdong Liansu Technology Industrial Co., Ltd. and Macrolink Holdings Co., Ltd., of which Liang Tongcan held 19.22% of the Company's shares, being the largest shareholder; Guangdong Liansu Technology Industrial Co., Ltd. held 7.01% of the Company's share; Lu Qin held 6.47% of the Company's shares; Macrolink Holdings Co., Ltd. held 5.16% of the Company's shares, and Bian Cheng holds 5.07% of the Company's shares. There were no shareholders of the Company holding more than 50% of the shares or having more than 30% of the voting rights of the listed company; the shares held by any shareholder of the Company were not enough to have a decisive influence on the resolution of the shareholders' meeting of the Company, while the Company did not have a shareholder controlling more than half of the board of directors and any other person actually controlling the Company's behavior, and the



shareholders holding more than 5.0% of the Company did not have a unanimous action agreement or arrangement. Therefore, there was no controlling shareholder or actual controller in the Company.

#### **4. Changes of controlling shareholders during the period**

Applicable Not applicable

#### **5. Chart of equity and controlling relationship between the Company and the controlling shareholder**

Applicable Not applicable

##### **(ii) Actual controller**

##### **1. Legal person**

Applicable Not applicable

##### **2. Natural person**

Applicable Not applicable

##### **3. Special notes about no actual controller**

Applicable Not applicable

As of 31 December 2023, the shareholders holding more than 5.0% of the Company's shares were natural persons Liang Tongcan, Lu Qin, Bian Cheng, and legal person Guangdong Liansu Technology Industrial Co., Ltd. and Macrolink Holdings Co., Ltd., of which Liang Tongcan held 19.22% of the Company's shares, being the largest shareholder; Guangdong Liansu Technology Industrial Co., Ltd. held 7.01% of the Company's share; Lu Qin held 6.47% of the Company's shares; Macrolink Holdings Co., Ltd. held 5.16% of the Company's shares, and Bian Cheng holds 5.07% of the Company's shares. There were no shareholders of the Company holding more than 50% of the shares or having more than 30% of the voting rights of the listed company; the shares held by any shareholder of the Company were not enough to have a decisive influence on the resolution of the shareholders' meeting of the Company, while the Company did not have a shareholder controlling more than half of the board of directors and any other person actually controlling the Company's behavior, and the shareholders holding more than 5.0% of the Company did not have a unanimous action agreement or arrangement. Therefore, there was no controlling shareholder or actual controller in the Company.

#### **4. Change of control of the Company during the period**

Applicable Not applicable

**5. Chart of equity and controlling relationship between the Company and the actual controller**Applicable Not applicable**6. Actual controller controls the Company through trust or other asset management methods**Applicable Not applicable**(iii) Other information about controlling shareholders and controller**Applicable Not applicable**V. The Company's controlling shareholder or largest shareholder and his/her/its concerted parties have accumulatively pledged the shares accounting for more than 80% of his/her/its shareholding in the Company**Applicable Not applicable**VI. Other corporate shareholders with over 10% of shareholding in the Company**Applicable Not applicable**VII. Details on restriction on shareholding reduction**Applicable Not applicable**VIII. Specific implementation of share repurchase during the reporting period**Applicable Not applicable

Unit: Yuan Currency: RMB

Name of share repurchase proposal	Keda Industrial Group Co., Ltd.'s proposal on repurchasing the A shares of the Company through centralised bidding transaction
Time of share repurchase proposal disclosed	September 12, 2023
Number of shares to be repurchased and the percentage of the total share capital (%)	The number of shares to be repurchased shall be not less than 20 million and not more than 30 million, representing 1.03% and 1.54% of the Company's current total share capital respectively.
Proposed repurchase amount	Based on the lower limit of the number of shares to be repurchased of 20 million shares and the upper limit of the repurchase price of RMB15 per share, it is estimated that the total amount of funds to be repurchased will be RMB300 million. Based on the maximum number of shares to be repurchased of 30 million shares and the maximum repurchase price of RMB15 per share, it is expected that the total amount of funds to be repurchased will be approximately RMB450 million.
Proposed repurchase period	From the date when the Board of Directors of the Company considered and approved the repurchase plan to December 31, 2023
Purpose of repurchase	For the implementation of employee stock ownership plan and/or equity incentives
Number of shares repurchased (shares)	29,999,904 shares

Number of shares repurchased accounting for the percentage of the subject shares in the share incentive plan (%) (if any)	-
Progress of the Company's reduction of shares repurchased by means of centralised bidding transactions	N/A

### **Section VIII. Relevant Information About Preferred Shares**

Applicable Not applicable

### **Section IX. Relevant Information About Bonds**

#### **I. Corporate bonds, corporate debentures and non-financial corporate debt financing instruments**

Applicable Not applicable

#### **II. Convertible corporate bonds**

Applicable Not applicable

## Section X Financial Report

### I. Auditor's Report

Applicable Not applicable

#### Audit Report

Z.X.C.S. No. 2024S00292

To all shareholders of Keda Industrial Group Co. Ltd.:

### I. Audit Opinions

We have audited the financial statements of Keda Industrial Group Co. Ltd. (hereinafter referred to as "Keda Group"), which comprise the consolidated balance sheet and the parent company's balance sheets as of 31 December 2023, the consolidated income statement and the parent company's income statement, the consolidated cash flow statement and the parent company's cash flow statement and the consolidated statement of changes in owner's equity and the parent company's statement of changes in owner's equity for the year 2023 and relevant notes to the financial statements.

We believe that all the financial statements attached are prepared in accordance with the accounting standards for business enterprises in all material respects, and can fairly reflect Keda Group's consolidated financial position and the parent company's financial position as at 31 December 2023 as well as Keda Group's consolidated operating results and cash flows and the parent company's operating results and cash flows for the year 2023.

### II. Basis for the Audit Opinions

We conducted the audit in line with the Auditing Standards for Chinese Certified Public Accountants. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of the auditor's report. We are independent of the Keda Group in accordance with the China Code of Ethics for Certified Public Accountants and have fulfilled our other responsibilities in terms of professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### III. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

i. Recognition of revenue from building materials machinery equipment and revenue from oversea building ceramics

1. Description of the matter

In 2023, Keda Group recorded revenue of RMB4,477,209.6 thousand from building material machinery equipment and RMB3,655,208.5 thousand from overseas building ceramics (see Notes III. 30 and V. 47 to the financial statements), accounting for 46.18% and 37.70% of the total operating revenue, respectively, which were the main components of Keda Group's revenue. Revenue from building materials machinery equipment decreased by 20.16%; and revenue from overseas building ceramics increased by 11.59% as compared with the previous year. As revenue from building materials machinery equipment and overseas building ceramics has a significant impact on the financial statements and is one of Keda Group's key performance indicators, there is an inherent risk that the management will manipulate the time point of revenue recognition in order to achieve specific goals or expectations. For this reason, we confirm that the recognition of revenue from building materials machinery equipment and overseas building ceramics is a key audit matter.

## 2. Audit response

Our audit procedures for revenue recognition mainly include:

(1) We understood and evaluated the effectiveness of the management's design of key internal controls related to operating revenue recognition and tested the effectiveness of the implementation of key controls.

(2) We identified sales contracts, learned the Company's sales model, major contract terms and settlement methods through sample inspection of sales contracts and interviews with the management, identified and analyzed contract terms and conditions related to the transfer of control of merchandise in accordance with the new revenue standard, and evaluated whether the Company's point of revenue recognition is in compliance with the provisions of the Accounting Standards for Business Enterprises ("ASBEs").

(3) We performed analytical review audit procedures on operating revenue to analyze increase or decrease in revenue and changes in gross margins, and determine the reasonableness of the changes.

(4) We implemented the test on the revenue details, selecting samples from the accounting records of sales revenue and outgoing records, and checking the sales contracts, delivery notes or acceptance receipts related to the samples to determine whether the revenue is real and complete. For the export business, we obtained the customs declaration, packing list, bill of lading and data for foreign exchange receivables settlement, and checked them against the application for tax exemption, deduction and return in the tax system to confirm the realisation of the revenue.

(5) We performed cut-off tests by selecting samples of revenue transactions recorded around the balance sheet date and checked that the revenue is recorded in the correct period by examining sales contracts, delivery notes, signature records for receipt, acceptance slips and bank fund flows.

(6) We selected a sample of customers to confirm the sales in the current year, and performed alternative auditing procedures for items with no reply. For the portion of overseas sales, we examined supporting documents related to revenue recognition such as sales orders and customs declarations of major customers, and checked the records of post-period payments.

ii. Income from long-term equity investment in Lanke Lithium Industry accounted for by equity method.

#### 1. Description of the matter

The Company's investment in an associate, Qinghai Yanhu Lanke Lithium Industry Co., Ltd. ("Lanke Lithium Industry"), was accounted for by equity method, and an investment income of RMB1,442,167.1 thousand was recognised in 2023 (see Notes III. 19, V. 54 and VIII. 3 to the financial statements), accounting for 55.29% of the net profit in the consolidated financial statements. The Company indirectly hold 48.58% equity interest in Lanke Lithium Industry, which has significant influence. In accordance with the provisions of *Accounting Standards for Business Enterprises No. 2 - Long-term Equity Investments*, the Company adopted accounting through equity method for it, and recognised investment income of RMB 1,442,167.1 thousand in the current period. The impact on the financial statements is significant due to the income from the Company's long-term equity investment in Lanke Lithium Industry recognised by accounting through equity method. We identified the income from long-term equity investments accounted for by equity method as a key audit matter.

#### 2. Audit response

Our audit procedures for the income from long-term equity investments accounted for by equity method mainly include:

(1) We obtained an understanding of the internal controls related to long-term equity investments, evaluated the design of those controls, determined whether they had been implemented, and tested the operating effectiveness of related internal controls.

(2) We had access to the articles of association, investment agreements and composition of the board of directors of Lanke Lithium Industry, and determined that the Company has a significant impact on Lanke Lithium Industry. In accordance with the provisions of *Accounting Standard for Business Enterprises No. 2-Long-term Equity Investments*, we adopted accounting through equity method for Lanke Lithium Industry.

(3) We investigated the operating conditions of Lanke Lithium Industry and analyzed the reasonableness of the changes in its performance and assessed the reliability of the financial data in conjunction with the industry analysis.

(4) We performed analytical review and audit procedures on the operating revenue of Lanke Lithium Industry, analyzing changes in revenue and changes in gross margins; obtained major sales contracts, delivery notes and bank fund flows of Lanke Lithium Industry, and performed test on revenue details to determine whether the revenue was real.

(5) We communicated with the management of Lanke Lithium Industry, inquired about and understood the operation and financial conditions of Lanke Lithium Industry for the year 2023, including the annual recorded sales revenue, production and sales volume of major products and recorded net profit, etc., and analyzed the reasons for the significant decrease in revenue and profit compared with the previous year. We also obtained an understanding of the industry situation and product price fluctuations of Lanke Lithium Industry through network inquiries and other means, so as to analyze and judge whether the production and

operation conditions of Lanke Lithium Industry were consistent with changes in comparable companies in the same industry.

(6) We examined whether information relating to income from long-term equity investments accounted by equity method had been properly presented and disclosed in the financial statements.

#### **IV. Other Information**

Keda Group's management is responsible for other information. Other information includes information covered in the 2023 Annual Report, but excludes the financial statements and our audit report. The 2023 Annual Report is expected to be available to us after the date of the audit report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information mentioned above when it is available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the 2023 Annual Report, if we determine that it contains any material misstatement, the auditing standards require us to communicate with the governance on the matter and request it to make correction.

#### **V. Responsibilities of the Management and Those Charged with Governance for the Financial Statements**

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the ASBEs for designing, implementing and maintaining internal controls regarding the preparation of financial statements so that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Keda Group's ability to continue as a going concern, disclosing matters related to going concern (if applicable), and applying the going concern assumptions unless the management either intends to liquidate Keda Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Keda Group's preparation of its financial report.

#### **VI. Responsibilities of CPAs for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes the audit opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Auditing

Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are generally considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(2) Understand internal controls relevant to the audit for designing appropriate audit procedures.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

(4) Conclude on the appropriateness of the Management's use of going concern assumptions. Meanwhile, we draw a conclusion of the matters that might produce major doubts about the ability of Keda Group to continue as a going concern, and judge whether there are major uncertainties, according to the audit evidence obtained. If we conclude that a material uncertainty exists, we are required to draw attention of users in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Keda Group to cease to continue as a going concern.

(5) Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Keda Group to express an opinion on the financial statements. We are responsible for guiding, supervising and implementing the group audit, and remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have also provided those charged with governance with a statement on observing the professional ethics related to independence, and communicated with those charged with governance on all the relationships and other matters that might be reasonably deemed to affect our independence, and relevant preventative measures.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our audit report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Zhongxi CPAS

Chinese Certified Public

(Special General Partnership)

Accountant

(Project Partner)

Chinese Certified Public

Accountant

Beijing, China

25 March 2024

**II. Financial Statements****Consolidated Balance Sheet**

31 December 2023

Prepared by: Keda Industrial Group Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	December 31, 2023	December 31, 2022
<b>Current assets:</b>			
Monetary funds	VII.1	3,602,185,446.95	4,796,813,382.56
Settlement funds			
Lending funds			
Financial assets held for trading	VII.2	290,899,359.36	397,962,373.33
Derivative financial assets			
Notes receivable	VII.4	54,743,254.71	75,047,382.31
Accounts receivable	VII.5	1,766,912,638.97	1,591,009,847.45
Receivables financing	VII.7	235,766,507.47	266,154,517.25
Prepayments	VII.8	414,559,543.77	272,322,700.45
Premium receivable			
Reinsurance accounts receivable			
Provision for reinsurance contract receivable			
Other receivables	VII.9	552,978,112.69	113,958,752.66
Including: Interest receivable			
Dividends receivable		411,407,122.94	4,800,000.00
Purchases of resold financial assets			
Inventories	VII.10	3,667,739,726.11	3,241,674,256.81
Contract assets	VII.6	241,805,572.26	381,705,152.65
Assets held for sale			
Non-current assets due within one year	VII.12	438,945,991.29	432,359,979.01
Other current assets	VII.13	499,192,390.81	337,065,422.83
Total current assets		11,765,728,544.39	11,906,073,767.31
<b>Non-current assets:</b>			
Loans and advances granted			
Debt investments			
Other debt investments			
Long-term receivables	VII.16	211,986,217.26	259,164,816.01
Long-term equity investments	VII.17	3,000,483,891.00	3,119,163,158.98

Other equity instrument investments	VII.18	813,958,511.01	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	4,030,962,450.69	3,130,982,694.29
Construction in progress	VII.22	1,431,817,303.54	676,298,157.93
Productive biological assets			
Oil and gas assets			
Right-of-use assets	VII.25	17,044,709.49	8,213,833.67
Intangible assets	VII.26	874,429,981.46	867,179,615.23
Development expenses			
Goodwill	VII.27	913,229,150.98	913,229,150.98
Long-term amortised expenses	VII.28	342,567.44	15,416,756.53
Deferred income tax assets	VII.29	331,850,626.07	201,207,728.91
Other non-current assets	VII.30	207,337,892.23	44,576,001.86
Total non-current assets		11,838,443,301.17	9,246,349,318.86
Total assets		23,604,171,845.56	21,152,423,086.17
<b>Current liabilities:</b>			
Short-term loans	VII.32	572,347,913.04	1,006,320,184.45
Borrowings from the Central Bank			
Borrowing funds			
Financial liabilities held for trading	VII.33	5,262,816.37	
Derivative financial liabilities			
Notes payable	VII.35	578,895,361.47	685,516,312.19
Accounts payable	VII.36	1,839,503,607.87	1,529,238,273.39
Receipts in advance			
Contract liabilities	VII.38	1,888,715,707.88	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	202,846,170.77	223,534,857.85
Taxes payable	VII.40	87,360,101.29	127,612,390.83
Other payables	VII.41	198,082,763.71	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	879,695,482.87	569,507,280.85
Other current liabilities	VII.44	174,368,336.57	137,492,517.93
Total current liabilities		6,427,078,261.84	6,029,677,975.87
<b>Non-current liabilities:</b>			
Insurance contracts provision			
Long-term loans	VII.45	3,398,551,597.79	1,490,153,752.68
Bonds payable			
Including: Preferred stock			
Perpetual bonds			
Lease liabilities	VII.47	16,013,356.10	8,589,330.92
Long-term payables			
Long-term payroll payables			
Estimated liabilities	VII.50	2,051,846.42	188,699,684.05
Deferred income	VII.51	33,368,583.17	44,970,169.55
Deferred income tax liabilities	VII.29	16,489,442.49	13,683,131.40
Other non-current liabilities	VII.52	23,458,125.88	44,883,546.49
Total non-current liabilities		3,489,932,951.85	1,790,979,615.09
Total liabilities		9,917,011,213.69	7,820,657,590.96
<b>Owners' equity (or shareholders' equity):</b>			
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	3,058,426,254.55	3,059,464,326.69
Less: Treasury stock	VII.56	838,502,702.66	500,000,213.13
Other comprehensive income	VII.57	-642,076,823.17	-204,275,596.34
Special reserves	VII.58	4,390,105.11	4,390,105.11
Surplus reserves	VII.59	831,660,882.22	396,165,018.95
General risk provision			
Undistributed profits	VII.60	7,036,124,085.42	6,684,315,895.33
Total owners' equity (or shareholders' equity) attributable to parent company		11,398,441,730.47	11,388,479,465.61
Non-controlling interests		2,288,718,901.40	1,943,286,029.60
Total owners' equity (or shareholders' equity)		13,687,160,631.87	13,331,765,495.21

Total liabilities and owners' equity (or shareholders' equity)		23,604,171,845.56	21,152,423,086.17
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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

December 31 2023

Prepared by: Keda Industrial Group Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	December 31, 2023	December 31, 2022
<b>Current assets:</b>			
Monetary funds		1,859,838,691.87	2,757,936,985.68
Financial assets held for trading		290,656,473.61	397,504,933.95
Derivative financial assets			
Notes receivable		1,133,130.80	2,308,442.59
Accounts receivable	XVII. 1	681,747,950.38	633,699,563.11
Receivables financing		36,135,375.10	37,580,325.38
Prepayments		20,992,926.56	30,592,960.81
Other receivables	XVII. 2	1,353,229,176.19	1,509,790,902.28
Including: Interest receivable			
Dividends receivable		137,423,630.00	211,096,750.00
Inventories		343,721,988.31	416,836,606.46
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets		1,661,730.81	1,961,888.46
Total current assets		4,589,117,443.63	5,788,212,608.72
<b>Non-current assets:</b>			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	XVII.3	7,370,866,247.20	6,619,741,108.85
Other equity instrument investments		626,326,955.89	
Other non-current financial assets		5,000,000.00	5,000,000.00
Investment properties			
Fixed assets		277,545,546.59	246,858,681.98

Construction in progress		21,219,863.66	46,558,831.60
Productive biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets		39,342,488.78	35,940,951.33
Development expenses			
Goodwill			
Long-term prepaid expenses			
Deferred income tax assets		220,149,957.53	136,164,416.64
Other non-current assets			
Total non-current assets		8,560,451,059.65	7,090,263,990.40
Total assets		13,149,568,503.28	12,878,476,599.12
<b>Current liabilities:</b>			
Short-term loans		230,000,000.00	395,200,000.00
Financial liabilities held for trading		814,778.99	
Derivative financial liabilities			
Notes payable		139,240,000.00	459,865,000.00
Accounts payable		636,833,371.83	478,645,990.90
Receipts in advance			
Contract liabilities		198,332,957.12	219,839,514.25
Payroll payable		75,679,958.55	109,326,004.97
Taxes payable		1,341,328.84	29,493,151.13
Other payables		1,082,477,276.09	3,550,340,587.19
Including: Interest payable			
Dividends payable			
Liabilities held for sale			
Non-current liabilities due within one year		441,058,797.53	140,490,972.64
Other current liabilities		20,671,728.69	24,953,625.19
Total current liabilities		2,826,450,197.64	5,408,154,846.27
<b>Non-current liabilities:</b>			
Long-term loans		1,162,236,190.37	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
Deferred income			
Deferred income tax liabilities			123,202.72
Other non-current liabilities		10,318,000.00	31,830,000.00
Total non-current liabilities		1,172,554,190.37	726,956,251.34
Total liabilities		3,999,004,388.01	6,135,111,097.61
<b>Owners' equity (or shareholders' equity):</b>			
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		3,580,161,422.83	3,557,704,709.77
Less: Treasury stock		838,502,702.66	500,000,213.13
Other comprehensive income		-329,335,896.60	-1,764,000.00
Special reserves			
Surplus reserves		824,653,839.19	389,157,975.92
Undistributed profits		3,965,167,523.51	1,349,847,099.95
Total owners' equity (or shareholders' equity)		9,150,564,115.27	6,743,365,501.51
Total liabilities and owners' equity (or shareholders' equity)		13,149,568,503.28	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- December 2023

Unit: Yuan Currency: RMB

Item	Note	Year 2023	Year 2022
I. Total operating revenue		9,695,639,815.80	11,157,196,625.86
Including: Operating revenue	VII.61	9,695,639,815.80	11,157,196,625.86
Interest income			
Premium earned			
Handling charges and commission income			
II. Total operating expenses		8,799,281,433.68	9,657,836,943.21
Including: Operating expenses	VII.61	6,860,260,600.24	7,871,590,115.98
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	65,824,831.49	58,365,134.23
Selling expenses	VII.63	476,783,418.64	552,417,050.71
Management expenses	VII.64	850,426,366.16	796,832,098.64
R&D expenses	VII.65	292,170,623.66	326,139,737.83
Financial expenses	VII.66	253,815,593.49	52,492,805.82
Including: Interest expenses		213,017,526.56	108,087,861.23
Interest income		91,109,128.37	34,429,392.38
Add: Other income	VII.67	136,158,040.99	101,452,190.60
Investment income (losses marked with “-”)	VII.68	1,472,706,919.58	3,865,215,848.81
Including: Investment income in associates and joint ventures		1,469,518,082.38	3,857,884,620.30
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	4,903,251.77	9,089,265.38
Credit impairment loss (losses marked with “-”)	VII.71	-35,137,454.98	-76,824,096.28
Impairment losses on assets (losses marked with “-”)	VII.72	7,842,906.40	21,810,216.39
Income from disposal of assets (losses marked with “-”)	VII.73	-921,146.42	-14,739,271.83
III. Operating profits (losses marked with “-”)		2,481,910,899.46	5,405,363,835.72
Add: Non-operating revenue	VII.74	199,029,292.12	21,208,205.11
Less: Non-operating expenses	VII.75	47,081,170.18	113,746,708.21
IV. Total profit (total losses marked with “-”)		2,633,859,021.40	5,312,825,332.62
Less: Income tax expenses	VII.76	25,669,161.31	110,632,852.34
V. Net profit (net losses marked with “-”)		2,608,189,860.09	5,202,192,480.28
(I) Classified by business continuity			
1. Net profit from continuing operations (net losses marked with “-”)		2,614,466,538.67	5,106,639,806.75
2. Net profit from discontinued operations (net losses marked with “-”)		-6,276,678.58	95,552,673.53
(II) Classified by ownership			
1. Net profit attributable to shareholders of parent company (net losses marked with “-”)		2,091,996,449.37	4,250,931,759.12



2. Profit or loss attributable to minority interests (net losses marked with “-”)		516,193,410.72	951,260,721.16
VI. Other comprehensive income, net of tax		-560,846,030.86	-215,832,044.14
(I) Other comprehensive income attributable to owners of parent company, net of tax		-437,801,226.83	-93,848,515.44
1. Other comprehensive income that may not be reclassified to profit or loss		-383,214,122.51	-2,753,365.94
(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		63,757.37	
(3) Changes in fair value of other equity instrument investments		-383,277,879.88	-2,753,365.94
(4) Changes in fair value of enterprise’s own credit risk			
2. Other comprehensive income that will be reclassified to profit or loss		-54,587,104.32	-91,095,149.50
(1) Other comprehensive income that may be transferred to profit or loss under equity method		-151,538.21	
(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		-54,435,566.11	-91,095,149.50
(7) Others			
(II) Other comprehensive income attributable to minority interests, net of tax		-123,044,804.03	-121,983,528.70
VII. Total comprehensive income		2,047,343,829.23	4,986,360,436.14
(I) Total comprehensive income attributable to owners of parent company		1,654,195,222.54	4,157,083,243.68
(II) Total comprehensive income attributable to minority interests		393,148,606.69	829,277,192.46
VIII. Earnings per share:			
(I) Basic earnings per share (RMB per share)		1.095	2.229
(II) Diluted earnings per share (RMB per share)		1.095	2.229

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- December 2023

Unit: Yuan Currency: RMB

Item	Note	Year 2023	Year 2022
I. Operating revenue	XVII. 4	1,881,795,711.83	2,371,770,264.99
Less: Operating expenses	XVII. 4	1,492,432,976.60	1,816,450,300.39
Taxes and surcharges		12,135,038.76	14,426,887.41
Selling expenses		145,735,014.72	161,527,337.17
Management expenses		214,310,554.63	259,356,829.50
R&D expenses		92,829,966.08	107,712,479.81
Financial expenses		3,192,805.61	26,168,424.40
Including: Interest expenses		52,772,406.30	45,751,438.37
Interest income		66,606,769.12	16,977,264.02
Add: Other income		34,599,182.38	32,968,009.82
Investment income (losses marked with “-”)	XVII. 5	4,199,724,987.92	513,073,782.20
Including: Investment income in associates and joint ventures		24,304,740.68	4,751,305.48
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 “-”)		11,974,692.64	14,789,918.46
Credit impairment loss (losses marked with “-”)		-3,099,430.01	-29,152,505.87
Impairment losses on assets (losses marked with “-”)		-800,000.00	
Income from disposal of assets (losses marked with “-”)			-2,252,577.61
II. Operating profits (losses marked with “-”)		4,163,558,788.36	515,554,633.31
Add: Non-operating revenue		187,137,179.15	890,182.11
Less: Non-operating expenses		8,266,084.37	92,708,868.22
III. Total profit (total losses marked with “-”)		4,342,429,883.14	423,735,947.20
Less: Income tax expenses		-12,528,749.57	15,592,382.22
IV. Net profit (net losses marked with “-”)		4,354,958,632.71	408,143,564.98
(I) Net profit from continuing operations (net losses marked with “-”)		4,354,958,632.71	408,143,564.98

(II) Net profit from discontinued operations (net losses marked with “-”)			
V. Other comprehensive income, net of tax		-327,571,896.60	-1,764,000.00
(I) Other comprehensive income that may not be reclassified to profit or loss		-327,420,358.39	-1,764,000.00
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		-327,420,358.39	-1,764,000.00
4. Changes in fair value of enterprise’s own credit risk			
(II) Other comprehensive income that will be reclassified to profit or loss		-151,538.21	
1. Other comprehensive income that may be transferred to profit or loss under equity method		-151,538.21	
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		4,027,386,736.11	406,379,564.98
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- December 2023

Unit: Yuan Currency: RMB

Item	Note	Year 2023	Year 2022
<b>I. Cash flows from operating activities:</b>			
Cash received from sales of goods or rendering of services		9,958,015,201.96	10,176,077,746.11
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		160,768,527.19	394,729,905.90
Other cash received relating to operating activities	VII. 78	280,444,853.03	191,931,515.89
Subtotal of cash inflow from operating activities		10,399,228,582.18	10,762,739,167.90
Cash paid for purchase of goods and receipt of services		7,217,084,252.84	7,374,017,435.18
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		1,082,441,301.76	978,977,252.59
Various types of taxes paid		507,792,975.65	524,445,823.27
Other cash paid relating to operating activities	VII. 78	861,078,093.09	887,888,051.52
Subtotal of cash outflow from operating activities		9,668,396,623.34	9,765,328,562.56

Net cash flows from operating activities		730,831,958.84	997,410,605.34
<b>II. Cash flows from investment activities:</b>			
Cash received from disposal of investments		2,311,651.10	8,220,000.00
Cash received from investment income		1,452,758,177.96	2,968,008,477.39
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		7,425,141.56	81,509,321.91
Net cash received from disposal of subsidiaries and other business units			36,654,530.56
Other cash received relating to investment activities	VII. 78	3,029,366,781.30	515,950,843.04
Subtotal of cash inflow from investing activities		4,491,861,751.92	3,610,343,172.90
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		1,544,629,814.30	993,441,973.19
Cash paid for investment		1,522,785,625.74	150,000,000.00
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	2,178,059,179.44	1,680,913,064.84
Subtotal of cash outflow from investing activities		5,245,474,619.48	2,824,355,038.03
Net cash flows from investing activities		-753,612,867.56	785,988,134.87
<b>III. Cash flows from financing activities:</b>			
Cash received from capital contributions		330,125,001.33	1,319,326,656.12
Including: Cash received from minority shareholders investment by subsidiaries		330,125,001.33	168,333,173.00
Cash received from borrowings		4,742,780,823.39	2,697,985,087.19
Other cash received relating to financing activities	VII.78	359,034,707.58	391,042,724.98
Subtotal of cash inflow from financing activities		5,431,940,532.30	4,408,354,468.29
Cash paid for debt repayment		3,133,109,004.95	2,660,840,224.25
Cash paid for distributing dividend, profit or repaying interest		1,954,528,088.97	624,852,830.23
Including: Dividend and profit paid to minority shareholders by subsidiaries		390,301,877.16	177,041,923.36
Other cash paid relating to financing activities	VII. 78	695,398,954.67	907,615,951.09
Subtotal of cash outflow from financing activities		5,783,036,048.59	4,193,309,005.57
Net cash flows from financing activities		-351,095,516.29	215,045,462.72

<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>		7,268,411.01	50,847,489.56
<b>V. Net increase in cash and cash equivalents</b>		-366,608,014.00	2,049,291,692.49
Add: Opening balance of cash and cash equivalents		3,737,084,797.82	1,687,793,105.33
<b>VI. Closing balance of cash and cash equivalents</b>		3,370,476,783.82	3,737,084,797.82

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- December 2023

Unit: Yuan Currency: RMB

Item	Note	Year 2023	Year 2022
<b>I. Cash flows from operating activities:</b>			
Cash received from sales of goods or rendering of services		1,735,071,696.55	2,119,282,269.51
Tax refunds received		64,299,559.36	134,046,296.98
Other cash received relating to operating activities		3,026,260,577.35	3,751,889,370.89
Subtotal of cash inflow from operating activities		4,825,631,833.26	6,005,217,937.38
Cash paid for purchase of goods and receipt of services		1,289,629,741.00	2,022,488,364.07
Cash paid to and for staff		324,744,823.46	313,656,889.77
Various types of taxes paid		66,881,234.28	65,856,622.16
Other cash paid relating to operating activities		5,633,441,299.64	1,359,204,876.05
Subtotal of cash outflow from operating activities		7,314,697,098.38	3,761,206,752.05
Net cash flows from operating activities		-2,489,065,265.12	2,244,011,185.33
<b>II. Cash flows from investment activities:</b>			
Cash received from disposal of investments		72,287,938.00	338,759,020.00
Cash received from investment income		4,248,521,207.31	359,681,191.79
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		90,000.00	817,999.58
Net cash received from disposal of subsidiaries and other business units			
Other cash received relating to investment activities		1,203,098,465.94	370,000,000.00
Subtotal of cash inflow from investing activities		5,523,997,611.25	1,069,258,211.37
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		39,516,591.61	67,886,806.65
Cash paid for investment		1,753,655,677.52	951,586,800.00
Net cash paid for the acquisition of subsidiaries and other business units			
Other cash paid relating to investment activities		450,110,861.92	1,360,974,274.59
Subtotal of cash outflow from		2,243,283,131.05	2,380,447,881.24

investing activities			
Net cash flows from investing activities		3,280,714,480.20	-1,311,189,669.87
<b>III. Cash flows from financing activities:</b>			
Cash received from capital contributions			1,150,993,483.12
Cash received from borrowings		1,846,234,290.85	1,368,585,089.44
Other cash received relating to financing activities		53,108,851.77	103,956,575.27
Subtotal of cash inflow from financing activities		1,899,343,142.62	2,623,535,147.83
Cash paid for debt repayment		1,057,232,911.77	1,280,200,465.64
Cash paid for distributing dividend, profit or repaying interest		1,357,970,186.82	384,425,759.85
Other cash paid relating to financing activities		377,294,898.63	575,451,593.84
Subtotal of cash outflow from financing activities		2,792,497,997.22	2,240,077,819.33
Net cash flows from financing activities		-893,154,854.60	383,457,328.50
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>		-5,671,313.60	29,824,883.54
<b>V. Net increase in cash and cash equivalents</b>		-107,176,953.12	1,346,103,727.50
Add: Opening balance of cash and cash equivalents		1,930,229,870.53	584,126,143.03
<b>VI. Closing balance of cash and cash equivalents</b>		1,823,052,917.41	1,930,229,870.53

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- December 2023

Unit: Yuan Currency: RMB

Item	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 "-")					-1,038,072.14	338,502,489.53	-437,801,226.83		435,495,863.27		351,808,190.09		9,962,264.86	345,432,871.80	355,395,136.66
(I) Total comprehensive income							-437,801,226.83				2,091,996,449.37		1,654,195,222.54	393,148,606.69	2,047,343,829.23
(II) Capital contribution or reduction by owners					-3,023,824.32	338,502,489.53							-341,526,313.85	309,514,893.10	-32,011,420.75
1. Ordinary shares contributed by owners														330,125,001.33	330,125,001.33
2. Capital contribution by other equity instrument holders															
3. Share-based payments recognized in owners' equity					22,456,713.06								22,456,713.06		22,456,713.06
4. Others					-25,480,537.38	338,502,489.53							-363,983,026.91	-20,610,108.23	-384,593,135.14
(III) Profit distribution									435,495,863.27		-1,739,638,209.15		-1,304,142,345.88	-357,230,627.99	-1,661,372,973.87
1. Withdrawal of surplus reserves									435,495,863.27		-435,495,863.27				
2. Withdrawal of general risk provision															
3. Distribution to owners (or shareholders)											-1,304,142,345.88		-1,304,142,345.88	-357,230,627.99	-1,661,372,973.87
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					1,985,752.18						-550,050.13		1,435,702.05		1,435,702.05

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2022															
Item	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											
IV. Balance at the end of current period	1,948,419,929.00				3,058,426,254.55	838,502,702.66	-642,076,823.17	4,390,105.11	831,660,882.22		7,036,124,085.42		11,398,441,730.47	2,288,718,901.40	13,687,160,631.87
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 "-")	60,000,000.00				1,155,203,066.29	500,000,213.13	-93,848,515.44	4,390,105.11	40,814,356.50		3,870,201,815.40		4,536,760,614.73	799,618,683.29	5,336,379,298.02
(I) Total comprehensive income							-93,848,515.44				4,250,931,759.12		4,157,083,243.68	829,277,192.46	4,986,360,436.14
(II) Capital contribution or reduction by owners	60,000,000.00				1,153,505,407.04	500,000,213.13							713,505,193.91	185,199,630.83	898,704,824.74
1. Ordinary shares contributed by owners	60,000,000.00				1,080,210,317.86								1,140,210,317.86	168,333,173.00	1,308,543,490.86
2. Capital contribution by other equity instrument holders															
3. Share-based payments recognized in owners' equity					78,831,960.51								78,831,960.51	12,176,822.47	91,008,782.98
4. Others					-5,536,871.33	500,000,213.13							-505,537,084.46	4,689,635.36	-500,847,449.10
(III) Profit distribution									40,814,356.50		-380,729,943.72		-339,915,587.22	-214,858,140.00	-554,773,727.22
1. Withdrawal of surplus reserves									40,814,356.50		-40,814,356.50				
2. Withdrawal of general risk provision															
3. Distribution to owners (or shareholders)											-339,915,587.22		-339,915,587.22	-214,858,140.00	-554,773,727.22
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								4,390,105.11					4,390,105.11		4,390,105.11
1. Amount withdrawn during current period								4,390,105.11					4,390,105.11		4,390,105.11
2. Amount utilized during current period															
(VI) Others					1,697,659.25								1,697,659.25		1,697,659.25
IV. Balance at the end of current period	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

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- December 2023

Unit: Yuan Currency: RMB

Item	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 "-")					22,456,713.06	338,502,489.53	-327,571,896.60		435,495,863.27	2,615,320,423.56	2,407,198,613.76
(I) Total comprehensive income							-327,571,896.60			4,354,958,632.71	4,027,386,736.11
(II) Capital contribution or reduction by owners					22,456,713.06	338,502,489.53					-316,045,776.47
1. Ordinary shares contributed by the owners											
2. Capital contribution by other equity instrument holders											
3. Share-based payment recognized in owners' equity					22,456,713.06						22,456,713.06
4. Others						338,502,489.53					-338,502,489.53
(III) Profit distribution									435,495,863.27	-1,739,638,209.15	-1,304,142,345.88
1. Withdrawal of surplus reserves									435,495,863.27	-435,495,863.27	
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				3,580,161,422.83	838,502,702.66	-329,335,896.60		824,653,839.19	3,965,167,523.51	9,150,564,115.27
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Item	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 “-”)	60,000,000.00				1,139,366,788.20	500,000,213.13	-1,764,000.00		40,814,356.50	27,413,621.26	765,830,552.83
(I) Total comprehensive income							-1,764,000.00			408,143,564.98	406,379,564.98
(II) Capital contribution or reduction by owners	60,000,000.00				1,139,264,456.52	500,000,213.13					699,264,243.39
1. Ordinary shares contributed by the owners	60,000,000.00				1,080,210,317.86						1,140,210,317.86
2. Capital contribution by other equity instrument holders											
3. Share-based payment recognized in owners' equity					59,054,138.66						59,054,138.66
4. Others						500,000,213.13					-500,000,213.13
(III) Profit distribution									40,814,356.50	-380,729,943.72	-339,915,587.22
1. Withdraw surplus reserves									40,814,356.50	-40,814,356.50	
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					102,331.68						102,331.68
IV. Balance at the end of current period	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

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.

### 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” (2023 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. Methodology for determining significance criteria and basis for selection

Applicable Not applicable

Item	Significance criteria
Significant single item provision for bad debts of receivables	Amount greater than or equal to RMB3 million
Significant write-off of accounts receivable in the Reporting Period	Amount greater than or equal to RMB3 million
Significant construction in progress	Total project investment greater than or equal to RMB100 million
Significant non-wholly-owned subsidiaries	Net profit attributable to the Group exceeds 10%

## 6. 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.



## 7. 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.

When determining whether to include a structured entity in the scope of consolidation, the Company assesses whether to control the structured entity on the basis of a combination of all the facts and circumstances, including an assessment of the purpose and design for which the structured entity was established, the identification of the types of variable returns, and whether it has assumed some or all of the variability of the returns through its participation in its related activities.

### (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.

## **8. 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.19.

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.

#### **9. 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.

#### **10. 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.

## 11. 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.

### 12. Notes receivable

Applicable  Not applicable

#### 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.

### **Types of portfolios of provision for bad debts based on credit risk characteristics and the determination basis**

Applicable Not applicable

Types of portfolios of provision for bad debts based on credit risk characteristics and the determination basis are as follows:

Portfolio name	Basis for portfolio determination	Provision method
Banker's acceptance	The acceptor is a bank with relatively high credit risk	It is calculated in accordance with the expected credit loss method by reference to historical credit loss experience, and based on the current situation and forecast for the future.
Commercial acceptance draft	There is a possibility of default and credit risk	It is calculated in accordance with the expected credit loss method by reference to historical credit loss experience, and based on the current situation and forecast for the future.

### **Aging calculation method for recognising a portfolio of credit risk characteristics based on aging**

Applicable Not applicable

### **Criteria for judging single-item provision by provision for bad debts by single item**

Applicable Not applicable

The Company performs impairment tests on individual accounts receivable that have significantly different credit risk characteristics, such as a significant deterioration in the debtor's credit status, a low probability of future repayment, or already occurred credit impairment.

### **13. Accounts receivable**

Applicable Not applicable

#### **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.

#### **Types of portfolios of provision for bad debts based on credit risk characteristics and the determination basis**

Applicable Not applicable

When the information of expected credit loss cannot be assessed at reasonable cost for a single financial asset, the Company classifies a portfolio of receivables according to credit risk characteristics, and estimates the expected credit loss based on the portfolio.

Portfolio name	Basis for portfolio determination	Provision method
Aging portfolio	Accounts receivable with similar credit risk characteristics classified by aging	It is calculated in accordance with the expected credit loss method by reference to historical credit loss experience, and based on the current situation and forecast for the future.
Grouping of related parties	Receivables from subsidiaries within the scope of consolidation of the Company	It is calculated in accordance with the expected credit loss method by reference to historical credit loss experience, and based on the current situation and forecast for the future.

#### **Aging calculation method for recognising a portfolio of credit risk characteristics based on aging**

Applicable Not applicable

#### **Criteria for judging single-item provision by determining provision for bad debts by single item**

Applicable Not applicable

The Company performs impairment tests on individual accounts receivable that have significantly different credit risk characteristics, such as a significant deterioration in the debtor's credit status, a low probability of future repayment, or already occurred credit impairment.

#### 14. Receivables financing

Applicable Not applicable

##### Methods for determining and accounting for expected credit losses on 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.

##### Types of portfolios of provision for bad debts based on credit risk characteristics and the determination basis

Applicable Not applicable

Portfolio name	Basis for portfolio determination	Provision method
Grouping of banker's acceptance	The acceptor is a bank with low credit risk	It is calculated in accordance with the expected credit loss method by reference to historical credit loss experience, and based on the current situation and forecast for the future.
Accounts receivable portfolio	There is a possibility of default and credit risk	It is calculated in accordance with the expected credit loss method by reference to historical credit loss experience, and based on the current situation and forecast for the future.

##### Aging calculation method for recognising a portfolio of credit risk characteristics based on aging

Applicable Not applicable

### Criteria for judging single-item provision by provision for bad debts by single item

Applicable Not applicable

The Company performs impairment tests on receivables financing that has significantly different credit risk characteristics by single item, such as a significant deterioration in the debtor's credit status, a low probability of future repayment, or already occurred credit impairment.

### 15. Other receivables

Applicable Not applicable

### Determination of expected credit loss and accounting treatment of other receivables

Applicable Not applicable

The Company measures the expected credit losses on other receivables in the following circumstances: ① the Company measures the allowance for losses at the amount of expected credit losses for the next 12 months if there has been no significant increase in credit risk since the initial recognition; ② the Company measures the allowance for losses at an amount equal to the expected credit losses over the entire duration of the financial instrument if there has been a significant increase in credit risk since the initial recognition; ③ the Company measures the allowance for losses at an amount equal to the expected credit losses over the entire duration of the financial instrument if the credit risk of the financial instrument has been impaired since the initial recognition. Amounts increased or reversed in the resulting provision for losses are recognised as impairment losses in profit or loss.

### Types of portfolios of provision for bad debts based on credit risk characteristics and the determination basis

Applicable Not applicable

Portfolio name	Basis for portfolio determination	Provision method
Aging portfolio	Other receivables with similar credit risk characteristics divided by aging	It is calculated in accordance with the expected credit loss method by reference to historical credit loss experience, and based on the current situation and forecast for the future.
Grouping of related parties	Receivables from subsidiaries within the scope of consolidation of the Company	It is calculated in accordance with the expected credit loss method by reference to historical credit loss experience, and based on the current situation and forecast for the future.
Low-risk portfolio	Tax rebates, government subsidies, employee loans and tender security with low credit risk	It is calculated in accordance with the expected credit loss method by reference to historical credit loss experience, and based on the current situation and forecast for the

		future.
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**Aging calculation method for recognising a portfolio of credit risk characteristics based on aging**

Applicable Not applicable

**Criteria for judging single-item provision by provision for bad debts by single item**

Applicable Not applicable

The Company performs impairment tests on other receivables that have significantly different credit risk characteristics by single item, such as a significant deterioration in the debtor's credit status, a low probability of future repayment, or already occurred credit impairment.

**16. Inventories**

Applicable Not applicable

**Inventories categories, issuance of pricing method, inventory system, and amortisation method for low-value consumables and packages**

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) Inventory system

Perpetual inventory system is adopted.

(4) 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.

### **Criteria for determining the provision for inventory impairment and the method of accruing for the provision**

Applicable Not applicable

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.

### **Types of portfolios and the basis for determining the provision for inventories impairment by portfolio, and the basis for determining the net realisable value of different inventory categories**

Applicable Not applicable

### **Calculation method and basis for determining the net realisable value of each inventories age portfolio for recognising the net realisable value of inventories based on the inventories age**

Applicable Not applicable

## **17. Contract assets**

Applicable Not applicable

### **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.

**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.

**Types of portfolios of provision for bad debts based on credit risk characteristics and the determination basis**

Applicable Not applicable

**Aging calculation method for recognising a portfolio of credit risk characteristics based on aging**

Applicable Not applicable

**Criteria for judging single-item provision by determining provision for bad debts by single item**

Applicable Not applicable

The Company performs impairment tests on contract assets that have significantly different credit risk characteristics by single item, such as a significant deterioration in the debtor's credit status, a low probability of future repayment, or already occurred credit impairment.

**18.Non-current assets held for sale or disposal groups**

Applicable Not applicable

**Recognition criteria and accounting treatment for non-current assets or disposal groups 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.

**Criteria for determining and reporting for discontinued operations**

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.

## (2) Presentation

The Company presents assets in non-current assets held for sale or disposal groups held for sale as "assets held for sale" and liabilities in disposal groups held for sale as "liabilities held for sale" in the balance sheet. The Company presents profit or losses from continuing operations and profit or losses from discontinued operations separately in the income statement. Impairment losses and reversed amounts and profit or losses on disposal of non-current assets or disposal groups held for sale that do not meet the definition of discontinued operations are presented as profit or losses from continuing operations. Operating profit or losses such as impairment losses and reversed amounts for discontinued operations and profit or losses on disposals are presented as profit or losses from discontinued operations.

For disposal groups that are intended to be taken out of service rather than sold and that meet the conditions of the definition of discontinued operations with respect to the component, the Company presents disposal groups as discontinued operations from the date they are taken out of service. For discontinued operations presented in the current period, in the financial statements for the current period, the Company restates the information that was previously presented as profit or losses from continuing operations as profit or losses from discontinued operations for the comparable accounting period. When a discontinued operation no longer meets the conditions for classification in the held-for-sale category, in the financial statements for the current period, the Company restates the information that was previously presented as profit or losses from discontinued operations as profit or losses from continuing operations for the comparable accounting period.

## 19. 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. 6.

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.

## 20. Investment properties

Not applicable

## 21. 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.

**22. 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. 27 “Impairment of long-term assets” for details of the methods for impairment test and provision of impairment reserve applicable to construction in progress.

**23. 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.

## 24. Biological assets

Applicable Not applicable

**25. Oil and gas assets**

Applicable Not applicable

**26. Intangible assets**

**(1). Useful life and the basis for its determination, estimates, amortization methods or review procedures**

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) Useful life estimation of intangible assets with finite useful life

Category	Amortization period (year)
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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.

## (2). The scope of R&D expenditures and the related accounting treatment

Applicable Not applicable

R&D expenditures are expenditures directly related to the Company's R&D activities, including the salaries of R&D personnel, direct input expenses, depreciation and long-term deferred expenses, design expenses, amortisation expense of intangible assets, commissioned external R&D expenses and other expenses, of which the salaries of R&D personnel are amortised according to the number of hours worked on the project and are included in R&D-related expenditures. The Company includes the expenses incurred during the research phase of internal R&D projects in the profit or losses in the current period when they incur; and capitalises expenditures in the development phase only when the following conditions are met: ① technical feasibility to complete the intangible assets so that it can be used or sold; ② the intention to complete the intangible assets and use or sell it; ③ the manner in which the intangible assets generates economic benefits, including the ability to demonstrate the existence of a market for the products produced by the intangible assets or the existence of a market for the intangible assets, and the usefulness of the intangible assets if it is to be utilized internally; ④ the availability of sufficient technical, financial, and other resources to complete the development of the intangible assets and the ability to use or sell it; and ⑤ the ability to measure reliably the expenditures attributable to the development phase of the intangible assets.

The Company's specific criteria for classifying internal R&D projects into research phase and development phase are as follows: for the planned investigation phase for acquiring new technologies, knowledge, etc., the Company defines it as the research phase, which characterized by planning and exploratory nature; for the phase of applying the results of the research or other knowledge to a plan or design in order to produce new or substantially improved materials or products, etc., prior to commercial production or use, the Company defines it as the development phase, which is characterized by relevance and greater possibility of producing results.

If it is not possible to distinguish between research-phase expenditures and development-phase expenditures, the Company recognises all R&D expenditures incurred in profit or losses of the current period.

## 27. 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.

## **28. 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.

## **29. 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.

## **30. 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.

#### **31. 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.

#### **32. 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.

### **33. Preferred stocks, perpetual bonds and other financial instruments**

Applicable  Not applicable

### **34.Revenue**

#### **(1). Disclosure of accounting policies adopted for revenue recognition and measurement by type of business**

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 oversea 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

**35. 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.

### 36. 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.

### **37. 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.

### 38. Leasing

Applicable Not Applicable

#### **The basis for judgment and accounting treatment of the lessee's simplified treatment of short-term leases and leases of low-value assets**

Applicable Not Applicable

Short-term leases are leases with a term of less than 12 months at the commencement date of the lease term. Low-value asset leases are leases in which the individual leased asset has a lower value when it is a brand-new asset. The determination of a low value asset lease relates only to the absolute value of the asset and is not affected by the size, nature or other

circumstances of the lessee.

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.

### **Lease classification standards and accounting treatment as a lessor**

Applicable Not Applicable

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.

## 39. 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. 18 “Non-current assets held for sale or disposal groups”.

## (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.

## 40. Changes in significant accounting policies and accounting estimates

### (1). Changes in significant accounting policies

Applicable Not Applicable

Unit: Yuan Currency: RMB

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 estimates

Applicable 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

**41. Others**

Applicable Not Applicable

**VI. Taxation**

**1. Major tax types and rates**

Major tax types and rates

Applicable Not applicable

Tax type	Taxable basis	Tax rate
Value-added tax	Taxable income	3%, 5%, 6%, 9%, 11%, 13%, 15%, 16%, 17%, 18%, 19.25%, 21%, 22%
City maintenance & construction tax	Amount of turnover tax payable	5%, 7%
Corporate income tax	Taxable income	12.5%, 15%, 16.5%, 20%, 22.8%, 23%, 25%, 27.90%, 29.5%, 30%, 33%
Educational surcharge	Amount of turnover tax payable	3%
Local educational surcharge	Amount of turnover tax payable	2%

Disclosure of information on taxable entities with different corporate income tax rates

Applicable Not applicable

Name of taxable entity	Income tax rate (%)
Keda (Ghana) Ceramics Company Limited	12.50
Anhui KEDA Industrial Co., Ltd.	15.00
Anhui KEDA New Material Co., Ltd.	15.00
Anhui KEDA Platinum Platform Energy Technology Co., Ltd.	15.00
KEDA (Anhui) Clean Energy Co., Ltd.	15.00
Fujian KEDA New Energy Technology Co., Ltd.	15.00
Guangdong KEDA Hydraulic Technology Co., Ltd.	15.00
HLT Industry Co., Ltd.	15.00
DLT Technology Co., Ltd.	15.00
Henan KDNEU International Engineering Co., Ltd.	15.00
Foshan KEDA Industrial Co., Ltd.	15.00
KEDA Industrial Group Co., Ltd.	15.00
Anhui KEDA Smart Energy Technology Co., Ltd.	15.00
Xincheng International (Hong Kong) Co., Ltd.	16.50
Forwell International (HK) Co., Ltd.	16.50
Kami Materials Co., Ltd.	16.50
Jiangsu KEDA Electric Power Co., Ltd.	20.00
Anhui KEDA Keneng Electricity Selling Co., Ltd.	20.00
Suzhou KEDA Smart Energy Technology Co., Ltd.	20.00
Hefei Binhu KEDA Smart Energy Co., Ltd.	20.00
Wuhu Ke'an Energy Technology Co., Ltd.	20.00
Dangtu Ke'an New Energy Technology Co., Ltd.	20.00
Kunshan Boyue New Energy Technology Co., Ltd.	20.00
Dangtu KEDA New Energy Technology Co., Ltd.	20.00
Hefei Kemao New Energy Co., Ltd.	20.00
Maanshan Keci New Energy Technology Co., Ltd.	20.00
Guangde Ke'an Photovoltaic Electricity Co., Ltd.	20.00
Hefei Lunuo New Energy Co., Ltd.	20.00
Artget Fluidtech (Guangzhou) Co., Ltd.	20.00
Anhui KEDA New Energy Automobile Sales Co., Ltd.	20.00
Maanshan Huadong Travel Passenger Transportation Co., Ltd.	20.00
Anhui Hengwang Smart Energy Technology Co., Ltd.	20.00
Anhui KEDA Hydraulic Technology Co., Ltd.	20.00
Sixian KEDA New Energy Technology Co., Ltd.	20.00

Maanshan Kehan New Energy Technology Co., Ltd.	20.00
Wuhu KEDA Smart New Energy Technology Co., Ltd.	20.00
Maanshan Ke'an New Energy Technology Co., Ltd.	20.00
Dongyang Hydraulic Technology (Dalian) Co., Ltd.	20.00
Maanshan City Zhengpu Port New District Taixin New Energy Technology Co., Ltd.	20.00
Maanshan Kegou New Energy Co., Ltd.	20.00
Maanshan KEDA Cigao New Energy Co., Ltd.	20.00
Langxi Ke'an New Energy Technology Co., Ltd.	20.00
Guangdong KEDA Innovation Private Equity Investment Co., Ltd.	20.00
Wuhu Kesen New Energy Co., Ltd.	20.00
Maanshan KEDA Kezhong New Energy Co., Ltd.	20.00
Foshan Kexin New Energy Technology Co., Ltd.	20.00
Foshan Keshiming New Energy Technology Co., Ltd.	20.00
Foshan Kesheng New Energy Technology Co., Ltd.	20.00
Foshan Kerongsheng New Energy Technology Co., Ltd.	20.00
Guangdong KEDA Smart Energy Technology Co., Ltd.	20.00
Anhui KEDA Huadong New Energy Vehicle Travel Service Co., Ltd.	20.00
Foshan Ke'an New Energy Technology Co., Ltd.	20.00
Guangdong Quanitech Material Ltd.	20.00
Foshan KEDA Ecological Stone Engineering Technology Co., Ltd.	20.00
PT KEDA INDUSTRIAL INDONESIA	20.00
Anhui Kechucheng New Energy Technology Co., Ltd.	20.00
Sixian Ketu New Energy Co., Ltd.	20.00
Keda International Company S.a'r.l.	22.80
Wibe S.L.	23.00
Jiangsu Kehang Environmental Protection Co., Ltd.	25.00
Foshan KEDA Ceramic Technology Co., Ltd.	25.00
Shaoguan KEDA Machinery Manufacturing Co., Ltd.	25.00
Anhui KEDA Purui Energy Technology Co., Ltd.	25.00
Anhui Keqing Environmental Engineering Co., Ltd.	25.00
Keda Turkey Makine Ticaret Limited Sirketi	25.00
Guangdong KEDA New Energy Equipment Co., Ltd.	25.00

Foshan HLT Ceramic Technology Co., Ltd.	25.00
Sichuan KEDA Clean Energy New Material Co., Ltd.	25.00
Anhui Ke'an Electric Power Engineering Co., Ltd.	25.00
KEDA-SUREMAKER (Wuhu) Industrial Co., Ltd.	25.00
Shenyang KEDA Clean Gas Co., Ltd.	25.00
Anhui KEDA Investment Co., Ltd.	25.00
Qinghai Weili New Energy Material Co., Ltd.	25.00
Guangdong KEDA Lithium Industry Co., Ltd.	25.00
KEDA Industrial (Hong Kong) Limited	25.00
Guangdong Xincheng Finance Leases Co., Ltd.	25.00
Anhui Xincheng Finance Leases Co., Ltd.	25.00
Foshan KEDA Equipment Manufacturing Co., Ltd.	25.00
HLT Technology Co., Ltd.	25.00
Anhui KEDA New Energy Equipment Co., Ltd.	25.00
Keda Cote D'ivoire Ceramics Company Limited	25.00
Chongqing KEDA New Energy Materials Co., Ltd.	25.00
Maanshan KEDA-SUREMAKER Industrial Co., Ltd.	25.00
Guangdong Tefu International Holdings Limited	25.00
Tefu (Guangzhou) Furniture Co., Ltd.	25.00
Keda Europe S.r.l.	27.90
I.C.F.&Welko S.P.A.	27.90
KEDA Peru Building Materials Company S.A.C	29.50
Kami Colourcera Private Limited	30.00
Keda Industrial (India) Limited	30.00
Keda (Kenya) Ceramics Company Limited	30.00
Keda (Tanzania) Ceramics Company Limited	30.00
Keda (SN) Ceramics Limited	30.00
Keda Ceramics International Company Limited	30.00
Keda Tanzania Resource Company Limited	30.00
Keda Zambia Ceramics Company Limited	30.00
Keda Cameroon Ceramics Limited	33.00

## 2. Tax preference

√Applicable    □Not applicable

KEDA Industrial Group Co. Ltd. was recognised as a High-tech Enterprise of Guangdong Province for 2023 (Certificate No. GR202344002406), with an income tax rate of 15%.

HLT Industry Co., Ltd. was recognised as a High-tech Enterprise of Guangdong Province for 2023 (Certificate No. GR202344003960), with an income tax rate of 15%.

Fujian Keda New Eney Technology Co. Ltd. was recognised as a High-tech Enterprise of Fujian Province for 2023 (Certificate No. GR202335001631), with an income tax rate of 15%.

KEDA (Anhui) Clean Energy Co., Ltd. was recognised 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 recognised as a High-tech Enterprise of Guangdong Province for 2022 (Certificate No. GR202244006263), with an income tax rate of 15%.

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

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

Anhui Keda Intelligent Energy Technology Co., Ltd. was recognised as a High-tech Enterprise of Anhui Province for 2022 (Certificate No. GR202234000267), with an income tax rate of 15%.

Anhui Keda Platinum Platform Energy Technology Co., Ltd. was recognised as a High-tech Enterprise of Anhui Province for 2023 (Certificate No. GR202334004843), 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	3,927,364.54	6,363,945.67
Bank deposits	3,366,540,900.84	3,727,345,344.22
Other monetary funds	231,717,181.57	1,063,104,092.67
Deposits with financial institutions		
Total	3,602,185,446.95	4,796,813,382.56
Including: Total amount deposited overseas	465,926,017.37	812,764,099.19

#### Other notes

The closing balance of other monetary funds includes RMB21,845,314.17 for time deposit, RMB149,790,020.36 of deposits for banker's acceptances, RMB17,120,495.42 of judicially frozen funds, RMB42,879,940.55 of deposits for letters of guarantee (L/Gs), and RMB81,411.07 for others.

## 2. Financial assets held for trading

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance	Reasons and basis for designation
Financial assets at fair value through profit or loss	290,899,359.36	397,962,373.33	/
Including:			
Wealth management products	290,899,359.36	395,811,388.09	/
Forward exchange rate hedging		2,071,085.24	/
Futures contract		79,900.00	/
Total	290,899,359.36	397,962,373.33	/

Other notes:

Applicable Not applicable

## 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
Banker's acceptance	50,737,368.20	61,963,400.00
Commercial acceptance bill	4,005,886.51	13,083,982.31
Total	54,743,254.71	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 and not yet maturing as of the balance sheet date**√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount derecognised at the end of the Reporting Period	Amount not derecognised at the end of the Reporting Period
Banker's acceptance		37,515,730.78
Commercial acceptance bill		740,571.80
Total		38,256,302.58

**(4). Classified disclosure according to the methods for setting aside provision for bad debts**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Carrying value	Book balance		Provision for bad debts		Carrying value
	Amount	Percentage (%)	Amount	Provision percentage (%)		Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by portfolio	54,829,821.46	100.00	86,566.75	0.16	54,743,254.71	75,166,221.82	100.00	118,839.51	0.16	75,047,382.31
Including:										
Grouping of commercial acceptance bill	4,092,453.26	7.46	86,566.75	2.12	4,005,886.51	13,202,821.82	17.56	118,839.51	0.90	13,083,982.31
Grouping of banker's acceptance	50,737,368.20	92.54			50,737,368.20	61,963,400.00	82.44			61,963,400.00
Total	54,829,821.46	/	86,566.75	/	54,743,254.71	75,166,221.82	/	118,839.51	/	75,047,382.31



Provision set aside for bad debts by the single item:

Applicable Not applicable

Provision set aside for bad debts by portfolio:

Applicable Not applicable

Grouping-based provision item: Grouping of commercial acceptance bill

Unit: Yuan Currency: RMB

Name	Closing balance		
	Notes receivable	Provision for bad debts	Provision percentage (%)
Grouping of commercial acceptance bill	4,092,453.26	86,566.75	2.12
Total	4,092,453.26	86,566.75	2.12

Recognition criteria and notes for setting aside provision for bad debts by portfolio

Applicable Not applicable

Notes to the provision set aside for bad debts by portfolio

Applicable Not applicable

Provision set aside for bad debts by the general expected credit loss model

Applicable Not applicable

Notes to the significant changes in the book balance of notes receivable arising from changes in the provision for losses in the Reporting Period:

Applicable Not applicable

### (5). Provision for bad debts

Applicable Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Change in the Reporting Period				Closing balance
		Provision	Recovery or reversal	Charge-off or write-off	Other changes	
Provision for bad debts	118,839.51	-32,272.76				86,566.75
Total	118,839.51	-32,272.76				86,566.75

Including: Significant amount of provision for bad debts recovered or reclassified in the

Reporting Period:

Applicable Not applicable

**(6). Notes receivable written off in the Reporting Period**

Applicable Not applicable

Including: Write-off of significant notes receivable:

Applicable Not applicable

Notes to the write-off of notes receivable:

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	Opening book balance
Within one year		
Including: Sub-items within one year		
Within one year	1,538,293,438.38	1,338,497,209.25
Subtotal within one year	1,538,293,438.38	1,338,497,209.25
One to two years	236,157,558.30	330,006,255.14
Two to three years	150,894,785.04	49,595,868.37
Over three years	95,133,896.87	103,552,386.80
Total	2,020,479,678.59	1,821,651,719.56

**(2). Classified disclosure according to the methods for setting aside provision for bad debts**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Carrying value	Book balance		Provision for bad debts		Carrying value
	Amount	Percentage (%)	Amount	Provision percentage (%)		Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item	111,819,779.93	5.53	80,979,616.03	72.42	30,840,163.90	99,150,074.34	5.44	67,460,005.49	68.04	31,690,068.85
Provision set aside for bad debts by portfolio	1,908,659,898.66	94.47	172,587,423.59	9.04	1,736,072,475.07	1,722,501,645.22	94.56	163,181,866.62	9.47	1,559,319,778.60
Total	2,020,479,678.59	/	253,567,039.62	/	1,766,912,638.97	1,821,651,719.56	/	230,641,872.11	/	1,591,009,847.45

Provision set aside for bad debts by the single item:

Applicable Not applicable

Unit: Yuan Currency: RMB

Name	Closing balance			
	Book balance	Provision for bad debts	Provision percentage (%)	Reasons for the provision
Customer 1	21,753,514.26	6,526,054.28	30.00	Projected risk of recovery
Customer 2	20,096,191.00	18,242,000.00	90.77	Projected risk of recovery
Customer 3	9,450,000.00	2,700,000.00	28.57	Projected risk of recovery
Customer 4	6,738,642.00	6,738,642.00	100.00	Irrecoverable as projected
Customer 5	6,040,009.40	4,770,000.00	78.97	Projected risk of recovery
Customer 6	5,921,615.28	5,921,615.28	100.00	Irrecoverable as projected
Customer 7	5,103,736.93	5,103,736.93	100.00	Irrecoverable as projected
Others	36,716,071.06	30,977,567.54	84.37	
Total	111,819,779.93	80,979,616.03	72.42	/

Notes to the provision set aside for bad debts by the single item:

Applicable Not applicable

Provision set aside for bad debts by 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	Provision for bad debts	Provision percentage (%)
Within one year	1,513,108,073.91	35,425,377.94	2.34
One to two years	206,093,284.69	26,240,379.22	12.73
Two to three years	111,309,585.84	41,012,078.61	36.85
Three to five years	41,934,750.16	33,695,383.76	80.35
Over five years	36,214,204.06	36,214,204.06	100.00
Total	1,908,659,898.66	172,587,423.59	9.04

Notes to the provision set aside for bad debts by portfolio:

Applicable Not applicable

Provision set aside for bad debts by the general expected credit loss model

Applicable Not applicable

Notes to the significant changes in the book balance of accounts receivable arising from changes in the provision for losses in the Reporting Period:

Applicable Not applicable

### (3). Provision for bad debts

Applicable Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Change in the Reporting Period				Closing balance
		Provision	Recovery or reversal	Charge-off or write-off	Other changes	
Provision for bad debts	230,641,872.11	38,545,751.76	2,018,542.98	18,877,604.59	1,238,477.36	253,567,039.62
Total	230,641,872.11	38,545,751.76	2,018,542.98	18,877,604.59	1,238,477.36	253,567,039.62

Including: Significant amount of provision for bad debts recovered or reclassified in the Reporting Period:

Applicable Not applicable

### (4). Accounts receivable written off in the Reporting Period

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount written off
Accounts receivable written off	18,877,604.59

Including: Write-off of significant accounts receivable

Applicable Not applicable

Unit: Yuan Currency: RMB

Unit	Nature of the accounts receivable	Amount written off	Reasons for the write-off	Write-off procedures performed	Whether the accounts arise from related party transactions
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Customer 8	Payment for goods	3,190,000.00	Irrecoverable	Management approval	No
Total	/	3,190,000.00	/	/	/

Notes to the write-off of accounts receivable:

Applicable Not applicable

**(5). Top five accounts receivable and contract assets in the closing balance categorised by debtors**

Applicable Not applicable

Unit: Yuan Currency: RMB

Unit	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Percentage in the total closing balance of the accounts receivable and contract assets (%)	Closing balance of the provision for bad debts
Customer 9	115,859,265.99		115,859,265.99	5.05	2,300,375.22
Customer 10	108,923,455.09		108,923,455.09	4.75	3,162,525.38
Customer 11	93,771,968.88		93,771,968.88	4.09	1,465,289.28
Customer 3	9,450,000.00	79,132,000.00	88,582,000.00	3.86	8,050,000.00
Customer 12	57,807,705.60		57,807,705.60	2.52	2,608,653.36
Total	385,812,395.56	79,132,000.00	464,944,395.56	20.27	17,586,843.24

Other notes:

Applicable Not applicable

**6. Contract assets**

**(1). Contract assets**

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for bad debts	Carrying value	Book balance	Provision for bad debts	Carrying value
Contract assets	272,283,467.40	30,477,895.14	241,805,572.26	431,384,265.95	49,679,113.30	381,705,152.65
Total	272,283,467.40	30,477,895.14	241,805,572.26	431,384,265.95	49,679,113.30	381,705,152.65

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

Applicable Not applicable

**(3). Classified disclosure according to the methods for setting aside provision for bad debts**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Carrying value	Book balance		Provision for bad debts		Carrying value
	Amount	Percentage (%)	Amount	Provision percentage (%)		Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item	66,289,078.82	24.35	25,926,166.46	39.11	40,362,912.36	61,227,029.36	14.19	10,700,000.00	17.48	50,527,029.36
Provision set aside for bad debts by portfolio	205,994,388.58	75.65	4,551,728.68	2.21	201,442,659.90	370,157,236.59	85.81	38,979,113.30	10.53	331,178,123.29
Total	272,283,467.40	100.00	30,477,895.14	11.19	241,805,572.26	431,384,265.95	100.00	49,679,113.30	11.52	381,705,152.65



Provision set aside for bad debts by the single item:

Applicable Not applicable

Unit: Yuan Currency: RMB

Name	Closing balance			Reasons for the provision
	Book balance	Provision for bad debts	Provision percentage (%)	
Customer 3	29,132,000.00	4,300,000.00	14.76	Projected risk of recovery
Customer 13	20,245,833.11	18,626,166.46	92.00	Projected risk of recovery
Customer 14	16,911,245.71	3,000,000.00	17.74	Projected risk of recovery
Total	66,289,078.82	25,926,166.46		

Notes to the provision set aside for bad debts by the single item:

Applicable Not applicable

Provision set aside for bad debts by portfolio:

Applicable Not applicable

Portfolio-based provision item: Provision set aside for bad debts by portfolio

Unit: Yuan Currency: RMB

Name	Closing balance		
	Contract assets	Provision for bad debts	Provision percentage (%)
Provision set aside for bad debts by portfolio	205,994,388.58	4,551,728.68	2.21
Total	205,994,388.58	4,551,728.68	2.21

Notes to the provision set aside for bad debts by portfolio

Applicable Not applicable

Provision set aside for bad debts by the general expected credit loss model

Applicable Not applicable

Notes to the significant changes in the book balance of contract assets arising from changes in the provision for losses in the Reporting Period:

Applicable Not applicable

**(4). Provision set aside for bad debts on contract assets in the Reporting Period**√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Provision in the Reporting Period	Recovery or transfer in the current period	Charge-off/Write-off in the Reporting Period	Reasons
Provision for impairment	-19,201,218.16			
Total	-19,201,218.16			/

Including: Significant amount of provision for bad debts recovered or reclassified in the Reporting Period:

Applicable Not applicable**(5). Contract assets written off in the Reporting Period**Applicable Not applicable

Including: Write-off of significant contract assets

Applicable Not applicable

Notes to write-off of contract assets:

Applicable Not applicable

Other notes:

√Applicable Not applicable

The closing balance of contract assets decreased by 36.65% year on year, mainly due to the carry-over of the existing contract assets in the Reporting Period to accounts receivable when the conditions for collection were met.

**7. Receivables financing****(1). Classified presentation of receivables financing**√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Banker's acceptance	235,766,507.47	266,154,517.25
Total	235,766,507.47	266,154,517.25

**(2). Receivables financing pledged by the Company at the end of the Reporting Period**√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount pledged at the end of the Reporting Period
Banker's acceptance	83,531,342.41
Total	83,531,342.41

**(3). Receivables financing endorsed or discounted by the Company at the end of the Reporting Period and t not yet maturing as of the balance sheet date**√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount derecognised at the end of the Reporting Period	Amount not derecognised at the end of the Reporting Period
Banker's acceptance	388,378,100.31	
Total	388,378,100.31	

**(4). Classified disclosure according to the methods for setting aside provision for bad debts**Applicable Not applicable

Provision set aside for bad debts by the single item:

Applicable Not applicable

Notes to the provision set aside for bad debts by the single item:

Applicable Not applicable

Provision set aside for bad debts by portfolio:

Applicable Not applicable

Provision set aside for bad debts by the general expected credit loss model

Applicable Not applicable

Notes to the significant changes in the book balance of receivables financing arising from changes in the provision for losses in the Reporting Period:

Applicable Not applicable

**(5). Provision for bad debts**

Applicable Not applicable

Including: Significant amount of provision for bad debts recovered or reclassified in the Reporting Period:

Applicable Not applicable

**(6). Receivables financing written off in the Reporting Period**

Applicable Not applicable

Including: Significant write-off of receivables financing

Applicable Not applicable

Notes on write-off:

Applicable Not applicable

**(7). Change in receivables financing and in fair value in the Reporting Period:**

Applicable Not applicable

**(8). Other notes:**

Applicable Not applicable

**8. Prepayments****(1). Aging-based presentation of prepayments**

Applicable Not applicable

Unit: Yuan Currency: RMB

Aging	Closing balance		Opening balance	
	Amount	Percentage (%)	Amount	Percentage (%)
Within one year	344,392,631.26	83.07	221,976,234.74	81.51
One to two years	26,875,710.59	6.48	38,576,883.96	14.17
Two to three years	34,836,880.26	8.40	6,982,567.59	2.57
Over three years	8,454,321.66	2.04	4,787,014.16	1.75
Total	414,559,543.77	100.00	272,322,700.45	100.00

**(2). Top five prepayments in the closing balance categorised by payees**√Applicable Not applicable

Unit	Closing balance	Percentage in the total closing balance of the prepayments (%)
Supplier 1	29,182,911.51	7.04
Supplier 2	16,252,278.77	3.92
Supplier 3	11,561,865.60	2.79
Supplier 4	9,408,161.96	2.27
Supplier 5	8,690,000.00	2.10
Total	<b>75,095,217.84</b>	18.11

Other notes

√Applicable Not applicable

The closing balance of prepayments increased by 52.23% year on year, mainly due to the increase in the purchase prepayments for building ceramics, lithium equipment and clean energy environmental protection segments as a result of the increase in production capacity and the increase in orders in hand during the Reporting Period.

**9. Other receivables****Presentation of items**√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest receivable		
Dividends receivable	411,407,122.94	4,800,000.00
Other receivables	141,570,989.75	109,158,752.66
Total	552,978,112.69	113,958,752.66

Other notes:

√Applicable Not applicable

The closing balance of other receivables increased by 385.24% year on year, mainly due to the dividends receivable from the associate Lanke Lithium Industry, during the Reporting Period.

**Interest receivable****(1). Classification of interest receivable**

Applicable Not applicable

**(2). Significant overdue interest**

Applicable Not applicable

**(3). Classified disclosure according to the methods for setting aside provision for bad debts**

Applicable Not applicable

Provision set aside for bad debts by the single item:

Applicable Not applicable

Notes to the provision set aside for bad debts by the single item:

Applicable Not applicable

Provision set aside for bad debts by portfolio:

Applicable Not applicable

**(4). Provision set aside for bad debts by the general expected credit loss model**

Applicable Not applicable

Notes to the significant changes in the book balance of interest receivable arising from changes in the provision for losses in the Reporting Period:

Applicable Not applicable

**(5). Provision for bad debts**

Applicable Not applicable

Including: Significant amount of provision for bad debts recovered or reclassified in the Reporting Period:

Applicable Not applicable

**(6). Interest receivable written off in the Reporting Period**

Applicable Not applicable

Including: Write-off of significant interest receivable

Applicable Not applicable

Notes on write-off:

Applicable Not applicable

Other notes:

Applicable Not applicable

### **Dividends receivable**

#### **(7). 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
Qinghai Yanhu Lanke Lithium Industry Co., Ltd.	411,407,122.94	
Total	411,407,122.94	4,800,000.00

#### **(8). Significant dividends receivable with an age of more than one year**

Applicable Not applicable

#### **(9). Classified disclosure according to the methods for setting aside provision for bad debts**

Applicable Not applicable

Provision set aside for bad debts by the single item:

Applicable Not applicable

Notes to the provision set aside for bad debts by the single item:

Applicable Not applicable

Provision set aside for bad debts by portfolio:

Applicable Not applicable

#### **(10). Provision set aside for bad debts by the general expected credit loss model**

Applicable Not applicable

Notes to the significant changes in the book balance of dividends receivable arising from

changes in the provision for losses in the Reporting Period:

Applicable Not applicable

**(11). Provision for bad debts**

Applicable Not applicable

Including: Significant amount of provision for bad debts recovered or reclassified in the Reporting Period:

Applicable Not applicable

**(12). Dividends receivable written off in the Reporting Period**

Applicable Not applicable

Including: Write-off of significant dividends receivable

Applicable Not applicable

Notes on write-off:

Applicable Not applicable

Other notes:

Applicable Not applicable

**Other receivables**

**(13). Disclosure by aging**

Applicable Not applicable

Unit: Yuan Currency: RMB

Aging	Closing book balance	Opening book balance
Within one year		
Including: Sub-items within one year		
Within one year	123,545,303.37	92,424,064.93
Subtotal within one year	123,545,303.37	92,424,064.93
One to two years	10,114,416.53	9,540,239.23
Two to three years	4,220,074.63	7,250,475.56
Over three years	9,264,595.09	9,291,569.68
Total	147,144,389.62	118,506,349.40



**(14). Classification based on the fund nature**√Applicable Not applicable

Unit: Yuan Currency: RMB

Nature of fund	Closing book balance	Opening book balance
Intercompany current accounts	52,193,532.12	55,768,154.68
Other current accounts	20,975,417.44	28,359,538.47
Export tax rebate	25,735,335.11	16,113,864.25
Margin	13,180,066.95	18,264,792.00
Government grants	35,060,038.00	
Total	147,144,389.62	118,506,349.40

**(15). Provision set aside for bad debts**√Applicable Not applicable

Unit: Yuan Currency: RMB

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Expected credit loss for the next 12 months	Expected credit loss during the whole outstanding maturity (without credit impairment)	Expected credit loss during the whole outstanding maturity (with credit impairment)	
Balance as of 1 January 2023	5,480,471.33		3,867,125.41	9,347,596.74
Balance as of 1 January 2023 in the Reporting Period	5,480,471.33		3,867,125.41	9,347,596.74
-- Transferred to Phase II				
-- Transferred to Phase III				
-- Reclassified under Phase II				
-- Reclassified under Phase I				
Provision in the Reporting Period	-2,563,774.50		-69,906.07	-2,633,680.57
Reclassification in the Reporting Period	57,588.41			57,588.41

Charge-off in the Reporting Period				
Write-off in the Reporting Period	637,414.58		502,355.56	1,139,770.14
Other changes	-58,334.57		-	-58,334.57
Balance on 31 December 2023	2,278,536.09		3,294,863.78	5,573,399.87

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

Applicable Not applicable

**(16). Provision for bad debts**

Applicable Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Change in the Reporting Period				Closing balance
		Provision	Recovery or reversal	Charge-off or write-off	Other changes	
Provision for bad debts for other receivables	9,347,596.74	-2,633,680.57	57,588.41	1,139,770.14	-58,334.57	5,573,399.87
Total	9,347,596.74	-2,633,680.57	57,588.41	1,139,770.14	-58,334.57	5,573,399.87

Including: Significant amount of provision for bad debts reclassified or recovered in the Reporting Period:

Applicable Not applicable

**(17). Other receivables written off in the Reporting Period**

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount written off
Other accounts receivable written off	1,139,770.14

Including: Write-off of significant other receivables:

Applicable Not applicable

Notes to the write-off of other receivables:

Applicable Not applicable

**(18). Top five other receivables in the closing balance categorised by debtors**

Applicable Not applicable

Unit: Yuan Currency: RMB

Unit	Closing balance	Percentage in the total closing balance of other receivables (%)	Account nature	Aging	Provision for bad debts Closing balance
Trading unit 1	28,259,183.00	19.21	Government grants	Within one year	-
Trading unit 2	23,139,304.79	15.73	Export tax rebate	Within one year	-
Trading unit 3	6,161,066.00	4.19	Government grants	Within one year	-
Trading unit 4	3,000,000.00	2.04	Intercourse funds	Within one year	204,150.89
Trading unit 5	2,596,030.32	1.76	Export tax rebate	Within one year	
Total	63,155,584.11	42.92	/	/	204,150.89

**(19). Other receivables reported due to centralized management of funds**

Applicable Not applicable

Other notes:

Applicable Not applicable

**10. Inventories****(1). Inventories classification**√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for inventories impairment/for contract fulfillment cost impairment	Carrying value	Book balance	Provision for inventories impairment/for contract fulfillment cost impairment	Carrying value
Raw materials	1,153,088,431.98	1,564,322.12	1,151,524,109.86	1,164,111,645.75	496,471.99	1,163,615,173.76
Work-in-process	1,784,850,021.55	6,028,046.28	1,778,821,975.27	1,350,932,019.44	558,287.88	1,350,373,731.56
Commodities in stock	662,663,491.58	4,106,745.23	658,556,746.35	655,273,239.52		655,273,239.52
Shipped commodities	78,836,894.63		78,836,894.63	72,412,111.97		72,412,111.97
Total	3,679,438,839.74	11,699,113.63	3,667,739,726.11	3,242,729,016.68	1,054,759.87	3,241,674,256.81

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

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the Reporting Period		Decrease in the Reporting Period		Closing balance
		Provision	Others	Reclassification or charge-off	Others	

Raw materials	496,471.99	1,314,572.30		246,722.17		1,564,322.12
Work-in-process	558,287.88	5,925,807.93		456,049.53		6,028,046.28
Commodities in stock		4,117,931.53			11,186.30	4,106,745.23
Total	1,054,759.87	11,358,311.76		702,771.70	11,186.30	11,699,113.63

Reasons for reversal or write-off of provision for inventories impairment in the Reporting Period

Applicable  Not applicable

Provision set aside for inventories impairment by portfolio

Applicable  Not applicable

Criteria for setting aside provision for inventories impairment by portfolio

Applicable  Not applicable

**(3). Capitalised amount of borrowing costs included in the closing balance of inventories and the criteria and basis for its calculation**

Applicable Not applicable

**(4). Notes to the amortised amount of contract fulfillment costs in the Reporting Period**

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	438,945,991.29	432,359,979.01
Including: Unrealised finance lease income	25,478,211.79	29,770,154.33
Total	438,945,991.29	432,359,979.01

## Other notes

Category	Closing balance					Opening balance				
	Book balance	Percentage (%)	Provision for bad debts	Provision percentage (%)	Carrying value	Book balance	Percentage (%)	Provision for bad debts	Provision percentage (%)	Carrying value
Provision set aside for bad debts by the single item	95,351,651.70	18.03	75,026,377.33	78.68	20,325,274.37	103,646,615.72	19.28	96,129,530.86	92.75	7,517,084.86
Provision set aside for bad debts by portfolio	433,598,926.46	81.97	14,978,209.54	3.45	418,620,716.92	433,878,412.22	80.72	9,035,518.07	2.08	424,842,894.15
Total	528,950,578.16		90,004,586.87	17.02	438,945,991.29	537,525,027.94		105,165,048.93		432,359,979.01

## Note 1: Notes to the provision set aside for bad debts by the single item:

Name	Closing balance			
	Book balance	Provision for bad debts	Provision percentage (%)	Reasons for the provision
Customer 15	18,829,298.28	18,829,298.28	100.00	No repayment ability
Customer 16	12,163,253.47	12,163,253.47	100.00	No repayment ability
Customer 17	11,413,267.69	11,413,267.69	100.00	No repayment ability
Customer 18	10,792,738.67	2,158,547.74	20.00	Projected risk of recovery
Customer 19	9,004,038.19	900,403.82	10.00	Projected risk of recovery
Customer 20	7,858,784.86	7,858,784.86	100.00	No repayment ability
Customer 21	5,080,286.15	5,080,286.15	100.00	No repayment ability
Customer 22	4,556,387.97	3,645,110.38	80.00	No repayment ability and proposes to recover assets to cover the debt
Customer 23	3,087,382.50	3,087,382.50	100.00	Projected risk of recovery
Other	12,566,213.92	9,890,042.44	78.70	
Total	95,351,651.70	75,026,377.33		/

## Note 2: Provision in the Reporting Period

Category	Consolidation					
	Opening balance	Provision	Recovery or reversal	Charge-off or write-off	Other changes	Closing balance
Provision for bad debts	105,165,048.93	-3,292,272.78	256,852.30	12,250,664.62	125,623.04	90,004,586.87
Total	105,165,048.93	-3,292,272.78	256,852.30	12,250,664.62	125,623.04	90,004,586.87

## Note 3: Significant write-offs in the Reporting Period

Unit	Nature	Amount written off	Reasons for the write-off	Write-off procedures performed	Whether the accounts arise from related party transactions
Customer 24	Payment for goods	12,250,664.62	Irrecoverable	Management approval	No
Total		12,250,664.62			

## Debt investments due within one year

Applicable  Not applicable



**Other debt investments due within one year**

Applicable Not applicable

**13. Other current assets**

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Contract acquisition costs	8,747,173.59	645,571.73
Value-added tax input tax to be deducted	332,479,873.61	189,070,550.82
Prepaid taxes	30,051,049.68	29,241,800.28
Wealth management products	127,914,293.93	118,107,500.00
Total	499,192,390.81	337,065,422.83

**Other notes**

The closing balance of other current assets increased by 48.10% year on year, mainly due to the increase in input tax to be written-off during the Reporting Period.

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

Applicable Not applicable

Changes in provision for impairment on debt investments in the Reporting Period

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

Notes to the significant changes in the book balance of debt investments arising from changes in the provision for losses in the Reporting Period:

Applicable Not applicable

Bases for determining the amount of provision set aside for impairment and assessing whether the credit risk of financial instruments has increased substantially in the Reporting Period

Applicable Not applicable

**(4). Debt investments written off in the Reporting Period**

Applicable Not applicable

Including: Write-off of significant debt investments

Applicable Not applicable

Notes to write-off of debt investments:

Applicable Not applicable

Other notes

Applicable Not applicable

**15. Other debt investments**

**(1). Other debt investments**

Applicable Not applicable

Changes in provision for impairment on other debt investments in the Reporting Period

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

Notes to the significant changes in the book balance of other debt investments arising from changes in the provision for losses in the Reporting Period:

Applicable Not applicable

Bases for determining the amount of provision set aside for impairment and assessing whether the credit risk of financial instruments has increased substantially in the Reporting Period

Applicable Not applicable

**(4). Other debt investments written off in the Reporting Period**

Applicable Not applicable

Including: Write-off of other significant debt investments

Applicable Not applicable

Notes to write-off of other debt investments:

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	Provision for bad debts	Carrying value	Book balance	Provision for bad debts	Carrying value	
Finance lease payment	218,233,703.70	6,247,486.44	211,986,217.26	262,838,844.42	3,674,028.41	259,164,816.01	
Including: Unrealised financing income	5,784,056.95		5,784,056.95	9,998,403.73		9,998,403.73	
Total	218,233,703.70	6,247,486.44	211,986,217.26	262,838,844.42	3,674,028.41	259,164,816.01	/

### (2). Classified disclosure according to the methods for setting aside provision for bad debts

Applicable Not applicable

Provision set aside for bad debts by the single item:

Applicable Not applicable

Notes to the provision set aside for bad debts by the single item:

Applicable Not applicable

Provision set aside for bad debts by portfolio:

Applicable Not applicable

Portfolio-based provision item: Provision set aside for bad debts by portfolio

Unit: Yuan Currency: RMB

Name	Closing balance

	Long-term receivables	Provision for bad debts	Provision percentage (%)
Provision set aside for bad debts by portfolio	218,233,703.70	6,247,486.44	2.86
Total	218,233,703.70	6,247,486.44	/

Notes to the provision set aside for bad debts by portfolio

Applicable Not applicable

### (3). Provision set aside for bad debts by the general expected credit loss model

Applicable Not applicable

Unit: Yuan Currency: RMB

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Expected credit loss for the next 12 months	Expected credit loss during the whole outstanding maturity (without credit impairment)	Expected credit loss during the whole outstanding maturity (with credit impairment)	
Balance as of 1 January 2023	3,674,028.41			3,674,028.41
Balance as of 1 January 2023 in the Reporting Period	3,674,028.41			3,674,028.41
-- Transferred to Phase II				
-- Transferred to Phase III				
-- Reclassified under Phase II				
-- Reclassified under Phase I				
Provision in the Reporting Period	2,549,929.33			2,549,929.33
Reclassification in the Reporting Period				
Charge-off in the Reporting Period				
Write-off in the Reporting Period				
Other changes	23,528.70			23,528.70
Balance on 31 December 2023	6,247,486.44			6,247,486.44

Notes to the significant changes in the book balance of long-term receivables arising from

changes in the provision for losses in the Reporting 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 Reporting Period

Applicable Not applicable

**(4). Provision for bad debts**

Applicable Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Change in the Reporting Period				Closing balance
		Provision	Recovery or reversal	Charge-off or write-off	Other changes	
Provision for bad debts	3,674,028.41	2,549,929.33			23,528.70	6,247,486.44
Total	3,674,028.41	2,549,929.33			23,528.70	6,247,486.44

Including: Significant amount of provision for bad debts recovered or reclassified in the Reporting Period:

Applicable Not applicable

**(5). Long-term receivables written off in the Reporting Period**

Applicable Not applicable

Including: Write-off of significant long-term receivables

Applicable Not applicable

Notes to the write-off of long-term receivables:

Applicable Not applicable

Other notes

Applicable Not applicable

**17. Long-term equity investments****(1). Long-term equity investments**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Investee	Opening Balance	Change in the Reporting Period								Closing balance Balance	Closing balance of the provision for impairment
		Increase in the investment	Decrease in the investment	Profit or loss of investment recognised 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			1,442,167,080.72		-1,902,332.41	1,854,326,801.14			2,312,191,398.29	
Foshan KEDA Ceramic Technology Co., Ltd.	187,130,737.14			-468,636.28						186,662,100.86	
Zhangzhou Grande Graphite Material Co., Ltd.	31,807,319.70			-732,847.46			2,940,000.00			28,134,472.24	
Sichuan Guangxing Lithium Battery Technology Co., Ltd.	17,556,364.12			4,094,478.06		207,619.87	2,000,000.00			19,858,462.05	
Maanshan Qingshan Electricity	5,391,484.36			173,903.61						5,565,387.97	

Selling Co., Ltd.											
Anhui Ganghua KEDA Smart Energy Co., Ltd.	1,567,936.88		1,600,000.00	43,714.22					-11,651.10		
Guangdong KEDA Nanyue New Energy Venture Capital Partnership (Limited Partnership)	149,455,865.66			31,768.62						149,487,634.28	
Shandong SinoCera Create- Tide New Materials High- Tech Co., Ltd.		264,000,000.00		23,385,231.50	-151,538.21				793,289.34	288,026,982.63	
Maanshan Kema New Energy Technology Co., Ltd.		9,670,305.92		823,389.39	63,757.37					10,557,452.68	
Sub-total	3,119,163,158.98	273,670,305.92	1,600,000.00	1,469,518,082.38	-87,780.84	-1,694,712.54	1,859,266,801.14	-	781,638.24	3,000,483,891.00	
Total	3,119,163,158.98	273,670,305.92	1,600,000.00	1,469,518,082.38	-87,780.84	-1,694,712.54	1,859,266,801.14	-	781,638.24	3,000,483,891.00	

**(2). Impairment test of long-term equity investments**

□Applicable √Not applicable

**18. Other equity instruments investments****(1). Other equity instruments investments**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Opening Balance	Change in the Reporting Period					Closing balance Balance	Dividend income recognised in the Reporting Period	Accumulated gains included in other comprehensive income	Accumulated losses included in other comprehensive income	Reason for assigning to measure in fair value of which changes included other comprehensive income
		Increase in the investment	Decrease in the investment	Gains included in other comprehensive income in the Reporting Period	Accumulated losses included in other comprehensive income in the Reporting Period	Others					
Fujian KEDA Electric Power Co., Ltd.	4,003,984.13			245,407.14			4,249,391.27		428,829.25		
Changde Avenue New Materials Technology Co., Ltd.	1,913,420.34			2,849,574.61			4,762,994.95		1,762,994.95		
Jiaxing		1,300,000,000.00			495,053,875.21		804,946,124.79			495,053,875.21	



Keda Jinhong Salt Lake Industrial Equity Investment Partnership (Limited Partnership)											
Total	5,917,404.47	1,300,000,000.00		3,094,981.75	495,053,875.21		813,958,511.01		2,191,824.20	495,053,875.21	/

**(2). Amount derecognised in the Reporting Period**

Applicable Not applicable

Other notes:

Applicable Not applicable

The closing balance of other equity instruments investments increased by 13,655.33% year on year, mainly due to the establishment of an industrial investment fund, Jiaying Keda Jinhong Fund, by the Company during the Reporting Period.

**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

Other notes:

Applicable Not applicable**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	4,030,962,450.69	3,130,982,694.29
Liquidation of fixed assets		
Total	4,030,962,450.69	3,130,982,694.29

Other notes:

Applicable Not applicable**Fixed assets****(1). Fixed assets**√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Land (overseas)	Properties and buildings	Machinery and equipment	Transportation tools	Electronic devices and	Total
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					others	
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 Reporting Period		636,778,984.12	744,554,310.36	79,178,705.90	25,169,450.27	1,485,681,450.65
(1) Purchase			85,538,790.37	77,524,246.44	25,169,450.27	188,232,487.08
(2) Transfer-in of construction in progress		636,778,984.12	659,015,519.99			1,295,794,504.11
(3) Increase in business combinations						
(4) Exchange rate changes				1,654,459.46		1,654,459.46
3. Decrease in the Reporting Period	4,141,650.66	71,620,021.44	172,438,272.96	5,694,749.38	16,516,929.68	270,411,624.12
(1) Disposal or write-off		168,751.09	61,025,312.19	5,694,749.38	16,134,810.96	83,023,623.62
(2) Transfer-in of construction in progress		16,745,546.15				16,745,546.15
(3) Exchange rate changes	4,141,650.66	54,705,724.20	111,412,960.77		382,118.72	170,642,454.35
4. Closing balance	81,906,870.37	2,863,088,693.88	2,897,048,321.93	189,408,850.61	121,777,152.27	6,153,229,889.06
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 Reporting Period		162,857,460.44	216,228,452.93	35,967,488.39	13,161,614.22	428,215,015.98
(1) Provision		161,487,547.45	216,228,452.93	31,798,464.19	11,075,580.93	420,590,045.50
(2) Increase in business combinations						
(3) Exchange rate changes		1,369,912.99		4,169,024.20	2,086,033.29	7,624,970.48
3. Decrease in the Reporting Period		12,583,757.61	82,959,949.68	5,137,981.08	11,761,877.78	112,443,566.15
(1) Disposal or write-off		108,420.97	34,742,095.34	5,137,981.08	11,761,877.78	51,750,375.17
(2) Transfer-in of construction in progress		12,475,336.64				12,475,336.64
(3) Exchange rate changes			48,217,854.34			48,217,854.34

4. Closing balance		828,285,616.65	1,038,524,308.04	93,168,868.15	81,650,786.04	2,041,629,578.88
Provision for impairment						
1. Opening balance		26,791,211.72	54,328,027.47			81,119,239.19
2. Increase in the Reporting Period						
(1) Provision						
3. Decrease in the Reporting Period			481,379.70			481,379.70
(1) Disposal or write-off			481,379.70			481,379.70
4. Closing balance		26,791,211.72	53,846,647.77			80,637,859.49
Carrying value						
1. Closing carrying value	81,906,870.37	2,008,011,865.51	1,804,677,366.12	96,239,982.46	40,126,366.23	4,030,962,450.69
2. Opening carrying value	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	22,015,714.99	26,791,211.72	13,014,310.09	
Machinery and equipment	50,034,462.76	14,319,277.51	31,171,349.26	4,543,835.99	
Electronic devices and others	241,282.93	229,240.26		12,042.67	
Total	112,096,982.49	36,564,232.76	57,962,560.98	17,570,188.75	

**(3). Fixed assets leased out through operating leases**√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing carrying value
Properties and buildings	23,669,199.13
Machinery and equipment	135,284.95
Total	23,804,484.08

**(4). Fixed assets without proper certificates of title**

Applicable Not applicable

**(5). Impairment test of fixed assets**

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	1,431,817,303.54	676,298,157.93
Construction materials		
Total	1,431,817,303.54	676,298,157.93

Other notes:

Applicable Not applicable

The closing balance of construction in progress increased by 111.71% year on year, mainly due to the continuous efforts of the company in expanding its production capacity in accordance with the direction of strategic development and increasing investment in factory buildings and equipment, such as the subsidiaries Keda Cameroon, Foshan Keda Equipment and Keda Tanzania.

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

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
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	Book balance	Provision for impairment	Carrying value	Book balance	Provision for impairment	Carrying value
Ceramics Factory Phase I Project in Cameroon	265,098,428.87		265,098,428.87	12,139,247.89		12,139,247.89
Glass Factory Project in Tanzania	264,965,398.66		264,965,398.66	5,914,786.75		5,914,786.75
Fujian Keda Phase II Project	257,092,237.73		257,092,237.73	9,610,411.97		9,610,411.97
Keda Equipment Manufacturing Infrastructure Project	233,385,883.51		233,385,883.51	4,704,040.72		4,704,040.72
Sanitary Ware Project of Kisumu Ceramics Factory	158,541,653.22		158,541,653.22	8,617,704.90		8,617,704.90
Chongqing Keda Infrastructure Project	77,156,851.98		77,156,851.98			
Digital Factory Project of Large-scale High-end Smart Equipment Manufacturing	60,658,103.71		60,658,103.71	85,064,123.06		85,064,123.06
Technology Improvement Project of Keda Industrial	18,905,515.81		18,905,515.81	39,903,629.48		39,903,629.48
Equipment and installation	13,859,604.54		13,859,604.54	11,205,303.86		11,205,303.86
Phase II Project of Senegal Ceramics Factory				155,999,843.30		155,999,843.30
Phase I of Fujian Keda New Enery	6,430,064.24		6,430,064.24	126,285,562.38		126,285,562.38
Sanitary Ware Project				88,938,222.80		88,938,222.80

in Ghana						
Phase II Project of Zambia Ceramics Factory				35,507,834.38		35,507,834.38
Phase V Project of Ghana Ceramics Factory				17,246,009.81		17,246,009.81
Other projects	75,723,561.27		75,723,561.27	75,161,436.63		75,161,436.63
Total	1,431,817,303.54		1,431,817,303.54	676,298,157.93		676,298,157.93

**(2). Changes in major construction in progress in the Reporting Period**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Project	Budget	Opening balance	Increase in the Reporting Period	Amount of transfer into fixed assets in the Reporting Period	Other decreases in the Reporting Period	Closing balance	Percentage of accumulated project investment in the budget (%)	Project progress	Accumulated amount of interest capitalisation	Including: Amount of interest capitalisation in the Reporting Period	Capitalisation rate of interest in the Reporting Period (%)	Source of fund
Ceramics Factory Phase I Project in Cameroon	438,884,348.00	12,139,247.89	260,947,511.44	7,988,330.46		265,098,428.87	62.22	62.22%	6,750,073.50	6,750,073.50	7.28	Self-financing
Glass Factory Project in Tanzania	563,957,550.00	5,914,786.75	259,050,611.91			264,965,398.66	46.98	46.98%				Self-financing
Fujian Keda Phase II Project	549,458,876.74	9,610,411.97	247,481,825.76			257,092,237.73	46.79	46.79%	3,208,333.33	3,208,333.33	2.20	Self-financing
Keda Equipment Manufacturing Infrastructure Project	524,860,000.00	4,704,040.72	228,681,842.79			233,385,883.51	44.47	44.47%				Fund-raising+self-financing
Sanitary Ware Project of Kisumu Ceramics Factory	166,829,160.00	8,617,704.90	149,923,948.32			158,541,653.22	95.03	95.03%	10,556,599.88	10,556,599.88	7.28	Self-financing
Digital Factory Project of Large-scale High-end Smart Equipment Manufacturing	250,000,000.00	85,064,123.06	159,437,959.18	183,843,978.53		60,658,103.71	97.80	97.80%				Fund-raising+self-financing
Phase I of Fujian Keda New	400,000,000.00	126,285,562.38	60,036,960.91	179,892,459.05		6,430,064.24	99.53	99.53%				Self-financing



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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-financing
Phase V Project of Ghana Ceramics Factory	221,503,385.00	17,246,009.81	204,637,824.45	221,883,834.26			100.17	100.00%				Fund-raising+self- financing
Phase II Project of Zambia Ceramics Factory	183,899,268.00	35,507,834.38	137,771,792.04	173,279,626.42			94.23	100.00%				Fund-raising+self- financing
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-financing
Total	3,677,131,855.59	550,027,787.96	1,820,326,166.50	1,124,182,184.52	-	1,246,171,769.94			20,515,006.71	20,515,006.71	/	/

**(3). Provision set aside for impairment of construction in progress in the Reporting Period**

Applicable Not applicable

**(4). Impairment test of construction in progress**

Applicable Not applicable

Other notes

Applicable Not applicable

**Construction materials**

**(5). Construction materials**

Applicable Not applicable

**23. Productive biological assets**

**(1). Productive biological assets measured at cost**

Applicable Not applicable

**(2). Impairment test of productive biological assets measured at cost**

Applicable Not applicable

**(3). Productive biological assets measured at fair value**

Applicable Not applicable

Other notes

Applicable Not applicable

**24. Oil and gas assets**

**(1) Oil and gas assets**

Applicable Not applicable

**(2) Impairment test of oil and gas assets**

Applicable Not applicable

**25. Right-of-use assets****(1) Right-of-use assets**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Land (overseas)	Properties and buildings	Total
<b>I. Original carrying value</b>			
1. Opening balance		12,320,750.63	12,320,750.63
2. Increase in the Reporting Period	8,597,572.24	4,978,777.42	13,576,349.66
(1) Increase in the Reporting Period	8,597,572.24	4,978,777.42	13,576,349.66
3. Decrease in the Reporting Period		4,441,410.97	4,441,410.97
(1) Decrease in the Reporting Period		4,441,410.97	4,441,410.97
4. Closing balance	8,597,572.24	12,858,117.08	21,455,689.32
<b>II. Accumulated depreciation</b>			
1. Opening balance		4,106,916.96	4,106,916.96
2. Increase in the Reporting Period	56,539.07	1,709,449.78	1,765,988.85
(1) Provision	56,539.07	1,709,449.78	1,765,988.85
3. Decrease in the Reporting Period		1,461,925.98	1,461,925.98
(1) Disposal		1,461,925.98	1,461,925.98
4. Closing balance	56,539.07	4,354,440.76	4,410,979.83
<b>III. Provision for impairment</b>			
1. Opening balance			
2. Increase in the Reporting Period			
(1) Provision			
3. Decrease in the Reporting Period			
(1) Disposal			
4. Closing balance			
<b>IV. Carrying value</b>			
1. Closing carrying value	8,541,033.17	8,503,676.32	17,044,709.49
2. Opening carrying value		8,213,833.67	8,213,833.67

**(2) Impairment test of right-of-use assets**

□Applicable √Not applicable

Other notes:

The closing balance of right-of-use assets increased by 107.51% year on year, mainly due to the additional leased of land use rights by the subsidiary Keda Zambia 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
<b>I. Original carrying value</b>				
1. Opening balance	965,574,662.02	40,779,612.18	66,778,665.21	1,073,132,939.41
2. Increase in the Reporting Period	21,789,093.36	17,289,836.20		39,078,929.56
(1) Purchase	21,789,093.36	17,178,507.34		38,967,600.70
(2) Internal R&D				
(3) Increase in business combinations				
(4) Exchange rate fluctuations		111,328.86		111,328.86
3. Decrease in the Reporting Period		1,500,437.00		1,500,437.00
(1) Disposal		1,500,437.00		1,500,437.00
(2) Disposal of subsidiaries				
(3) Exchange difference on translating foreign operations				
4. Closing balance	987,363,755.38	56,569,011.38	66,778,665.21	1,110,711,431.97
<b>II. Accumulated amortisation</b>				
1. Opening balance	120,962,289.19	19,263,948.05	65,727,086.94	205,953,324.18
2. Increase in the Reporting Period	24,002,217.61	7,500,996.92	269,971.91	31,773,186.44
(1) Provision	24,002,217.61	7,387,949.06	269,971.91	31,660,138.58
(2) Exchange difference on translating foreign operations		113,047.86		113,047.86
3. Decrease in the Reporting Period		1,445,060.11		1,445,060.11
(1) Disposal		1,445,060.11		1,445,060.11
(2) Disposal of subsidiaries				
(3) Exchange				

difference on translating foreign operations				
4. Closing balance	144,964,506.80	25,319,884.86	65,997,058.85	236,281,450.51
III. Provision for impairment				
1. Opening balance				
2. Increase in the Reporting Period				
(1) Provision				
(2) Exchange difference on translating foreign operations				
3. Decrease in the Reporting Period				
(1) Disposal				
4. Closing balance				
IV. Carrying value				
1. Closing carrying value	842,399,248.58	31,249,126.52	781,606.36	874,429,981.46
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

**(3) Impairment test of intangible assets**

Applicable Not applicable

Other notes:

Applicable Not applicable

**27. 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 Reporting Period	Decrease in the Reporting 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 Purui 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 Reporting Period	Decrease in the Reporting 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 Purui 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 groups of the goodwill**√Applicable Not applicable

Name	Composition and basis of the asset group or combination of asset groups	Operating segments and basis	Whether it is consistent with the previous year
HLT Industry Co., Ltd.	Long-term assets related to goodwill; based on the reasons for the formation of goodwill and the management's recognition		Yes
Keda (Kenya) Ceramics Company Limited	Long-term assets related to goodwill; based on the reasons for the formation of goodwill and the management's recognition		Yes
Qinghai Yanhu Lanke Lithium Industry Co., Ltd.	Long-term assets related to goodwill; based on the reasons for the formation of goodwill and the management's recognition		Yes
KEDA-SUREMAKER (Wuhu) Industrial Co., Ltd.	Long-term assets related to goodwill; based on the reasons for the formation of goodwill and the management's recognition		Yes
I.C.F. & Welko S.P.A.	Long-term assets related to goodwill; based on the reasons for the formation of goodwill and the management's recognition		Yes

Changes in asset groups or combinations of asset groups

Applicable Not applicable

Other notes

Applicable Not applicable**(4). Specific determination method for recoverable amount**

The recoverable amount is determined as the net fair value minus disposal expenses

Applicable Not applicable

The recoverable amount is determined as the present value of the expected future cash flows

Applicable Not applicable

Unit: Ten Thousand Yuan      Currency: RMB

Item	Carrying value	Recoverable amount	Impairment amount	Years of the forecast period	Key parameters for the forecast period (growth rate, profit margin, etc.)	Basis for determining the parameters for the forecast period	Key parameters of the stable period (growth rate, profit margin, discount rate, etc.)	Basis for determining key parameters for the stable period
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HLT Industry Co., Ltd.	53,927.42	97,643.45		2024-2028	Growth rate 0-9.67%; pre-tax profit margin 10.11-12.37%	Management forecast	Growth rate 0, pre-tax profit margin 10.11%, discount rate 11.83%	Management forecast
Keda (Kenya) Ceramics Company Limited	32,086.57	81,376.47		2024-2028	Growth rate 0-15%; pre-tax profit margin 10.09-14.34%	Management forecast	Growth rate 0%, pre-tax profit margin 14.34%, discount rate 14.41%	Management forecast
Qinghai Yanhu Lanke Lithium Industry Co., Ltd.	531,640.93	1,364,276.46		2024-2028	Growth rate -40-5.26%; pre-tax profit margin 39.06-39.81%	Management forecast	Growth rate 0, pre-tax profit margin 39.71%, discount rate 12.93%	Management forecast
KEDA-SUREMAKER (Wuhu) Industrial Co., Ltd.	32,041.41	52,200.83		2024-2028	Growth rate 0-36.37%; pre-tax profit margin 7.72-12.24%	Management forecast	Growth rate 0%, pre-tax profit margin 10.94%, discount rate 11.83%	Management forecast
I.C.F. & Welko S.P.A.	13,394.99	39,807.01		2024-2028	Growth rate 0-19.65%; pre-tax profit margin 10.11-11.60%	Management forecast	Growth rate 0%, pre-tax profit margin 10.11%, discount rate 12.63%	Management forecast
Total	663,091.32	1,635,304.22		/				

### (5). Performance commitments and corresponding goodwill impairment

Performance commitments existed at the time goodwill was formed and are within the performance commitment period in the Reporting Period or the previous Reporting Period

Applicable Not applicable

Other notes

Applicable Not applicable

### 28. Long-term amortised expenses

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the Reporting Period	Amortised amount in the Reporting Period	Other decreases	Closing balance
Sporadic projects		342,567.44			342,567.44
Loan front-end fees	15,416,756.53			15,416,756.53	
Total	15,416,756.53	342,567.44		15,416,756.53	342,567.44

Other notes

The closing balance of long-term amortised expenses decreased by 97.78% year on year, mainly due to the reclassification of loan front-end fees to long-term borrowings during the



Reporting Period.

**29. Deferred tax assets/deferred tax liabilities****(1). Deferred 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	239,882,492.91	45,292,295.65	244,944,669.53	47,709,215.61
Deductible losses	1,106,367,478.11	173,091,665.95	907,469,073.02	137,785,542.29
Change in the fair value of financial assets	385,200,421.63	57,780,063.24		
Government grants	49,993,883.17	7,499,082.48	76,900,419.55	11,535,062.93
Lease liabilities	11,890,759.96	3,567,227.99		
Others	172,198,710.62	44,620,290.76	28,206,717.95	4,177,908.08
Total	1,965,533,746.40	331,850,626.07	1,257,520,880.05	201,207,728.91

**(2). Deferred 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	14,085,368.33	2,112,805.18	14,954,991.89	2,243,248.72
Asset appraisal and appreciation of SureMaker	5,331,542.60	799,731.43	5,993,081.12	898,962.20
Asset appraisal and appreciation of Jiangsu Kehang	19,168,663.72	2,875,299.56	20,728,182.85	3,109,227.43
Asset appraisal and appreciation of Welko	26,152,348.85	7,296,505.33	26,152,348.85	7,296,505.33
Right-of-use assets	11,350,336.66	3,405,100.99		
Change in the fair value of financial assets			901,251.44	135,187.72
Total	76,088,260.16	16,489,442.49	68,729,856.15	13,683,131.40

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

Applicable Not applicable

**(4). Breakdown of unrecognised deferred tax assets**

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Deductible temporary differences		
Deductible losses	850,394,200.23	793,374,115.99
Provision for fixed assets impairment	80,637,859.49	81,119,239.19
Provision for impairment of other assets	157,773,595.41	154,736,589.34
Total	1,088,805,655.13	1,029,229,944.52

**(5). Deductible losses of unrecognised deferred 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	
2024	35,045,415.66	48,556,170.47	
2025	280,311,023.21	33,590,632.48	
2026	125,346,375.59	48,694,900.86	
2027	138,336,846.07	108,821,650.53	
2028	271,354,539.70	55,320,112.25	
2029			
2030		255,487,133.82	
2031		88,711,909.86	
2032		82,088,211.51	
2033			
Total	850,394,200.23	793,374,115.99	/

Other notes:

Applicable Not applicable

The closing balance of deferred income tax assets increased by 64.93% year on year, mainly

due to the impact of deferred tax assets recognized in the Reporting Period for changes in the fair value of investments in other equity instrument investments.

### 30. Other non-current 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
Prepaid land/equipment purchase	190,276,830.96		190,276,830.96	44,157,133.94		44,157,133.94
Prepaid front-end fees to borrowings	17,061,061.27		17,061,061.27			
Intermediary fees paid after the shareholding reform				418,867.92		418,867.92
Total	207,337,892.23	-	207,337,892.23	44,576,001.86		44,576,001.86

Other notes:

The closing balance of other non-current assets increased by 365.13% year on year, mainly due to the Company's continuous investment in upgrading its production capacity, and the increase in the prepayment of equipment project funds made by the subsidiaries, namely, Fujian Keda, HLT Technology and Chongqing Keda, during the Reporting Period.

### 31. Assets with restricted ownership or right of use

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance				Opening			
	Book balance	Carrying value	Type of restriction	Restriction details	Book balance	Carrying value	Type of restriction	Restriction details
Monetary funds	231,708,663.13	231,708,663.13	Others	Margin, judicially frozen funds and time deposit	1,059,758,584.74	1,059,758,584.74	Others	Margin, judicially frozen funds and time deposit
Accounts receivables financing	83,531,342.41	83,531,342.41	Pledge	For pledge	81,157,812.31	81,157,812.31	Pledge	For pledge
Accounts receivable	45,015,628.76	44,994,638.33	Pledge	Pledge loans used for projects	21,880,368.53	21,834,411.37	Pledge	Pledge loans used for projects
Fixed assets	1,649,024,585.32	1,116,116,643.74	Mortgage	Mortgage loans used for projects	1,642,709,988.44	1,218,533,854.00	Mortgage	Mortgage loans used for projects
Construction in progress	312,296,229.97	312,296,229.97	Mortgage	Mortgage loans used for projects	-	-	Mortgage	Mortgage loans used for projects
Intangible assets	206,677,510.78	189,931,041.26	Mortgage	Mortgage loans used for	135,183,794.61	124,528,203.33	Mortgage	Mortgage loans used for projects

				projects				
Total	2,528,253,960.37	1,978,578,558.84	/	/	2,940,690,548.63	2,505,812,865.75	/	/

## 32. Short-term loans

### (1). Classification of short-term loans

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Pledge loan	45,149,000.00	255,000,000.00
Mortgage loan	103,000,000.00	128,751,432.93
Guaranteed loan	17,312,275.00	209,408,751.52
Unsecured loan	327,738,324.45	413,160,000.00
Pledge loan + guaranteed loan	29,148,313.59	
Mortgage loan + guaranteed loan	30,000,000.00	
Pledge loan + mortgage loan	20,000,000.00	
Total	572,347,913.04	1,006,320,184.45

### (2). Short-term loans overdue and subject to repayment

Applicable Not applicable

Including the significant short-term loans overdue and subject to repayment as follows:

Applicable Not applicable

Other notes

Applicable Not applicable

## 33. Financial liabilities held for trading

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance	Reasons and basis for designation
Financial liabilities held for trading		5,262,816.37	/
Including:			
Forward exchange rate hedging		5,262,816.37	/
Futures contract			/

Total		5,262,816.37	/
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Other notes:

Applicable Not applicable

The closing balance of financial liabilities held for trading was RMB5,262.80 thousand, was mainly due to the change in fair value of the Company's contracts for forward settlement of exchange in the current period.

### 34. Derivative financial liabilities

Applicable Not applicable

### 35. Notes payable

#### (1). Presentation of notes payable

Applicable Not applicable

Unit: Yuan Currency: RMB

Category	Closing balance	Opening balance
Commercial acceptance draft		
Banker's acceptance	578,895,361.47	685,516,312.19
Total	578,895,361.47	685,516,312.19

### 36. Accounts payable

#### (1). Presentation of accounts payable

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Purchase payment payable	1,839,503,607.87	1,529,238,273.39
Total	1,839,503,607.87	1,529,238,273.39

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

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Reason for non-repayment or carry-over
Supplier 6	10,077,104.56	Within the credit period

Supplier 7	7,245,845.55	Within the credit period
Supplier 8	5,805,600.00	Within the credit period
Supplier 9	4,716,000.00	Within the credit period
Supplier 10	4,653,375.15	Within the credit period
Total	32,497,925.26	/

Other notes

Applicable Not applicable

### 37. Receipts in advance

#### (1). Presentation of accounts received in advance

Applicable Not applicable

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

Applicable Not applicable

#### (3). Amount of significant changes in the carrying value in the Reporting Period and reasons for such changes

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
Advances on sales	1,888,715,707.88	1,570,157,469.07
Total	1,888,715,707.88	1,570,157,469.07

#### (2). Significant contract liabilities 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
------	-----------------	--

Customer 25	69,624,778.63	Contract performance is not yet completed
Customer 26	32,014,159.29	Contract performance is not yet completed
Customer 27	28,957,889.22	Contract performance is not yet completed
Customer 28	25,651,327.42	Contract performance is not yet completed
Total	156,248,154.56	

**(3). Amount of significant changes in the carrying value in the Reporting Period and reasons 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 Reporting Period	Decrease in the Reporting Period	Closing balance
I. Short-term remuneration	223,534,857.85	1,236,516,509.31	1,257,205,196.39	202,846,170.77
II. Post-employment benefits - Defined contribution plan		61,910,124.66	61,910,124.66	
III. Termination benefits		16,343,399.10	16,343,399.10	
IV. Other benefits due within one year				
Total	223,534,857.85	1,314,770,033.07	1,335,458,720.15	202,846,170.77

**(2). Presentation of short-term remuneration**

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the Reporting Period	Decrease in the Reporting Period	Closing balance
I. Wages, bonuses, and allowances,	223,534,857.85	1,089,479,424.48	1,110,168,111.56	202,846,170.77

subsidies				
II. Employee welfare expenses		84,423,145.80	84,423,145.80	
III. Social insurance expenses		28,189,499.69	28,189,499.69	
Including: Medical insurance premiums		25,977,986.28	25,977,986.28	
Work injury insurance premiums		2,211,513.41	2,211,513.41	
Maternity insurance premiums				
IV. Housing fund		29,654,359.23	29,654,359.23	
V. Labor union funds and employee education funds		4,770,080.11	4,770,080.11	
VI. Short-term compensated absences				
VII. Short-term profit-sharing plan				
Total	223,534,857.85	1,236,516,509.31	1,257,205,196.39	202,846,170.77

### (3). Presentation of the defined contribution plan

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the Reporting Period	Decrease in the Reporting Period	Closing balance
1. Basic endowment insurance		60,416,748.48	60,416,748.48	
2. Unemployment insurance		1,493,376.18	1,493,376.18	
3. Enterprise annuity payment				
Total		61,910,124.66	61,910,124.66	

Other notes:

Applicable Not applicable

### 40. Taxes payable

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Value-added tax	25,582,528.03	36,629,163.60



Corporate income tax	50,413,306.90	81,048,981.26
Personal income tax	4,337,204.41	3,891,063.57
City maintenance & construction tax	1,178,511.21	1,314,819.75
Property tax	862,465.87	1,753,203.42
Land use tax	809,426.86	974,738.46
Educational surcharge	906,597.54	876,604.23
Embankment protection fee	149,865.25	69,232.51
Stamp duty	1,169,046.00	861,909.42
Other taxes	1,951,149.22	192,674.61
Total	87,360,101.29	127,612,390.83

Other notes:

Applicable  Not applicable

#### 41. Other payables

##### (1). 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	198,082,763.71	145,507,387.87
Total	198,082,763.71	180,298,689.31

Other notes:

Applicable  Not applicable

##### (2). Interest payable

Classified presentation

Applicable  Not applicable

Significant interest payable overdue:

Applicable  Not applicable

Other notes:

Applicable Not applicable

### (3). Dividends payable

Classified presentation

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 notes, including the reasons for non-payment of significant dividends payable that have not been paid for more than one year:

None

### (4). Other payables

Other accounts payable presented based on the fund nature

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Intercompany current accounts	128,960,319.12	122,963,317.28
Other current accounts	16,930,443.34	18,709,268.59
Equity investment payment	47,400,000.00	
Deposit	4,792,001.25	3,834,802.00
Total	198,082,763.71	145,507,387.87

Significant other accounts payable with an age of more than one year or overdue

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	877,885,370.20	569,507,280.85
Bonds payable due within one year		
Long-term payables due within one year		
Lease liabilities due within one year	1,810,112.67	
Total	879,695,482.87	569,507,280.85

Other notes:

Lease liabilities due within one year

Company	Closing balance
Keda (Tanzania) Ceramics Company Limited	1,120,974.55
Keda (Kenya) Ceramics Company Limited	291,836.48
Keda Zambia Ceramics Company Limited	397,301.64
Total	1,810,112.67

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

Item	Closing balance	Opening balance
Unsecured loan	482,643,515.61	156,333,740.88
Guaranteed loan	166,030,303.83	101,894,439.12
Pledge loan	2,733,270.36	1,143,557.57
Mortgage loan	87,417,545.00	122,215,355.51
Mortgage loan + guaranteed loan	133,415,016.50	185,312,667.77
Mortgage loan + pledge loan	5,645,718.90	2,607,520.00
Total	877,885,370.20	569,507,280.85

**44. Other current liabilities**

Other current liabilities

√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Tax to be written off	136,112,033.99	126,209,117.93

Notes endorsed but undue and not derecognised at the end of the Reporting Period	38,256,302.58	11,283,400.00
Total	174,368,336.57	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
Pledge loan	14,105,168.60	7,705,912.72
Mortgage loan	507,831,005.00	264,139,708.76
Guaranteed loan	859,551,610.07	123,865,666.66
Unsecured loan	1,253,752,121.05	557,218,466.03
Mortgage loan + guaranteed loan	723,555,650.68	518,321,343.51
Mortgage loan + pledge loan	39,756,042.39	18,902,655.00
Total	3,398,551,597.79	1,490,153,752.68

Other notes:

Applicable Not applicable

#### 46. Bonds payable

##### (1). Bonds payable

Applicable Not applicable

##### (2). Specific details on bonds payable: (Excluding preference shares, perpetual bonds, and other financial instruments classified as financial liabilities)

Applicable Not applicable

##### (3). Notes to convertible corporate bonds

Applicable Not applicable

Accounting for transfers of equity and basis of judgment

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	16,013,356.10	8,589,330.92
Total	16,013,356.10	8,589,330.92

Other notes:

The closing balance of lease liabilities increased by 86.43% year on year, mainly due to the additional leased of land use rights by the subsidiary Keda Zambia during the Reporting Period.

**48. Long-term payables****Presentation of items**Applicable Not applicable

Other notes:

Applicable Not applicable

**Long-term payables****(1). Long-term payables presented based on the fund nature**

Applicable Not applicable

**Special accounts payable****(2). Special accounts payable presented based on the fund nature**

Applicable Not applicable

**49. Long-term payroll payables**

Applicable Not applicable

**50. Estimated liabilities**

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance	Cause(s)
Product quality assurance	1,107,332.48	551,846.42	
Compensation related to pending lawsuits	187,592,351.57		
Compensation		1,500,000.00	
Total	188,699,684.05	2,051,846.42	/

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

The closing balance of estimated liabilities decreased by 98.91% year on year, mainly due to the reversal of the estimated liabilities provided by the Company in previous years in the Reporting Period in accordance with the results of the litigation judgments in the Civil Judgment issued by the Supreme People's Court of the People's Republic of China ((2021) Z.G.F.Z.M.Z. No. 1031) and the Civil Judgment issued by the Higher People's Court of Guangdong Province ((2022) Y.M.Z. No. 4265).

### 51. Deferred income

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the Reporting Period	Decrease in the Reporting Period	Closing balance	Cause(s)
Government grants	44,970,169.55	500,000.00	12,101,586.38	33,368,583.17	Special government subsidies
Total	44,970,169.55	500,000.00	12,101,586.38	33,368,583.17	/

Other notes:

Applicable Not applicable

### 52. Other non-current liabilities

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Government Grants	23,458,125.88	44,883,546.49
Total	23,458,125.88	44,883,546.49

Other notes:



The closing balance of other non-current liabilities decreased by 47.74% 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
		Offering new shares	Bonus issue	Conversion of capital reserve into share capital	Others	Sub-total	
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 Reporting 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 Reporting Period	Decrease in the Reporting Period	Closing balance
Share capital premium (share premium)	2,892,884,899.52	7,951,658.90	29,947,516.10	2,870,889,042.32
Other capital reserves	166,579,427.17	22,664,332.93	1,706,547.87	187,537,212.23
Total	3,059,464,326.69	30,615,991.83	31,654,063.97	3,058,426,254.55

Other notes, including notes to the changes in the Reporting Period and reasons for the changes:

Note 1: Capital reserves - share premium increased by RMB7,951,658.90 during the Reporting Period, which was mainly due to the increase in capital reserves from the Company's purchase of minority shareholders' equity in subsidiaries.

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

Note 3: Capital reserves - other capital reserves increased by RMB22,664,332.93 during the Reporting Period, which was due to the Company's payment for shares to increase capital reserves during the Reporting Period.

Note 4: Capital reserves - other capital reserves decreased by RMB1,706,547.87 during the Reporting Period, which was mainly due to the recognition of changes in other equities in associates, Lanke Lithium Industry, 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 Reporting Period	Decrease in the Reporting Period	Closing balance
Treasury stock	500,000,213.13	338,502,489.53		838,502,702.66
Total	500,000,213.13	338,502,489.53		838,502,702.66

Other notes, including notes to the changes in the Reporting Period and reasons for the changes:

The Company held the 25th meeting of the Eighth Board of Directors and the 21th meeting of the Eighth Board of Supervisors on 11 September 2023, and reviewed and approved the Proposal on Repurchase of the Company's Shares, agreeing that the Company could use its own funds to repurchase some shares through centralised bidding transactions for subsequent implementation of the Employee Share Ownership Plan and/or equity incentives. The number of shares to be repurchased shall be not less than 20 million and not more than 30 million shares, and the repurchase price shall be not more than RMB15 per share (inclusive).

As of 1 November 2023, the Company had completed the repurchase, and had repurchased a total of 29,999,904 A shares of the Company through centralised bidding transactions, accounting for 1.54% of the Company's total share capital. The lowest price of the repurchase transactions was RMB10.45 per share, the highest price was RMB12.00 per share, and the average repurchase price was RMB11.28 per share. The total payment was RMB338,502,489.53 (including transaction costs such as stamp duty and commission).

**57. Other comprehensive income**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Opening Balance	Amount incurred in the Reporting Period						Closing balance Balance
		Amount incurred before income tax in the Reporting Period	Less: Amount recognised as other comprehensive income in the previous period and transferred to profit or loss in the Reporting Period	Less: Amount recognised as other comprehensive income in the previous period and transferred to retained earnings in the Reporting Period	Less: Income tax expenses	Attributable to the parent company after tax	Attributable to minority shareholders after tax	
I. Other comprehensive income that cannot be reclassified as profits or losses	-2,753,365.94	-491,895,136.09			57,780,063.24	-383,214,122.51	-50,900,950.34	-385,967,488.45
Including: Change in re-measurement of defined benefit plan								
Other comprehensive income that may not be transferred to profit or loss under equity method		63,757.37				63,757.37		63,757.37
Changes in the fair value of other equity	-2,753,365.94	-491,958,893.46			-57,780,063.24	-383,277,879.88	-50,900,950.34	-386,031,245.82

instruments investments								
Changes in fair value of enterprise's own credit risk								
II. Other comprehensive income that will be reclassified to profit or loss	-201,522,230.40	-126,730,958.01				-54,587,104.32	-72,143,853.69	-256,109,334.72
Including: Other comprehensive income that may be transferred to profit or loss under equity method		-151,538.21				-151,538.21		-151,538.21
Changes in the fair value of other debt investments								
Amount of financial assets reclassified to other comprehensive income								
Credit impairment provision of other debt investments								
Cash flow hedging reserve								
Exchange difference on translation of financial statements in foreign currency	-201,522,230.40	-126,579,419.80				-54,435,566.11	-72,143,853.69	-255,957,796.51
Total of other comprehensive income	-204,275,596.34	-618,626,094.10			-57,780,063.24	-437,801,226.83	-123,044,804.03	-642,076,823.17

**58. Special reserve**√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the Reporting Period	Decrease in the Reporting 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 Reporting Period	Decrease in the Reporting Period	Closing balance
Statutory surplus reserves	385,996,805.25	435,495,863.27		821,492,668.52
Discretionary surplus reserves	10,168,213.70			10,168,213.70
Reserve funds				
Enterprise development funds				
Others				
Total	396,165,018.95	435,495,863.27		831,660,882.22

**60. Undistributed profit**√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	This Period	Previous period
Undistributed profits at the end of the previous period before the adjustment	6,684,315,895.33	2,814,114,079.93
Adjustment of the total amount of opening undistributed profits (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 Reporting Period	2,091,996,449.37	4,250,931,759.12
Less: Appropriation of statutory surplus reserves	435,495,863.27	40,814,356.50
Appropriation of discretionary surplus reserves		
Appropriation of general risk reserve		
Ordinary share dividends payable	1,304,142,345.88	339,915,587.22
Dividends on ordinary shares converted into share capital		
Others	550,050.13	
Closing undistributed profits	7,036,124,085.42	6,684,315,895.33

**61. Operating revenue and operating expenses****(1). Operating revenue and operating expenses**√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the Reporting Period		Amount incurred in the previous period	
	Income	Cost	Income	Cost
Principal business	9,687,547,186.10	6,855,351,553.85	11,147,385,818.12	7,865,630,519.93
Other business	8,092,629.70	4,909,046.39	9,810,807.74	5,959,596.05
Total	9,695,639,815.80	6,860,260,600.24	11,157,196,625.86	7,871,590,115.98

## (2). Information on the breakdown of operating revenue and cost of sales

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Category of contracts	Segment		Total	
	Operating revenue	Operating expenses	Operating revenue	Operating expenses
Product categories				
Building material machinery	4,477,209,604.05	3,206,183,046.80	4,477,209,604.05	3,206,183,046.80
Oversea structural ceramics	3,655,208,459.69	2,350,390,872.46	3,655,208,459.69	2,350,390,872.46
Lithium battery materials	739,597,635.39	671,862,222.64	739,597,635.39	671,862,222.64
Others	815,531,486.97	626,915,411.95	815,531,486.97	626,915,411.95
Total	9,687,547,186.10	6,855,351,553.85	9,687,547,186.10	6,855,351,553.85
Classified by operating region				
In China	3,873,813,037.24	3,043,275,236.88	3,873,813,037.24	3,043,275,236.88
Outside China	5,813,734,148.86	3,812,076,316.97	5,813,734,148.86	3,812,076,316.97
Total	9,687,547,186.10	6,855,351,553.85	9,687,547,186.10	6,855,351,553.85



## Other notes

√Applicable Not applicable

Note: The sales volume of the top five customers was RMB1,808,785.1 thousand yuan (excluding tax), accounting for 18.67% of the sales revenue. **(3). Notes to contract fulfillment obligations**

√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Time for contract fulfillment obligations	Important payment terms	The nature of the Company's commitment to the transfer of the goods	Whether or not the person is primarily responsible	Company's share of expected refunds to customers	Types of quality assurance offered by the Company and related obligations
Sales of individual standard products, individual equipment and accessories	The point of transfer of control is based on the completion of delivery in China, and based on the completion of customs clearance outside China	Payment on delivery, partial advance receipts and partial payment days	Single product	Yes	0.00	Guaranteed quality assurance
Construction project	For clean energy and environmental projects, it follows the contract fulfillment progress; for complete sets of equipment for wall production lines with installation	Payment on delivery, partial advance receipts and partial payment days	Construction project or complete sets of equipment	Yes	0.00	Guaranteed quality assurance

	obligations, it should be the time when acceptance is completed, and those without installation obligations should be treated as individual products					
Total	/	/	/	/	0.00	/

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

Applicable Not applicable

The amount of revenue corresponding to contract fulfillment obligations that had been contracted for but not yet fulfilled or not yet completed at the end of the Reporting Period was RMB5,424 million, including:

RMB3,904 million which is expected to be recognised as revenue in 2024.

**(5). Significant contract changes or significant transaction price adjustments**

Applicable Not applicable

**62. Taxes and surcharges**

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
City maintenance & construction tax	15,710,025.85	14,981,260.01

Educational surcharge	11,365,146.40	9,331,630.48
Property tax	13,678,477.45	15,010,759.84
Land use tax	7,948,153.03	9,256,112.86
Vehicle and vessel use tax	96,116.12	107,716.60
Stamp duty	6,180,681.32	5,625,208.35
Embankment protection fee	953,802.58	984,126.94
Environmental protection tax	53,963.85	57,654.60
Other taxes	9,838,464.89	3,010,664.55
Total	65,824,831.49	58,365,134.23

### 63. Selling expenses

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Employee benefits	215,281,009.23	223,014,985.46
Travel expenses	51,590,263.04	51,443,938.67
Transport expense	49,297,454.51	123,592,041.67
Entertainment expense	26,114,183.47	30,339,771.56
Expenses for advertising and business promotion	25,677,821.28	18,678,966.16
After-sales service fee	19,742,198.84	30,270,426.29
Others	89,080,488.27	75,076,920.90
Total	476,783,418.64	552,417,050.71

**64. Management expenses**√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Employee benefits	379,244,342.83	349,449,224.64
Office expenses	44,134,018.97	35,291,622.50
Water and electricity expenses	18,332,929.99	17,682,165.45
Travel expenses	41,419,470.63	33,247,264.31
Audit and advisory fees	78,516,735.89	51,618,498.75
Depreciation and rental	85,857,981.38	82,531,722.09
Amortisation of intangible assets	36,948,882.34	37,152,976.97
Equity incentive expense	-	87,016,090.06
Others	165,972,004.13	102,842,533.87
Total	850,426,366.16	796,832,098.64

**65. R&D expense**√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Material expense	122,449,398.31	157,099,478.16
Labor expense	139,006,436.30	127,507,642.32

Depreciation and amortisation	13,037,254.12	11,891,989.47
Other expenses	17,677,534.93	29,640,627.88
Total	292,170,623.66	326,139,737.83

## 66. Financial expenses

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Interest expense	213,017,526.56	108,087,861.23
Less: Interest income	-91,109,128.37	-34,429,392.38
Exchange loss	108,373,493.27	-34,629,726.01
Transaction fee	23,533,702.03	13,464,062.98
Total	253,815,593.49	52,492,805.82

Other notes:

The financial expenses incurred in the Reporting Period increased by 383.52% year on year, mainly due to the Company's continued increase in capital investment and significant increase in bank loan balances as well as the continued interest rate increases in the United States dollar, which resulted in an increase in interest expense and foreign exchange losses during the Reporting period.

## 67. Other income

Applicable Not applicable

Unit: Yuan Currency: RMB

Classification based on nature	Amount incurred in the Reporting Period	Amount incurred in the previous period
Government grants	126,358,941.70	95,250,022.30
VAT additional deduction	9,383,467.43	5,964,816.71
Others	415,631.86	237,351.59
Total	136,158,040.99	101,452,190.60

Other notes:

The amount of other income incurred in the Reporting Period increased by 34.21% year on year, mainly due to the high carry-over of government grants accepted and recognised by the Company during the Reporting Period.

## 68. Investment income

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Long-term equity investment income calculated by the equity method	1,469,518,082.38	3,857,884,620.30
Investment income arising from the disposal of long-term equity investments	2,258.09	6,179,906.70
Investment income in the financial assets held for trading during		

the holding period		
Dividend income from other equity instruments 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		
Investment income arising from the disposal of the financial assets held for trading	3,273,539.71	1,831,478.65
Investment income arising from the disposal of other equity instruments investments		
Investment income arising from the disposal of debt investments		
Investment income arising from the disposal of other debt investments		
Debt restructuring gains	-86,960.60	-1,269,156.84
Total	1,472,706,919.58	3,865,215,848.81

Other notes:

Note 1: Long-term equity investment income calculated by the equity method:

Unit: Yuan Currency: RMB

Investee	Amount incurred in the Reporting Period	Amount incurred in the previous period
Qinghai Yanhu Lanke Lithium Industry Co., Ltd.	1,442,167,080.72	3,845,654,422.79
Jiangsu Zhongchuang Qingyuan Technology Co., Ltd.		232,674.47
Maanshan Qingshan Electricity Selling Co., Ltd.	173,903.61	14,536.82
Anhui Ganghua KEDA Smart Energy Co., Ltd.	43,714.22	23,658.15
Sichuan Guangxing Lithium Battery Technology Co., Ltd.	4,094,478.06	5,704,161.35
Foshan KEDA Ceramic Technology Co., Ltd.	-468,636.28	-408,721.53
Zhangzhou Grande Graphite Material Co., Ltd.	-732,847.46	8,472,325.01

Anhui Keda Yuli Automobile Technology Co., Ltd.	-	-1,264,302.42
Guangdong KEDA Nanyue New Energy Venture Capital Partnership (Limited Partnership)	31,768.62	-544,134.34
Shandong SinoCera Create-Tide New Materials High-Tech Co., Ltd.	23,385,231.50	
Maanshan Kema New Energy Technology Co., Ltd.	823,389.39	
Total	1,469,518,082.38	3,857,884,620.30

Note 2: Investment income arising from the disposal of long-term equity investments

Unit: Yuan Currency: RMB

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Henan Tailong Metallurgical Technology Co., Ltd.		-3,106,891.80
Chuzhou Keda Smart Energy Technology Co., Ltd.		1,268.71
Foshan Zhuolitai Machinery Co., Ltd.		13,494,521.71
Jiangsu Zhongchuang Qingyuan Technology Co., Ltd.		-4,513,717.73
Anhui Keda Yuli Automobile Technology Co., Ltd.		304,725.81
Anhui Ganghua KEDA Smart Energy Co., Ltd.	2,258.09	
Total	2,258.09	6,179,906.70

Note 3: Dividend income from other equity instruments investments during the holding period

Unit: Yuan Currency: RMB

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Fujian KEDA Electric Power Co., Ltd.		589,000.00
Total		589,000.00

Other notes:

The amount of investment income incurred in the Reporting Period decreased by 61.90% year on year, mainly due to the high decrease in investment income recognised by the Company on its associate, Lanke Lithium Industry.



**69. Net exposure hedging income**

Applicable Not applicable

**70. Income from changes in fair value**

Applicable Not applicable

Unit: Yuan Currency: RMB

Sources of income from changes in fair value	Amount incurred in the Reporting Period	Amount incurred in the previous period
Financial assets held for trading	13,258,957.08	8,965,032.67
Including: Income from changes in fair value of derivative financial instruments		
Financial liabilities held for trading	-8,355,705.31	124,232.71
Investment properties measured at fair value		
Total	4,903,251.77	9,089,265.38

Other notes:

The amount of profit or losses on changes in fair value incurred in the Reporting Period decreased by 46.05% year on year, mainly due to the change in the Company's exchange rate during the Reporting Period.

**71. Credit impairment loss**

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
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Bad debt loss of notes receivable	32,272.76	170,691.04
Bad debt loss of accounts receivable	-38,545,751.76	-62,861,226.84
Bad debt loss of other receivables	2,633,680.57	-2,186,144.46
Impairment loss of debt investments		
Impairment loss of other debt investments		
Bad debt loss of long-term receivables	-2,549,929.33	-661,233.65
Impairment loss related to financial guarantee		
Bad debt loss of non-current assets due within one year	3,292,272.78	-11,286,182.37
Total	-35,137,454.98	-76,824,096.28

Other notes:

The amount of credit impairment losses incurred in the Reporting Period decreased by 54.26% year on year, mainly due to the high bad debt losses on accounts receivable provided by the Company in the same period of the previous year.

## 72. Impairment losses on assets

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
I. Impairment loss of contract assets	19,201,218.16	-6,822,183.67
II. Inventories impairment loss and impairment loss of contract fulfillment costs	-11,358,311.76	-1,245,336.16
III. Impairment loss of long-term equity investments		

IV. Impairment loss of Investment properties		
V. Impairment loss on fixed assets		-23,072,555.57
VI. Impairment loss of construction materials		
VII. Impairment loss of construction in progress		
VIII. Impairment loss on productive biological assets		
IX. Impairment loss of oil and gas assets		
X. Impairment loss of intangible assets		
XI. Goodwill impairment loss		-39,062,013.95
XII. Others		92,012,305.74
Total	7,842,906.40	21,810,216.39

Other notes:

The amount of impairment losses on assets incurred in the Reporting Period decreased by 64.04% year on year, mainly due to the reversal of impairment of the impairment of VAT to be offset provided by the subsidiary, Shenyang Keda Clean Energy, in previous years in the same period of the previous year.

### 73. Income from disposal of assets

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Gains or losses arising from the disposal of fixed assets	-921,146.42	-15,832,294.31
Gains or losses arising from the disposal of		1,093,022.48

intangible assets		
Total	-921,146.42	-14,739,271.83

Other notes:

The amount of income from disposal of assets incurred in the Reporting Period increased by 93.75% year on year, mainly due to the loss arising from the disposal of fixed assets by the subsidiary, Jiangsu Kehang, in the same period of the previous year, whereas there was no disposal of fixed assets of a significant amount in the Reporting period.

#### 74. Non-operating revenue

Non-operating revenue

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period	Amount recognised as non-recurring profit and loss of the Reporting Period
Total gains on disposal of non-current assets	628,017.06	590,454.65	628,017.06
Including: Gains on disposal of fixed assets	628,017.06	590,454.65	628,017.06
Gains on disposal of intangible assets			
Gains on non-monetary assets exchange			
Donations accepted			
Government grants			
Penalty income	921,220.46	3,630,360.23	921,220.46

Income from customer defaults	1,533,494.11	3,046,283.31	1,533,494.11
Others	195,946,560.49	13,941,106.92	195,946,560.49
Total	199,029,292.12	21,208,205.11	199,029,292.12

### Government subsidies recognised as profit and loss of the Reporting Period

Applicable  Not applicable

Other notes:

Applicable  Not applicable

The amount of non-operating revenue incurred in the Reporting Period increased by 838.45% year on year, mainly due to the reversal of the estimated liabilities provided by the Company in previous years in the Reporting Period in accordance with the results of the litigation judgments in the Civil Judgment issued by the Supreme People's Court of the People's Republic of China ((2021) Z.G.F.Z.M.Z. No. 1031) and the Civil Judgment issued by the Higher People's Court of Guangdong Province ((2022) Y.M.Z. No. 4265).

### 75. Non-operating expenses

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period	Amount recognised as non-recurring profit and loss of the Reporting Period
Total losses on disposal of non-current assets	3,722,808.99	7,057,707.97	3,722,808.99
Including: Losses on disposal of fixed assets	3,722,808.99	7,057,707.97	3,722,808.99
Losses on disposal of intangible			

assets			
Losses on non-monetary assets exchange			
External donations	5,076,616.96	1,105,043.02	5,076,616.96
Compensation related to pending lawsuits	25,171,544.78	90,571,000.00	25,171,544.78
Late fees and penalties	5,272,457.34	5,968,530.87	5,272,457.34
Others	7,837,742.11	9,044,426.35	7,837,742.11
Total	47,081,170.18	113,746,708.21	47,081,170.18

Other notes:

The amount of non-operating expenses incurred in the Reporting Period decreased by 58.61% year on year, mainly due to the large prepaid liabilities provided by the Company for the litigation of KEDA Lithium in the same period of the previous year.

## 76. Income tax expense

### (1). Income tax expenses statement

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Income tax expenses of the Reporting Period	73,268,971.08	138,796,128.46
Deferred income tax expenses	-47,599,809.77	-28,163,276.12
Total	25,669,161.31	110,632,852.34

**(2). Adjustment process of accounting profits and income tax expenses**√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the Reporting Period
Total profits	2,633,859,021.40
Income tax expenses calculated at legal/applicable tax rate	395,078,853.21
Impact of different tax rates applied by subsidiaries	109,001,342.91
Impact of income tax in the periods before adjustment	-4,089,949.87
Impact of non-taxable income	-393,275,059.92
Impacts of non-deductible costs, expenses, and losses	3,498,347.40
Impact of using deductible losses on the deferred tax assets not recognised previously	-7,710,955.78
Impact of deductible temporary differences or deductible losses of deferred tax assets not recognised in the Reporting Period	41,647,035.91
Additional deduction	-118,480,452.55
Income tax expense	25,669,161.31

Other notes:

√Applicable Not applicable

The income tax expenses incurred in the Reporting Period decreased by 76.80% year on year, mainly due to the decrease in the Company's profit and recognition of part of the deferred tax assets during the Reporting Period.

**77. Other comprehensive income**√Applicable Not applicable

See notes for details.

**78. Items in the cash flow statement****(1). Cash related to operating activities**

Other cash received related to operating activities

√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Government grants	64,372,160.75	105,303,238.22
Interest income	91,109,128.37	34,429,392.38
Others	124,963,563.91	52,198,885.29
Total	280,444,853.03	191,931,515.89

Other cash paid related to operating activities

√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
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Office expenses	79,981,818.03	75,712,062.47
Water and electricity expenses	144,666,684.76	130,179,175.90
Travel expenses	119,506,934.52	122,309,287.36
Transport expense	120,398,264.96	151,029,744.77
Entertainment expense	43,156,807.56	45,078,444.90
Lease expense	32,921,831.22	46,147,273.61
Repair fee	49,559,695.94	60,674,412.06
Advertising and business promotion fees	38,852,815.98	26,096,987.50
Audit and advisory fees	78,535,849.10	54,678,230.06
Others	153,497,391.02	175,982,432.89
Total	861,078,093.09	887,888,051.52

## (2). Cash related to investing activities

Significant cash received related to investing activities

Applicable Not applicable

Unit: Yuan    Currency: RMB

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Receipt of dividend from Lanke Lithium Industry.	1,442,919,678.20	2,961,651,979.26
Total	1,442,919,678.20	2,961,651,979.26

Significant cash paid related to investing activities

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Investment in Jiaxing Keda Jinhong Fund	1,300,000,000.00	
Total	1,300,000,000.00	

Other cash received related to investing activities

√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Principal of wealth management products recovered	3,025,301,141.53	500,773,904.81
Future margin received	3,239,938.00	15,176,938.23
Recovery of margin locked in an exchange rate	825,701.77	
Total	3,029,366,781.30	515,950,843.04

Other cash paid related to investing activities

√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Principal paid for purchasing financial products	2,175,691,216.93	1,672,703,936.52
Payment of futures margin	2,071,762.58	8,022,742.00

Difference between the cash received on disposal of a subsidiary and the carrying amount of the subsidiary at the point in time when the subsidiary is sold		186,386.32
Margin locked in an exchange rate	296,199.93	
Total	2,178,059,179.44	1,680,913,064.84

**(3). Cash related to financing activities**

Other proceeds received related to financing activities

√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Deposits for bank acceptance	342,049,044.18	292,672,785.46
L/G margin	16,179,365.22	77,613,025.75
Cash received from sale of minority interest		11,186,898.00
Other deposits	806,298.18	9,570,015.77
Total	359,034,707.58	391,042,724.98

Other cash paid related to financing activities

√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
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Deposits for bank acceptance	272,147,968.53	322,417,726.63
L/G margin	36,801,224.69	43,248,330.26
Other deposits	97,875.60	9,633,874.34
Cash paid for share repurchase	338,502,489.53	500,000,213.13
Cash paid for purchase of minority interest	45,284,748.72	20,949,962.23
Others	2,564,647.60	11,365,844.50
Total	695,398,954.67	907,615,951.09

## Changes in liabilities arising from financing activities

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the Reporting Period		Decrease in the Reporting Period		Closing balance
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Short-term loans	1,006,320,184.45	661,142,805.48	46,698,356.22	1,140,720,977.39	1,092,455.72	572,347,913.04
Long-term loans (including long-term loans due within one year)	2,059,661,033.53	4,081,638,017.91	136,992,956.05	1,992,388,027.56	9,467,011.94	4,276,436,967.99
Total	3,065,981,217.98	4,742,780,823.39	183,691,312.27	3,133,109,004.95	10,559,467.66	4,848,784,881.03

**(4). Notes to the presentation of cash flows on a net basis**

Applicable Not applicable

**(5). Significant activities and financial effects that do not involve current cash receipts and payments but affect the financial position of the enterprise or may affect the enterprise's cash flows in the future**

Applicable Not applicable

**79. Supplementary data on the cash flow statement****(1). Supplementary data on the cash flow statement**

Applicable Not applicable

Unit: Yuan Currency: RMB

Supplementary data	Amount of the Reporting Period	Amount of the previous period
<b>1. Reconciliation of net profit to cash flows from operating activities</b>		
Net profit	2,608,189,860.09	5,202,192,480.28
Plus: Provision for asset impairment	-7,842,906.40	70,202,089.35
Credit impairment loss	35,137,454.98	76,824,096.28
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	420,590,045.50	352,345,735.49
Amortisation of right-of-use assets	1,765,988.85	2,053,458.48
Amortisation of intangible assets	31,660,138.58	37,315,165.97
Amortisation of long-term deferred expense		3,587,406.30
Losses on the disposal of fixed assets, intangible assets, and other long-term assets ("-" indicates income)	921,146.42	14,739,271.83

Losses on the retirement of fixed assets ("-" indicates income)	3,094,791.93	6,467,253.32
Losses on the changes in fair value ("-" indicates income)	-4,903,251.77	-9,089,265.38
Financial expenses ("-" indicates income)	216,407,966.90	118,332,802.67
Losses on investments ("-" indicates income)	-1,472,706,919.58	-3,865,215,848.81
Decrease in deferred tax assets ("-" indicates increase)	-50,406,120.86	-26,366,673.23
Increase in deferred tax liabilities ("-" indicates decrease)	2,806,311.09	-1,796,602.89
Decrease in inventories ("-" indicates increase)	-426,065,469.30	20,771,188.62
Decrease in operating receivables ("-" indicates increase)	-291,372,823.53	-284,784,434.33
Increase in operating payables ("-" indicates decrease)	-414,409,948.65	-736,688,626.70
Others	77,965,694.59	16,521,108.09
Net cash flows from operating activities	730,831,958.84	997,410,605.34
<b>2. Significant investment and financing activities not involving cash:</b>		
Conversion of liabilities into capital		
Convertible corporate bonds due within one year		
Fixed assets acquired under finance leases		
<b>3. Net changes in cash and cash equivalents:</b>		
Closing balance of cash	3,370,476,783.82	3,737,084,797.82
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	-366,608,014.00	2,049,291,692.49

**(2). Net cash paid for the acquisition of subsidiaries in the Reporting Period**□Applicable Not applicable**(3). Net cash received for the disposal of subsidiaries in the Reporting 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	3,370,476,783.82	3,737,084,797.82
Including: Cash on hand	3,927,364.54	6,363,945.67
Bank deposits available for payment at any time	3,366,540,900.84	3,727,345,344.22
Other monetary funds available for payment at any time	8,518.44	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	3,370,476,783.82	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		
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**(5). Presentation of cash and cash equivalents with restricted use**

Applicable Not applicable

**(6). Monetary funds not classified as cash and cash equivalents**

Applicable Not applicable

Other notes:

Applicable Not applicable

**80. Notes to items in the statement of changes in 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. 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 Balance
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Monetary funds			
Including: USD	44,896,963.44	7.08270	317,991,722.96
EUR	14,312,497.69	7.85920	112,484,781.85
HKD	770,375.48	0.90622	698,129.67
GBP	648.74	9.04110	5,865.32
TRY	6,093,148.31	0.24051	1,465,463.10
INR	227,193,134.63	0.08513	19,340,951.55
KES	630,715,584.71	0.04526	28,546,187.36
TZS	800,932,358.10	0.00282	2,258,132.67
GHS	23,520,178.04	0.59669	14,034,255.03
CFA franc	1,388,126,836.00	0.01191	16,537,809.97
ZMW	11,676,902.44	0.27345	3,193,048.97
XAF	786,149,756.46	0.01195	9,397,531.99
IDR	3,827,621,765.00	0.00046	1,763,620.92
PEN	94,811.36	1.91236	181,313.45
Accounts receivable			
Including: USD	55,201,011.20	7.08270	390,972,202.03
EUR	31,139,007.82	7.85920	244,727,690.26
TRY	25,691,910.12	0.24051	6,179,161.30
INR	966,755,691.05	0.08513	82,299,911.98
KES	142,089,797.94	0.04526	6,430,984.25
TZS	1,365,598,447.46	0.00282	3,850,140.95
GHS	50,129,413.10	0.59669	29,911,719.50

CFA franc	601,851,883.88	0.01191	7,170,318.90
ZMW	13,312,301.26	0.27345	3,640,248.78
Other receivables			
Including: USD	1,009,460.11	7.08270	7,149,703.12
EUR	17,946.25	7.85920	141,043.17
HKD	68,737.20	0.90622	62,291.03
TRY	732,203.29	0.24051	176,102.21
INR	568,670.97	0.08513	48,410.96
KES	71,718,598.34	0.04526	3,245,983.76
TZS	638,551,368.75	0.00282	1,800,318.96
GHS	864,182.04	0.59669	515,648.78
CFA franc	16,500,000.00	0.01191	196,577.04
ZMW	439,715.00	0.27345	120,240.07
XAF	3,012,344.93	0.01195	36,009.18
Non-current assets due within one year			
Including: USD	13,967,746.09	7.08270	98,929,355.23
Long-term receivables			
Including: USD	6,322,217.63	7.08270	44,778,370.81
Short-term loans			
Including: EUR	3,655,000.00	7.85920	28,725,376.00
Accounts payable			
Including: USD	1,236,995.72	7.08270	8,761,269.59
EUR	14,574,956.27	7.85920	114,547,496.32

GBP	993.78	9.04110	8,984.86
INR	32,183,361.46	0.08513	2,739,769.56
KES	311,040,261.52	0.04526	14,077,682.24
TZS	4,444,902,090.29	0.00282	12,531,868.06
GHS	70,210,814.62	0.59669	41,894,090.98
CFA franc	1,429,695,012.20	0.01191	17,033,043.25
ZMW	46,047,369.86	0.27345	12,591,653.29
XAF	25,348.09	0.01195	303.01
Other payables			
Including: USD	2,862,857.62	7.08270	20,276,761.67
EUR	273,972.96	7.85920	2,153,208.29
TRY	6,537,634.29	0.24051	1,572,366.42
KES	56,444,527.37	0.04526	2,554,679.31
TZS	869,970,333.24	0.00282	2,452,776.96
GHS	9,127,135.72	0.59669	5,446,070.61
CFA franc	137,686,953.71	0.01191	1,640,369.32
ZMW	13,830,561.02	0.27345	3,781,966.91
XAF	53,486.79	0.01195	639.37
PEN	307.53	1.91236	588.11
Non-current liabilities due within one year			
Including: USD	6,683,602.40	7.08270	47,337,950.72
EUR	30,629,025.66	7.85920	240,719,638.47
Long-term loans			

Including: EUR	190,987,358.56	7.85920	1,501,007,848.39
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(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	Scope of business	Business nature	Standard currency for accounting
KEDA Industrial (Hong Kong) Limited	Hong Kong	6,191.05	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	1,000.00	USD	Manufacturing	Tile production	KES
Keda (Ghana) Ceramics Company Limited	Ghana	1,000.00	USD	Manufacturing	Tile production	GHS
Keda (Tanzania) Ceramics Company Limited	Tanzania	1,000.00	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	Colour 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	Türkiye	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	Tanzania	230.00	TZS	Manufacturing	Development of lithium ore and graphite deposit resources	TZS
PT KEDA INDUSTRIAL INDONESIA	Indonesia	300.00	USD	Import and export	Sales	IDR
KEDA Peru Building Materials Company S.A.C	PERU	1.00	PEN	Manufacturing	Ceramic tile	PEN

## 82. Lease

### (1) As a lessee

Applicable Not applicable

Variable lease payments not included in the measurement of lease liabilities

Applicable Not applicable

Rental of simplified short-term leases and leases of low-value assets were RMB27,358.9 thousand

Applicable Not applicable

Sale and leaseback transactions and basis of judgment

Applicable Not applicable

Total cash outflows related to leases was 3,051.93 (Unit: Ten Thousand Yuan Currency: RMB)

## (2) As a lessor

Operating leases as a lessor

Applicable Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Item	Rental income	Including: Income relating to variable lease payments not recognized as lease receipts
Vehicle lease	3,696.74	
House lease	645.89	
Total	4,342.63	

Financial leases as a lessor

Applicable Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Item	Gain/loss on sale	Financing proceeds	Income related to variable lease payments not included in net investment in leases
Machinery and equipment lease	4,990.69	3,760.76	
Total	4,990.69	3,760.76	

## Reconciliation statement of undiscounted lease receipts and net investment in leases

√Applicable Not applicable

Item	Net investment in leases (contract amount)	Amount received (rent + down payment)	Total lease interest	Undiscounted lease receipts
Machinery and equipment lease	150,438.03	96,198.29	9,218.54	63,458.29
Total	150,438.03	96,198.29	9,218.54	63,458.29

## Undiscounted lease receipts for the next five years

√Applicable Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Item	Annual undiscounted lease receipts	
	Closing balance	Opening balance
First year	45,258.25	50,053.51
Second year	17,145.34	14,336.10
Third year	1,054.70	3,178.20

Fourth year	-	399.44
Fifth year	-	-
Total undiscounted lease receipts after five years	-	-

### (3) Profit or losses on sales recognised under finance leases as a producer or distributor

Applicable Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Item	Sales income	Cost of sales amount	Profit or losses on sales of finance leases
Machinery and equipment lease	30,641.71	25,651.02	4,990.69
Total	30,641.71	25,651.02	4,990.69

### 83. Others

Applicable Not applicable

## VIII. R&D Expenditures

### (1). Presented based on nature of expense

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Material expense	122,449,398.31	157,099,478.16



Labor expense	139,006,436.30	127,507,642.32
Depreciation and amortisation	13,037,254.12	11,891,989.47
Other expenses	17,677,534.93	29,640,627.88
Total	292,170,623.66	326,139,737.83
Including: Expensed R&D expenditure	292,170,623.66	326,139,737.83
Capitalised R&D expenditure		

**(2). Development expenses on R&D projects eligible for capitalisation**

Applicable Not applicable

Significant capitalized R&D projects

Applicable Not applicable

Provision for impairment of development expenses

Applicable Not applicable

**(3). Significant outsourced ongoing research projects**

Applicable Not applicable

**IX. 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 acquisition**

Applicable Not applicable

**4. Disposal of subsidiaries**

Whether there were any transactions or events during the Reporting Period in which control of subsidiaries was lost

Applicable Not applicable

Other notes:

Applicable Not applicable

Whether there was a step-by-step disposal of investments in subsidiaries through multiple transactions and loss of control during the Reporting Period

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 Materials Co., Ltd.	Newly established
Keda Tanzania Resource Company Limited	Newly established
Foshan HLT Ceramic Technology Co., Ltd.	Newly established
Maanshan KEDA Kezhong New Energy Co., Ltd.	Newly established
Foshan Kerongsheng New Energy Technology Co., Ltd.	Newly established
Guangdong Quanitech Material Ltd.	Newly established
Maanshan KEDA-SUREMAKER Industrial Co., Ltd.	Newly established
Foshan KEDA Ecological Stone Engineering Technology Co., Ltd.	Newly established
Anhui Kechucheng New Energy Technology Co., Ltd.	Newly established
Sixian Ketu New Energy Co., Ltd.	Newly established
Guangdong Tefu International Holdings Limited	Newly established
Tefu (Guangzhou) Furniture Co., Ltd.	Newly established
PT KEDA INDUSTRIAL INDONESIA	Newly established
KEDA Peru Building Materials Company S.A.C	Newly established
Changzhou KEDA Electricity Selling Co., Ltd.	Canceled
Ningxia Kehang Environmental Protection Engineering Co., Ltd.	Canceled

## 6. Others

□Applicable   √Not applicable

## X. Interests in Other Entities

### 1. Interests in subsidiaries

#### (1). Composition of the business group

√Applicable □Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Subsidiary Name	Main place of business	Registered capital	Place of registration	Business nature	Shareholding (%)		Acquisition method Method
					Direct	Indirect	
Anhui KEDA Industrial Co., Ltd.	Maanshan Economic and Technological Development Zone, Anhui Province	10,000.00	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	40,000.00	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 County, Sanming City, Fujian Province	44,363.16	Luofeng Industrial Park, Taihua Town, Datian County, Sanming City, Fujian Province	Manufacturing	57.23		Establishment
Anhui KEDA Platinum Platform Energy Technology Co., Ltd.	Dangtu Economic and Technological Development Zone, Maanshan City, Anhui Province	800.00	Dangtu Economic and Technological Development Zone, Maanshan City, Anhui Province	Manufacturing		51.00	Combination not under common control
Anhui KEDA Purui Energy Technology Co., Ltd.	Dangtu Economic and Technological Development Zone, Maanshan City, Anhui Province	5,200.00	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	5,000.00	China (Sichuan) Pilot Free Trade Zone Chengdu High-tech Zone	Manufacturing		100.00	Establishment
Anhui KEDA New Energy Automobile Sales Co., Ltd.	Maanshan Economic and Technological Development Zone, Anhui Province	1,000.00	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	1,000.00	Maanshan Economic and Technological Development Zone, Anhui Province	Commercial services		51.00	Establishment
Anhui KEDA Smart Energy Technology Co., Ltd.	Maanshan Economic and Technological Development Zone, Anhui Province	20,001.00	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	20,100.00	Jiangning District, Nanjing City, Jiangsu Province	Commercial services		100.00	Establishment
Anhui KEDA Keneng Electricity Selling Co., Ltd.	Xuanzhou District, Xuancheng City, Anhui Province	100.00	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	10,000.00	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	1,000.00	Sixian County, Suzhou City, Anhui Province	Commercial services		70.00	Establishment
Maanshan Kehan New Energy Technology Co., Ltd.	Hanshan Industrial Park, Lintou Town, Hanshan County, Maanshan City, Anhui Province	2,000.00	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	5,000.00	Wanzhi District, Wuhu City	Manufacturing		100.00	Combination not under common control
Shenyang KEDA Clean Gas Co., Ltd.	Liaoning Faku Economic Development Zone	100,000.00	Liaoning Faku Economic Development Zone	Manufacturing	93.00		Establishment
Guangdong KEDA Smart Energy Technology Co., Ltd.	Shunde District, Foshan City	20,001.00	Shunde District, Foshan City	Commercial services		95.00	Establishment

KEDA (Anhui) Clean Energy Co., Ltd.	Maanshan Economic and Technological Development Zone, Anhui Province	4,460.00	Maanshan Economic and Technological Development Zone, Anhui Province	Manufacturing	97.37		Establishment
Guangdong KEDA Hydraulic Technology Co., Ltd.	Shunde District, Foshan City	4,851.43	Shunde District, Foshan City	Manufacturing	42.61	2.47	Establishment
HLT Industry Co., Ltd.	Sanshui Central Science Technology Park, Foshan City	20,000.00	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	10,000.00	Sanshui Central Science Technology Park, Foshan City	Manufacturing		100.00	Establishment
Anhui KEDA Investment Co., Ltd.	Maanshan Economic and Technological Development Zone	25,000.00	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	5,000.00	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	38,636.36	Yancheng Environmental Protection Industrial Park, Jiangsu Province	Manufacturing	100.00		Combination not under common control
Anhui Keqing Environmental Engineering Co., Ltd.	Maanshan Economic and Technological Development Zone	5,000.00	Maanshan Economic and Technological Development Zone	Manufacturing		100.00	Establishment
Qinghai Weili New Energy Material Co., Ltd.	Dongchuan Industrial Zone, Xining City, Qinghai Province	8,681.76	Dongchuan Industrial Zone, Xining City, Qinghai Province	Manufacturing	53.62		Combination not under common control
Guangdong KEDA Lithium Industry Co., Ltd.	Xining Economic and Technological Development Zone	100,000.00	Xining Economic and Technological Development Zone	Manufacturing	100.00		Combination not under common control
Foshan KEDA Industrial Co., Ltd.	Shunde District, Foshan City	27,334.00	Shunde District, Foshan City	Manufacturing	100.00		Establishment

Foshan KEDA Ceramic Technology Co., Ltd.	Shunde District, Foshan City	2,000.00	Shunde District, Foshan City	Import and export	100.00		Establishment
Artget Fluidtech (Guangzhou) Co., Ltd.	Panyu District, Guangzhou City	1,000.00	Panyu District, Guangzhou City	Manufacturing		73.20	Combination not under common control
Maanshan Huadong Travel Passenger Transportation Co., Ltd.	Maanshan Economic and Technological Development Zone	1,000.00	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	500.00	Suzhou City, Anhui Province	Commercial services		51.00	Establishment
Wuhu KEDA Smart New Energy Technology Co., Ltd.	Wuhu City, Anhui Province	1,200.00	Wuhu City, Anhui Province	Commercial services		100.00	Establishment
Hefei Binhu KEDA Smart Energy Co., Ltd.	Baohe Economic Development Zone, Hefei City	1,000.00	Baohe Economic Development Zone, Hefei City	Commercial services		100.00	Establishment
Anhui Hengwang Smart Energy Technology Co., Ltd.	Bowang District, Maanshan City, Anhui Province	1,000.00	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	100.00	Yushan District, Maanshan City, Anhui Province	Commercial services		100.00	Establishment
Wuhu Ke'an Energy Technology Co., Ltd.	Jiujiang District, Wuhu City, Anhui Province	100.00	Jiujiang District, Wuhu City, Anhui Province	Commercial services		100.00	Establishment
Foshan KEDA Equipment Manufacturing Co., Ltd.	Sanshui District, Foshan City, Guangdong Province	73,500.00	Sanshui District, Foshan City, Guangdong Province	Manufacturing	100.00		Combination not under common control
Dongyang Hydraulic Technology (Dalian) Co., Ltd.	Jinzhou District, Dalian City, Liaoning Province	588.00	Jinzhou District, Dalian City, Liaoning Province	Manufacturing		62.24	Establishment
HLT Technology Co., Ltd.	Sanshui District, Foshan City, Guangdong Province	10,000.00	Sanshui District, Foshan City, Guangdong Province	Manufacturing		100.00	Establishment
Foshan Ke'an New Energy Technology Co., Ltd.	Shunde District, Foshan City, Guangdong Province	100.00	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	100.00	Dangtu County, Maanshan City, Anhui Province	Commercial services		100.00	Establishment

Guangde Ke'an Photovoltaic Electricity Co., Ltd.	Guangde, Xuancheng City, Anhui Province	100.00	Guangde, Xuancheng City, Anhui Province	Commercial services		100.00	Establishment
Kunshan Boyue New Energy Technology Co., Ltd.	Kunshan, Suzhou City, Jiangsu Province	100.00	Kunshan, Suzhou City, Jiangsu Province	Commercial services		100.00	Establishment
Shaoguan KEDA Machinery Manufacturing Co., Ltd.	Zhenjiang District, Shaoguan City, Guangdong Province	10,000.00	Zhenjiang District, Shaoguan City, Guangdong Province	Manufacturing	80.00		Establishment
Anhui KEDA New Energy Equipment Co., Ltd.	Yushan District, Maanshan City, Anhui Province	7,000.00	Yushan District, Maanshan City, Anhui Province	Manufacturing		100.00	Establishment
Maanshan City Zhengpu Port New District Taixin New Energy Technology Co., Ltd.	Yushan District, Maanshan City, Anhui Province	100.00	Yushan District, Maanshan City, Anhui Province	Commercial services		100.00	Establishment
Dangtu KEDA New Energy Technology Co., Ltd.	Dangtu County, Maanshan City, Anhui Province	100.00	Dangtu County, Maanshan City, Anhui Province	Commercial services		100.00	Establishment
Guangdong KEDA New Energy Equipment Co., Ltd.	Shunde District, Foshan City, Guangdong Province	5,000.00	Shunde District, Foshan City, Guangdong Province	Manufacturing	100.00		Establishment
Anhui KEDA Hydraulic Technology Co., Ltd.	Maanshan Economic and Technological Development Zone, Anhui Province	3,000.00	Maanshan Economic and Technological Development Zone, Anhui Province	Manufacturing		100.00	Establishment
Hefei Lunuo New Energy Co., Ltd.	Changfeng County, Hefei City, Anhui Province	100.00	Changfeng County, Hefei City, Anhui Province	Commercial services		100.00	Establishment
Maanshan Keci New Energy Technology Co., Ltd.	Yushan District, Maanshan City, Anhui Province	100.00	Yushan District, Maanshan City, Anhui Province	Commercial services		100.00	Establishment
Hefei Kemao New Energy Co., Ltd.	Baohe District, Hefei City, Anhui Province	100.00	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	100.00	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	100.00	Langxi County, Xuancheng City, Anhui Province	Commercial services		100.00	Establishment
Foshan Kesheng New Energy Technology Co., Ltd.	Shunde District, Foshan City, Guangdong Province	100.00	Shunde District, Foshan City, Guangdong Province	Commercial services		100.00	Establishment



Foshan Kexin New Energy Technology Co., Ltd.	Shunde District, Foshan City, Guangdong Province	100.00	Shunde District, Foshan City, Guangdong Province	Commercial services		100.00	Establishment
Foshan Keshiming New Energy Technology Co., Ltd.	Gaoming District, Foshan City, Guangdong Province	100.00	Gaoming District, Foshan City, Guangdong Province	Commercial services		100.00	Establishment
Maanshan Kegou New Energy Co., Ltd.	Maanshan Economic and Technological Development Zone, Anhui Province	100.00	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	2,000.00	Sanshui District, Foshan City, Guangdong Province	Import and export		100.00	Establishment
Wuhu Kesen New Energy Co., Ltd.	Fanchang County, Wuhu City, Anhui Province	100.00	Fanchang County, Wuhu City, Anhui Province	Commercial services		100.00	Establishment
Maanshan KEDA Kezhong New Energy Co., Ltd.	Yushan District, Maanshan City, Anhui Province	100.00	Yushan District, Maanshan City, Anhui Province	Commercial services		100.00	Establishment
Foshan Kerongsheng New Energy Technology Co., Ltd.	Shunde District, Foshan City, Guangdong Province	100.00	Shunde District, Foshan City, Guangdong Province	Commercial services		55.00	Establishment
Chongqing KEDA New Energy Materials Co., Ltd.	Tongliang District, Chongqing	18,000.00	Tongliang District, Chongqing	Manufacturing		100.00	Establishment
Guangdong KEDA Innovation Private Equity Investment Co., Ltd.	Shunde District, Foshan City, Guangdong Province	1,000.00	Shunde District, Foshan City, Guangdong Province	Finance		100.00	Establishment
Gongqingcheng Guanghai Investment Partnership (Limited Partnership)	Jiujiang City, Jiangxi Province	1,368.01	Jiujiang City, Jiangxi Province	Commercial services		16.23	Establishment
Guangdong Quanitech Material Ltd.	Shunde District, Foshan City, Guangdong Province	2,000.00	Shunde District, Foshan City, Guangdong Province	Import and export	51.00		Establishment
Maanshan KEDA-SUREMAKER Industrial Co., Ltd.	Maanshan Economic and Technological Development Zone, Anhui Province	500.00	Maanshan Economic and Technological Development Zone, Anhui Province	Import and export		100.00	Establishment
Foshan KEDA Ecological Stone Engineering Technology Co., Ltd.	Shunde District, Foshan City, Guangdong Province	100.00	Shunde District, Foshan City, Guangdong Province	Commercial services		51.00	Establishment
Anhui Kechucheng New Energy Technology Co., Ltd.	Baohe District, Hefei City, Anhui Province	1,000.00	Baohe District, Hefei City, Anhui Province	Commercial services		60.00	Establishment

Sixian Ketu New Energy Co., Ltd.	Sixian County, Suzhou City, Anhui Province	100.00	Sixian County, Suzhou City, Anhui Province	Commercial services		100.00	Establishment
Guangdong Tefu International Holdings Limited	Shunde District, Foshan City, Guangdong Province	5,000.00	Shunde District, Foshan City, Guangdong Province	Management of corporate headquarters	51.00		Establishment
Tefu (Guangzhou) Furniture Co., Ltd.	Tianhe District, Guangzhou City, Guangdong Province	1,000.00	Tianhe District, Guangzhou City, Guangdong Province	Import and export		51.00	Establishment

Unit: Ten Thousand Currency: HKD

Subsidiary Name	Main place of business	Registered capital	Place of registration	Business nature	Shareholding (%)		Acquisition method Method
					Direct	Indirect	
Kami Materials Co., Ltd.	Hong Kong	3,311.38	Hong Kong	Import and export		51.00	Establishment

Unit: Ten Thousand Currency: USD

Subsidiary	Main place of business	Registered capital	Place of registration	Business nature	Shareholding (%)		Acquisition method Method
					Direct	Indirect	
KEDA Industrial (Hong Kong) Limited	Hong Kong	6,191.05	Hong Kong	Import and export	100.00		Establishment
Kami Colourcera Private Limited	India	160.00	India	Manufacturing		72.00	Establishment
Xincheng International (Hong Kong) Co., Ltd.	Hong Kong	2,000.00	Hong Kong	Import and export		100.00	Establishment
Guangdong Xincheng Finance Leases Co., Ltd.	Shunde District, Foshan City	2,700.00	Shunde District, Foshan City	Commercial services		100.00	Establishment
Anhui Xincheng Finance Leases Co., Ltd.	Maanshan Economic and Technological Development Zone, Anhui Province	3,500.00	Maanshan Economic and Technological Development Zone, Anhui Province	Commercial services		100.00	Establishment
Keda Holding (Mauritius) Limited	Mauritius	5,371.33	Mauritius	Commercial services	100.00		Establishment
Brightstar Investment Limited	Mauritius	5,369.20	Mauritius	Commercial services		51.00	Combination not under common control
Keda (Kenya) Ceramics Company Limited	Kenya	1,000.00	Kenya	Manufacturing		51.00	Combination not under common control
Keda (Ghana) Ceramics Company Limited	Ghana	1,000.00	Ghana	Manufacturing		51.00	Combination not under common control
Keda (Tanzania)	Tanzania	1,000.00	Tanzania	Manufacturing		51.00	Combination not under

Ceramics Company Limited							common control
Kdea SN Ceramics Company Limited	Senegal	100.00	Senegal	Manufacturing		51.00	Establishment
Forwell International (HK) Co., Ltd.	Hong Kong	6,000.00	Hong Kong	Import and export	100.00		Establishment
Tilemaster Investment Limited	Mauritius	9,763.20	Mauritius	Commercial services		51.00	Establishment
Keda Ceramics International Company Limited	Kenya	1,000.00	Kenya	Manufacturing		51.00	Establishment
PT KEDA INDUSTRIAL INDONESIA	Indonesia	300.00	Indonesia	Import and export		100.00	Establishment

Unit: Ten Thousand Currency: EUR

Subsidiary	Main place of business	Registered capital	Place of registration	Business nature	Shareholding (%)		Acquisition method Method
					Direct	Indirect	
Keda International Company S.a.r.l.	Luxembourg	1.20	Luxembourg	Commercial services		100.00	Establishment
Keda Europe S.r.l.	Italy	100.00	Italy	Commercial services		100.00	Establishment
I.C.F.& Welko S.P.A.	Italy	400.00	Italy	Manufacturing		100.00	Combination not under common control
Wibe S.L.	Spain	120.20	Spain	Manufacturing		100.00	Combination not under common control

Unit: Ten Thousand Currency: INR

Subsidiary	Main place of business	Registered capital	Place of registration	Business nature	Shareholding (%)		Acquisition method Method
					Direct	Indirect	
Keda Industrial (India) Limited	India	6,500.00	India	Manufacturing		90.00	Establishment

Unit: Ten Thousand Currency: ZMW

Subsidiary	Main place of	Registered	Place of registration	Business nature	Shareholding (%)	Acquisition method
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	business	capital			Direct	Indirect	Method
Keda Zambia Ceramics Company Limited	Zambia	1.50	Zambia	Manufacturing		51.00	Establishment

Unit: Ten Thousand Currency: TRY

Subsidiary	Main place of business	Registered capital	Place of registration	Business nature	Shareholding (%)		Acquisition method Method
					Direct	Indirect	
Keda Turkey Makine Ticaret Limited Sirketi	Türkiye	1,350.00	Türkiye	Import and export		100.00	Establishment

Unit: Ten Thousand Currency: XAF

Subsidiary	Main place of business	Registered capital	Place of registration	Business nature	Shareholding (%)		Acquisition method Method
					Direct	Indirect	
Keda Cameroon Ceramics Limited	Cameroon	100.00	Cameroon	Manufacturing		51.00	Establishment

Unit: Ten Thousand Currency: XOF

Subsidiary	Main place of business	Registered capital	Place of registration	Business nature	Shareholding (%)		Acquisition method Method
					Direct	Indirect	
Keda Cote Divoire Ceramics Company Limited	Cote d'Ivoire	10,000.00	Cote d'Ivoire	Manufacturing		51.00	Establishment

Unit: Ten Thousand Currency: TZS

Subsidiary	Main place of business	Registered capital	Place of registration	Business nature	Shareholding (%)		Acquisition method Method
					Direct	Indirect	
KEDA TANZANIA RESOURCE COMPANY LIMITED	Tanzania	230.00	Tanzania	Manufacturing		100.00	Establishment

Unit: Ten Thousand Currency: PEN

Subsidiary	Main place of business	Registered capital	Place of registration	Business nature	Shareholding (%)		Acquisition method Method
					Direct	Indirect	
KEDA Peru Building Materials Company S.A.C	PERU	1.00	PERU	Manufacturing		51.00	Establishment

**(2). Significant non-wholly-owned subsidiaries**

√Applicable □Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Subsidiary	Shareholding of minority shareholders Proportion	Profit or loss attributable to minority shareholders in the Reporting Period	Dividends declared to be distributed to minority shareholders in the Reporting Period	Closing balance of non-controlling interest
Keda (Ghana) Ceramics Company Limited	49.00%	23,942.52	24,355.10	6,404.78

Note to the difference between the 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

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
Keda (Ghana) Ceramics Company Limited	69,806.52	63,262.91	133,069.43	95,404.52	24,593.93	119,998.45	41,460.35	43,506.32	84,966.67	40,163.15	32,345.16	72,508.31

Subsidiary	Amount incurred in the Reporting Period				Amount incurred in the previous 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
Keda (Ghana) Ceramics Company Limited	133,111.66	48,862.29	50,316.89	40,913.30	104,613.33	47,635.51	22,576.65	52,381.36

**(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 RMB285.00 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 27.00% of equity interest held by minority shareholders in Anhui KEDA Smart Energy with RMB40.30 million, and the proportion of ownership of Anhui KEDA Investment in Anhui KEDA Smart 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.

d) From July to September 2023, the subsidiary Guangdong KEDA Hydraulic acquired 10.20% of equity interest held by minority shareholders in Guangzhou Agate, and the proportion of ownership of Guangdong KEDA Hydraulic in Guangzhou Agate changed from 63.00% to 73.20% after the equity transfer.

e) In September 2023, the subsidiary Anhui KEDA Smart Energy acquired 19.00% of equity interest held by minority shareholders in Sixian KEDA, and the proportion of ownership of Anhui KEDA Smart Energy in Sixian KEDA changed from 51.00% to 70.00% after the equity transfer.

f) From November to December 2023, the Company acquired 1.36% of equity interest held by minority shareholders in Guangdong KEDA Hydraulic with RMB1,564.9 thousand, and the proportion of ownership of the Company in Guangdong KEDA Hydraulic changed from 43.72% to 45.08% after the equity transfer.

**(2). Effects of transactions on the equities of non-controlling interest and total owners' equity**

Applicable Not applicable



Unit: Ten Thousand Yuan Currency: RMB

	Increase in total owners' equity
Purchase cost/disposal consideration	55,751.04
--Cash	55,751.04
--Fair value of non-cash assets	
Total purchase cost/disposal consideration	55,751.04
Less: Shares of net assets of subsidiaries calculated in proportion to the acquired/disposed equity	53,202.99
Difference	2,548.05
Including: Adjustment to capital reserves	2,548.05
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

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

Note to the difference between the 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 Lanke Lithium Industry. The Company holds 53.62% of equity interests in Qinghai Weili, through which it holds 10.78% of equity interests in Lanke Lithium Industry. Therefore, the Company owns 48.58% of voting rights in Lanke Lithium Industry and indirectly holds 43.58% of shares in Lanke Lithium Industry.

**(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 Reporting Period		Opening balance/amount incurred in the previous 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	261,479.04		308,327.53	
Non-current assets	284,930.09		252,083.54	
Total assets	546,409.13		560,411.07	
Current liabilities	174,737.31		102,557.61	
Non-current liabilities	2,809.66		3,719.78	
Total liabilities	177,546.97		106,277.39	
Non-controlling interests				
Equities attributable to shareholders of the parent company				
Share of net assets calculated based on the shareholding	160,750.13		197,911.46	
Adjustments	70,469.01		74,713.89	
--Goodwill				
--Unrealised profits of internal transactions				
--Others	70,469.01		74,713.89	
Carrying value of equity investments in associated enterprises	231,219.14		272,625.35	
Fair value of equity investments in associated enterprises with public quotation				

Operating revenue		633,476.95		1,149,484.31
Net profit		296,864.36		791,612.68
Net profit from discontinued operations				
Other comprehensive income				
Total comprehensive income		296,864.36		791,612.68
Dividends from associated enterprises for the Year		144,291.97		296,165.20

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

Applicable   Not applicable

Unit: Ten Thousand Yuan Currency: RMB

	Closing balance/amount incurred in the Reporting Period	Opening balance/amount incurred in the previous period
Joint ventures:		
Total carrying value of investment		
The total of following items according to the shareholding proportions		
-- Net profit		
-- Other comprehensive income		
-- Total comprehensive income		
Associated enterprises:		
Total carrying value of investment	68,829.25	39,290.97
The total of following items according to the shareholding proportions		
-- Net profit	2,735.10	1,223.02
-- Other comprehensive income	-8.78	
-- Total comprehensive income	2,726.32	1,223.02

**(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). Unrecognised 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

**XI. Government Grants****1. Government subsidies recognised at the end of the Reporting Period based on amounts receivable**

Applicable Not applicable

Closing balance of accounts receivable 35,060,038.00 (Unit: Yuan Currency: RMB)

Reasons for not receiving the projected amount of government subsidies at the projected point in time

Applicable Not applicable

**2. Liability items involving government subsidies**

Applicable Not applicable

Unit: Yuan Currency: RMB

Financial statement item	Opening balance	Amount of new subsidies in the Reporting Period	Amount recognised as non-operating revenue in the Reporting	Other income entered in the Reporting Period	Other changes in the Reporting Period	Closing balance	Related to assets/income

			Period				
Deferred revenue	44,970,169.55	500,000.00		12,101,586.38		33,368,583.17	Related to assets
Other non-current liabilities	44,883,546.49	92,831,934.71		114,257,355.32		23,458,125.88	Related to assets/income
Total	89,853,716.04	93,331,934.71		126,358,941.70		56,826,709.05	

### 3. Government subsidies recognised as profit and loss of the Reporting Period

Applicable Not applicable

Unit: Yuan      Currency: RMB

Type	Amount incurred in the Reporting Period	Amount incurred in the previous period
Related to income	114,257,355.32	90,523,862.47
Related to assets	12,101,586.38	4,726,159.83
Total	126,358,941.70	95,250,022.30

## XII.Risks Related to Financial Instruments

### 1. Financial instrument risk

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. In addition, the Company reviews the recovery of each single receivable on each balance sheet date to ensure that sufficient provision for bad debts is made for the unrecoverable amount.

## 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.

The Company's financial assets and financial liabilities as of 31 December 2023 are presented in the form of undiscounted contractual cash flows by maturity date as follows:

Unit: Yuan Currency: RMB

Item	31 December 2023				
	Carrying value	Total value	Within one year	One to three years	Over three years
Monetary funds	3,602,185,446.95	3,602,185,446.95	3,602,185,446.95		
Financial assets held for trading	290,899,359.36	290,899,359.36	290,899,359.36		
Notes receivable	54,743,254.71	54,743,254.71	54,743,254.71		
Accounts receivable	1,766,912,638.97	1,766,912,638.97	1,480,984,955.75	276,271,357.32	9,656,325.90

Accounts receivables financing	235,766,507.47	235,766,507.47	235,766,507.47		
Other receivables	552,978,112.69	552,978,112.69	534,530,036.82	13,058,203.59	5,389,872.28
Non-current assets due within one year	438,945,991.29	438,945,991.29	438,945,991.29		
Other current assets	499,192,390.81	499,192,390.81	499,192,390.81		
Long-term receivables	211,986,217.26	211,986,217.26		211,986,217.26	
Other non-current financial assets	5,000,000.00	5,000,000.00		5,000,000.00	
<b>Sub-total</b>	<b>7,658,609,919.51</b>	<b>7,658,609,919.51</b>	<b>7,137,247,943.16</b>	<b>506,315,778.17</b>	<b>15,046,198.18</b>
Bank loans	4,850,594,993.70	4,850,594,993.70	1,452,043,395.91	3,398,551,597.79	
Notes payable	578,895,361.47	578,895,361.47	578,895,361.47		
Accounts payable	1,839,503,607.87	1,839,503,607.87	1,596,124,321.67	158,058,567.22	85,320,718.98
Other payables	198,082,763.71	198,082,763.71	128,645,173.43	54,576,970.96	14,860,619.32
<b>Total</b>	<b>7,467,076,726.75</b>	<b>7,467,076,726.75</b>	<b>3,755,708,252.49</b>	<b>3,611,187,135.96</b>	<b>100,181,338.30</b>

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
Accounts receivables financing	266,154,517.25	266,154,517.25	266,154,517.25		
Other receivables	113,958,752.66	113,958,752.66	96,337,370.50	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	
<b>Sub-total</b>	<b>8,274,536,473.41</b>	<b>8,274,536,473.41</b>	<b>7,691,105,182.32</b>	<b>562,502,184.35</b>	<b>20,929,106.74</b>
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

<b>Sub-total</b>	5,461,034,492.87	5,461,034,492.87	3,664,112,559.55	1,706,073,944.32	90,847,989.00
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## 2. Hedging

### (1) The Company conducts hedging operations for risk management

√Applicable □Not applicable

Item	Corresponding risk management strategies and objectives	Qualitative and quantitative information on risk of being hedged	Economic relationships between hedged items and related hedging instruments	Effective achievement of expected risk management objectives	Impact of corresponding hedging activities on risk exposure
Contracts for future settlement of exchange	Effectively avoid and prevent risks in the foreign exchange market, and prevent the adverse impact of large exchange rate fluctuations on the Company's production and operations	Foreign exchange market risk associated with foreign currency operations of fund receipts and payments	Contracts for future settlement of exchange have been signed to reduce the foreign exchange market risk associated with foreign currency operations of fund receipts and payments	The exchange rates of some foreign currency fund receipts and payments are locked to avoid high losses caused by sharp exchange rate fluctuations	By carrying out hedging business, the hedging function of the derivatives market can be fully utilized to avoid the risk of price fluctuations as a result of fluctuations in foreign exchange prices, and to reduce its impact on the Company's normal operations
Futures contract	Use the hedging function of futures tools to carry out futures hedging business and effectively avoid the risk of market price fluctuations.	The risk of fluctuations in the market price of the spot.	Company carries out futures business on products and raw materials related to the company's production and operation, and the company determines the quantity to be hedged based on the production and operation plan.	The purchase price of steel raw materials is locked in through futures trading to avoid high losses due to sharp fluctuations in commodities prices.	By carrying out the hedging business, the hedging function of futures can be fully utilized to avoid the risk of price fluctuations as a result of fluctuations in commodities and to reduce its impact on the Company's



					normal operations.
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Other notes

Applicable Not applicable

**(2) The Company conducts qualifying hedging operations and applies hedge accounting**

Applicable Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Item	Carrying value related to hedged items and hedging instruments	Cumulative fair value hedge adjustments of hedged items included in the carrying value of recognised hedged items	Part of sources of hedge effectiveness and hedge ineffectiveness	Impact of hedge accounting related to the Company's financial statements
Type of hedging risk				
Foreign exchange risk	29,039.07	Not applicable	Relevance of hedged items to hedging instruments	Impact on financial liabilities held for trading of RMB 5,262.8 thousand and gain on change in fair value of RMB - 8,355.70thousand
Goods price risk		Not applicable	Relevance of hedged items to hedging instruments	Impact on gain on change in fair value of RMB 466.9 thousand

Other notes

Applicable Not applicable

**(3) The Company conducts hedging operations for risk management, expects to achieve its risk management objectives, but does not apply hedge accounting**

Applicable Not applicable

Other notes

Applicable Not applicable

**3. Transfer of financial asset****(1) Classification of transfer modalities**

Applicable Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Transfer modality	Nature of financial assets transferred	Amount of financial assets transferred	Derecognition	Basis for determining derecognition
Endorsement/Discounting	Banker's Acceptances	38,837.81	Derecognition	Has transferred almost all of its risks and rewards
Endorsement	Banker's Acceptances and Commercial Acceptances	3,825.63	Non-derecognition	
Total	/	42,663.44	/	/

**(2) Financial assets derecognized as a result of a transfer**

Applicable Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Item	Modality for the transfer of financial assets	Amount of financial assets derecognised	Gains or losses related to derecognition
Receivables financing	Endorsement/Discounting	38,837.81	-13.70
Total	/	38,837.81	-13.70

**(3) Transferred financial assets that continue to be involved**

Applicable Not applicable

Other notes

Applicable Not applicable

**XIII. 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
<b>I. Continuous fair value measurement</b>				
i. Financial assets held for trading	-	29,089.93	500.00	29,589.93
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	-	29,089.93	500.00	29,589.93
(1) Debt instrument investment		25,962.45		25,962.45
(2) Equity instrument investment			500.00	500.00
(3) Derivative financial assets		3,127.48		3,127.48
ii. Other debt investments				
iii. Other equity instruments investments	80,494.61		901.24	81,395.85
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 receivables financing			23,576.65	23,576.65
<b>Total assets continuously measured at fair value</b>	80,494.61	29,089.93	24,977.89	134,562.43
vi. Financial liabilities held for trading	-	526.28	-	526.28
1. Financial liabilities at fair value through profit or loss	-	526.28	-	526.28
Including: Held-for-trading bonds offered				
Derivative financial liabilities		526.28		526.28

Others				
2. Financial liabilities designated at fair value through profit or loss				
<b>Total liabilities continuously measured at fair value</b>	-	526.28	-	526.28
<b>II. Non-continuous fair value measurement</b>				
i. Assets held for sale				
<b>Total assets not continuously measured at fair value</b>				
<b>Total liabilities not continuously measured at fair value</b>				

## 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.

The Company's investment in Jiaying Keda Jinhong Salt Lake Industrial Equity Investment Partnership (Limited Partnership) uses level-1 inputs. The closing price of the corresponding stock on the exchange at the balance sheet date is used as an important reference for assessing 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 exchange rate 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

The fair value of other equity instruments investments cannot be determined using level-1 or level-2 inputs, but using level-3 inputs. 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.

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

The 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 Reporting 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 Reporting 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

## XIV. 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	Shareholding percentage (%)	Proportion of voting rights (%)	Unified social credit code
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	Wang Hao	Manufacturing	800.00	51.00	51.00	91340521MA2N1EB218
Anhui KEDA Purui Energy Technology Co., Ltd.	Limited liability company	Dangtu Economic and Technological Development Zone, Maanshan City, Anhui Province	Wang Hao	Manufacturing	5,200.00	100.00	100.00	91340521MA2RJLKP8P
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
Anhui KEDA New Energy Automobile 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 Smart 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
Anhui KEDA Keneng Electricity Selling Co., Ltd.	Limited liability company	Xuanzhou District, Xuancheng City, Anhui Province	Zhang Feng	Commercial services	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	70.00	70.00	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 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	45.08	45.08	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
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	2,000.00	100.00	100.00	91440606MA534JQK1E
Artget Fluidtech (Guangzhou) Co., Ltd.	Limited liability company	Panyu District, Guangzhou City	Liu Zhengfu	Manufacturing	1,000.00	73.20	73.20	914401137219513328
Maanshan Huadong Travel Passenger Transportation Co., Ltd.	Limited liability company	Maanshan Economic and Technological Development Zone	Qin Juan	Commercial services	1,000.00	100.00	100.00	91340500680813282J
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	Limited liability company	Wuhu City, Anhui Province	Zhang Feng	Commercial services	1,200.00	100.00	100.00	91340222MA2W7K7P18



Co., Ltd.								
Hefei Binhu KEDA Smart Energy Co., Ltd.	Limited liability company	Baohu Economic Development Zone, Hefei City	Zhang Feng	Commercial services	1,000.00	100.00	100.00	91340111MA2WBGD22X
Anhui Hengwang 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
Gongqingcheng Guanghai Investment Partnership	Limited partnership	Jiujiang City, Jiangxi Province	/	Commercial services	1,368.01	16.23	16.23	91360405MA3AEW5A96
Dongyang 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.	Limited liability company	Zhenjiang District, Shaoguan City, Guangdong Province	Zeng Pingli	Manufacturing	10,000.00	80.00	80.00	91440204MA58C6H03U
Anhui KEDA New Energy Equipment Co., Ltd.	Limited liability company	Yushan District, Maanshan City, Anhui Province	Li Ting	Manufacturing	7,000.00	100.00	100.00	91340500MA8NDDRN9J

Maanshan City Zhengpu Port 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	100.00	100.00	91440606MABMRNAQ3D
Anhui KEDA Hydraulic Technology Co., Ltd.	Limited liability company	Maanshan Economic and Technological Development Zone, Anhui Province	Yang Jun	Manufacturing	3,000.00	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
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 Kemao New Energy Co., Ltd.	Limited liability company	Baohede 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	91440606MA7MK86L0W
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	91440608MABMPTRK87
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.	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	18,000.00	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
Guangdong Quanitech Material Ltd.	Limited liability company	Shunde District, Foshan City, Guangdong Province	Cai Weiyong	Import and export trade	2,000.00	51.00	51.00	91440606MACR1G4836
Maanshan Xinmingfeng Mechanical & Electrical Co., Ltd.	Limited liability company	Maanshan Economic and Technological Development Zone, Anhui Province	Xinjiang Chen	Import and export trade	500.00	100.00	100.00	91340500MA8QQW346G
Foshan Kedar Ecological Stone Engineering Technology Co., Ltd.	Limited liability company	Shunde District, Foshan City, Guangdong Province	Song Zhigang	Commercial services	100.00	51.00	51.00	91440606MACR2THF4A
Anhui Keducheng New Energy Technology Co., Ltd.	Limited liability company	Baohu District, Hefei City, Anhui Province	Ma Liang	Commercial services	1,000.00	60.00	60.00	91340111MA8QRY3F7E
Sixian Ketu New Energy Co., Ltd.	Limited liability company	Sixiany, Suzhou City, Anhui Province	Zhang Feng	Commercial services	100.00	100.00	100.00	91341324MA8PALBL8N
Guangdong Tefu International Holding Co., Ltd.	Limited liability company	Shunde District, Foshan City, Guangdong Province	Shen Yanchang	Corporate Headquarters Management	5,000.00	51.00	51.00	91440606MAD2KFQE2R
Tefu (Guangzhou) Home Furnishing Co., Ltd.	Limited liability company	Tianhe District, Guangzhou City, Guangdong Province	Shen Yanchang	Import and export trade	1,000.00	51.00	51.00	91440106MAD81GDF2X

Unit: Ten Thousand Currency: HKD

Full name of the subsidiary	Type of enterprise	Place of registration	Legal representative	Business nature	Registered capital	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	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	6,191.05	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 Finance Leases Co., Ltd.	Limited liability company	Shunde District, Foshan City	Wang Gang	Commercial services	2,700.00	100.00	100.00
Anhui Xincheng Finance Leases 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	1,000.00	51.00	51.00
Keda (Ghana) Ceramics Company Limited	Limited liability company	Ghana	/	Manufacturing	1,000.00	51.00	51.00
Keda (Tanzania) Ceramics Company Limited	Limited liability company	Tanzania	/	Manufacturing	1,000.00	51.00	51.00
Kdea SN Ceramics Company	Limited liability company	Senegal	/	Manufacturing	100.00	51.00	51.00

Limited							
Kami Colourcera Private Limited	Limited liability company	India	SAMEERDIGGI KER	Manufacturing	160.00	72.00	72.00
Keda Ceramics International Company Limited	Limited liability company	Kenya	/	Manufacturing	1,000.00	51.00	51.00
PT KEDA INDUSTRIAL INDONESIA	Limited liability company	Indonesia	Tan Xuhui	Import and export	300.00	100.00	100.00

Unit: Ten Thousand Currency: EUR

Full name of the subsidiary	Type of enterprise	Place of registration	Legal representative	Business nature	Registered capital	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.& S.P.A. Welko	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	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	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	Shareholding (%)	Proportion of voting rights (%)
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Keda Turkey Makine Ticaret Limited Sirketi	Limited liability company	Türkiye	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	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	Shareholding (%)	Proportion of voting rights (%)
Keda Cote Divoire 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	Shareholding (%)	Proportion of voting rights (%)
KEDA TANZANIA RESOURCE COMPANY LIMITED	Limited liability company	Tanzania	/	Manufacturing	230.00	100.00	100.00

Unit: Ten Thousand Currency: PEN

Full name of the subsidiary	Type of enterprise	Place of registration	Legal representative	Business nature	Registered capital	Shareholding (%)	Proportion of voting rights (%)
KEDA Peru Building Materials Company S.A.C	Limited liability company	PERU	/	Manufacturing	1.00	51.00	51.00

### 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	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 Qingshan Electricity Selling Co., Ltd.	Limited liability company	Dangtu Economic and Technological Development Zone, Anhui Province	Fei Zixian	Commercial services	1,960.00	26.02	26.02	91340521MA2RU8N74T
Foshan KEDA Ceramic Technology Co., Ltd.	Limited liability company	Shunde District, Foshan City	Huang Jianwu	Manufacturing	10,000.00	49.00	49.00	91440606MA4UUWAC43
Zhangzhou Grande Graphite Material Co., Ltd.	Limited liability company	Nanjing County, Fujian Province	Wang Xueqiang	Manufacturing	5,000.00	49.00	49.00	91350627717396444C
Guangdong KEDA Nanyue New Energy Venture Capital Partnership (Limited Partnership)	Limited partnership	Nanhai District, Foshan City	/	Capital market services	25,101.00	59.76	40.00	91440605MABTRA5H94
Shandong SinoCera Create-Tide New Materials High-Tech Co., Ltd.	Limited liability company	Dongying Economic and Technological Development Zone, Dongying City, Shandong Province	Huo Xiyun	Manufacturing	10,000.00	40.00	40.00	913705000897963311
Maanshan Kema New Energy Technology Co., Ltd.	Limited liability company	Maanshan Economic and Technological Development Zone, Anhui Province	Zhang Feng	Commercial services	3,000.00	28.35	28.35	91340500MA2RNGB63X

Other joint ventures or associated enterprises that effected related party transactions with the

Company in the Reporting Period or that effected related party transactions and generated balance with the Company in the previous period are as follows:

Applicable Not applicable

Other notes

Applicable Not applicable

#### 4. Other related parties

Applicable Not applicable

Names of other related parties	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.

The above table includes Sunda Group Co., Ltd., Guangzhou Sunda Trading Co., Ltd. and its wholly-owned subsidiaries, Guangdong Hongyu Group Limited includes Guangdong



Hongyu Group Limited and its subsidiaries, Guangdong Liansu Technology Industrial Co., Ltd. includes Guangdong Liansu Technology Industrial Co., Ltd. and its subsidiaries, and New China United Holdings Limited includes New China United Holdings Limited 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 party	Related party transaction	Amount incurred in the Reporting Period	Amount incurred in the previous period
Sunda Group Co., Ltd.	Materials and labor services	147,317.94	83,825.04
Qinghai Yanhu Lanke Lithium Industry Co., Ltd.	Lithium carbonate	3,643.81	51,096.14
Sichuan Guangxing Lithium Battery Technology Co., Ltd.	Processing fee	22.50	43.96
Guangdong Hongyu Group Co., Ltd.	Tiles etc.	122.66	5.70
Maanshan Qingshan Electricity Selling Co., Ltd.	Services		2.16
Zhangzhou Grande Graphite Material Co., Ltd.	Processing fees and raw materials	480.87	1,673.28
Hunan Liling Hongguanyao China Industry Co., Ltd.	Ceramics	20.24	71.73
FCRI Group Co., Ltd.	Ceramic roller sticks, etc.	3,904.89	
Guangdong Liansu Technology Industrial Co., Ltd.	Photovoltaic module	430.33	
Shandong SinoCera Create-Tide New Materials High-Tech Co., Ltd. and its subsidiaries	Ink, color glaze	6,752.34	

Table of Goods Sales/Service Supply

Applicable Not applicable

Unit: Ten Thousand Yuan

Currency: RMB

Related party	Related party transaction	Amount incurred in the Reporting Period	Amount incurred in the previous period
Sunda Group Co., Ltd.	Ceramics, raw materials and equipment	84,287.87	58,197.38
Guangdong Hongyu	Machinery equipment,	1,674.50	15,234.56

Group Co., Ltd.	negative electrode materials		
Foshan Sanshui Hongyuan Ceramics Enterprise Co., Ltd.	Ceramic machinery equipment		1.29
Maanshan Qingshan Electricity Selling Co., Ltd.	Services	17.38	7.00
Zhangzhou Grande Graphite Material Co., Ltd.	Calcined coke, processing fees, etc.	2,920.71	2,715.03
Hunan Hualian Porcelain Industry Co., Ltd.	Ceramic machinery equipment, hydraulic pumps	47.35	63.93
Guangdong Liansu Technology Industrial Co., Ltd.	Accessories	3.28	

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, Guangdong Hongyu Group Co., Ltd. includes Guangdong Hongyu Group Co., Ltd. and its subsidiaries, and Guangdong Liansu Technology Industrial Co., Ltd. Includes Guangdong Liansu Technology Industrial 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

Unit: Ten Thousand Yuan Currency: RMB

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 Reporting Period	Amount incurred in the previous period	Amount incurred in the Reporting Period	Amount incurred in the previous period	Amount incurred in the Reporting Period	Amount incurred in the previous period	Amount incurred in the Reporting Period	Amount incurred in the previous period	Amount incurred in the Reporting Period	Amount incurred in the previous period
Foshan KEDA Ceramic Technology Co., Ltd.	Premises					480.00	480.00				
Guangdong Hongyu Group Co., Ltd.	Premises					24.15	21.54				

Notes to related party leases

Applicable Not applicable

**(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 Finance Leases Co., Ltd.	1,131.42	26 April 2022	26 January 2025	No
Guangdong Xincheng Finance Leases Co., Ltd.	3,454.76	25 June 2023	24 March 2025	No
Guangdong Xincheng Finance Leases Co., Ltd.	1,710.00	24 August 2023	28 June 2024	No
KEDA (Anhui) Clean Energy Co., Ltd.	1,412.53	7 March 2023	6 March 2024	No
KEDA (Anhui) Clean Energy Co., Ltd.	1,424.16	25 July 2023	22 June 2024	No
KEDA (Anhui) Clean Energy Co., Ltd.	1,061.48	20 July 2023	30 November 2024	No
Foshan KEDA Industrial Co., Ltd.	3,371.91	24 July 2023	24 June 2024	No
Henan KDNEU International Engineering Co., Ltd.	395.76	25 August 2023	20 April 2024	No
Henan KDNEU International Engineering Co., Ltd.	1,530.90	27 September 2023	25 June 2024	No
Guangdong KEDA New Energy Equipment Co., Ltd.	2,914.83	14 June 2023	8 August 2024	No
Anhui KEDA Smart Energy Technology Co., Ltd.	6,161.23	10 June 2022	24 August 2026	No
Anhui KEDA Smart Energy Technology Co., Ltd.	477.16	28 September 2023	27 September 2024	No
Forwell International (HK) Co., Ltd.	3,514.90	16 January 2023	8 January 2024	No
Forwell International (HK) Co., Ltd.	USD668.36	30 January 2023	30 December 2024	No
Forwell International (HK) Co., Ltd.	EUR11,358.72	24 April 2023	24 April 2026	No
Xincheng International (Hong Kong) Co., Ltd.	USD170.68	14 March 2022	23 September 2024	No
Keda (Ghana) Ceramics Company Limited	USD1,818.18	3 December 2020	15 December 2027	No
Keda (SN) Ceramics Company Limited	EUR1,049.51	1 August 2021	15 December 2027	No
Keda Zambia Ceramics	EUR1,919.16	22 November 2021	15 December 2027	No

Company Limited					
Keda Ceramics International Company Limited	EUR2,467.59	30 September 2022	15 December 2028	No	
Tilemaster Investment Limited	EUR3,009.56	24 July 2023	15 December 2029	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 Reporting Period	Amount incurred in the previous period
Remuneration of key management members	1,606.10	1,923.70

**(8). Other related party transactions**

Applicable Not applicable

**6. Unsettled items such as receivables from and payables to related parties**

**(1). Receivables**

Applicable Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Project	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts	Sunda Group Co., Ltd.	3,350.31	40.57	9,630.22	89.71

receivable					
Accounts receivable	Hunan Hualian Porcelain Industry Co., Ltd.	97.29	13.83	98.36	8.46
Accounts receivable	Hunan Hualian Torch Porcelain Insulator & Electrical Apparatus Co., Ltd.	16.25	6.08	16.25	2.86
Accounts receivable	Guangdong Hongyu Group Co., Ltd.	1,259.59	72.25	3,409.14	198.27
Accounts receivable	Zhangzhou Grande Graphite Material Co., Ltd.	239.18	3.64		
Accounts receivable	Guangdong Liansu Technology Industrial Co., Ltd.	0.85	0.03		
Dividends receivable	Sichuan Guangxing Lithium Battery Technology Co., Ltd.			480.00	
Dividends receivable	Qinghai Yanhu Lanke Lithium Industry Co., Ltd.	41,140.71			
Other receivables	Guangdong Hongyu Group Co., Ltd.	107.09		7.09	
Prepaid accounts	Guangdong Hongyu Group Co., Ltd.			61.84	
Prepaid accounts	FCRI Group Co., Ltd.	742.40			
Prepaid accounts	Sichuan Guangxing Lithium Battery Technology Co., Ltd.	10.00			
Prepaid accounts	Qinghai Yanhu Lanke Lithium Industry Co., Ltd.	1,156.19			
Notes receivable	Zhangzhou Grande Graphite Material Co., Ltd.	-		1,170.00	

**(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.	1.53	
Other payables	Zhangzhou Grande Graphite Material Co., Ltd.	735.00	
Other payables	Foshan KEDA Ceramic Technology Co., Ltd.	3,619.23	3,314.50
Notes payable	Zhangzhou Grande Graphite Material Co., Ltd.		550.00
Notes payable	Qinghai Yanhu Lanke Lithium Industry Co., Ltd.	4,800.00	5,088.00
Notes payable	FCRI Group Co.,	582.39	

	Ltd.		
Accounts payable	Guangdong Hongyu Group Co., Ltd.	10.84	
Accounts received in advance	Guangdong Liansu Technology Industrial Co., Ltd.	2.15	
Accounts received in advance	Foshan Sanshui Hongyuan Ceramics Enterprise Co., Ltd.	42.71	
Accounts payable	Shandong SinoCera Create-Tide New Materials High-Tech Co., Ltd. and its subsidiaries	3,314.57	

The foregoing 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, and Guangdong Liansu Technology Industrial Co., Ltd. Includes Guangdong Liansu Technology Industrial Co., Ltd. and its subsidiaries.

### (3). Other projects

Applicable Not applicable

### 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

## XV.Share-based Payment

### 1. Various equity instruments

Applicable Not applicable

Share options or other equity instruments issued and outstanding at the end of the Reporting Period

Applicable Not applicable

### 2. Equity-settled share-based payment

Applicable Not applicable



**3. Cash-settled share-based payment**

Applicable Not applicable

**4. Share payment expense in the Reporting Period**

Applicable Not applicable

**5. Modification and termination of share-based payment**

Applicable Not applicable

**6. Others**

Applicable Not applicable

**XVI. Commitments and Contingencies****1. Significant commitments**

Applicable Not applicable

**2. Contingencies****(1). Significant contingencies on the balance sheet date**

Applicable Not applicable

**(2). If the Company does not have significant contingencies to be disclosed, it should also be stated:**

Applicable Not applicable

**3. Others**

Applicable Not applicable

Prosecution raised by Jiangsu New Century Jiangnan Environmental Protection Co., Ltd. against the Company and its subsidiaries Jiangsu Kehang and KEDA (Anhui) Clean Energy, as well as other related parties on infringement of technical secrets ((2022) S. 01. M. CH. Nos. 4447, 4448, 4449 and 4450)

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 RMB295,293.9 thousand. 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 [(2022) S. 01. M. CH. Nos. 4447, 4448, 4449 and 4450], 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.

In December 2023, the Company and its subsidiaries received the Civil Ruling served by the Intermediate People's Court of Nanjing City, and Jiangnan Environmental Protection applied to the Intermediate People's Court of Nanjing City for withdrawal of the four lawsuits on 6 December 2023, on the grounds of the need to continue collecting evidence. The Intermediate People's Court of Nanjing City holds that the parties have the right to dispose of their civil and litigation rights within the scope of the law. Now the application by the plaintiff Jiangnan Environmental Protection to withdraw the lawsuits does not violate the provisions of the law and should be permitted. As of the time of this withdrawal, none of the above lawsuits have been brought to trial. In January 2024, the Company and its subsidiaries received the Notice of Response to Litigation, the Complaint and other legal documents served by the Intermediate People's Court of Nanjing and the change of Jiangnan Environmental Protection's litigation request. Jiangnan Environmental Protection filed a lawsuit to the Nanjing Intermediate Court again in relation to the aforesaid four cases and changed its litigation request, with the economic loss claimed changed to RMB117,637.6 thousand, and as at the date of disclosure of this report, the aforesaid litigation case was still in the process of trial of the first instance.

As the court has ruled to allow the plaintiff to withdraw the lawsuits in the said case, the subsequent progress of this litigation matter and its impact on the Company's profit for the current period or profit after the period, etc. are uncertain. The Company will disclose the progress of the litigation in a timely manner in accordance with the relevant provisions of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange.

## **XVII. Subsequent Events after the Balance Sheet Date**

### **1. Important non-adjusting matters**

Applicable Not applicable

### **2. Profit distribution**

Applicable Not applicable

Unit: Yuan Currency: RMB

Profit or dividends to be distributed	622,992,640.71
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Profits or dividends declared after consideration and approval	
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Upon the deliberation at the 28th Meeting of the Eighth Board of Directors of the Company held on 25 March 2024, the Company's profit distribution proposal for 2023 is as follows: On the basis of the 1,887,856,487 shares of the Company entitled to profit distribution (the total share capital of 1,948,419,929 shares minus the number of shares held in the Company's repurchase-specific securities account of 60,563,442 shares), a cash dividend of RMB3.3 per 10 shares (inclusive of tax) will be distributed to all shareholders, and the cash dividends total RMB622,992,640.71 (inclusive of tax). The proposal is subject to deliberation at the Company's 2023 Shareholders' Meeting.

### 3. Sales return

Applicable Not applicable

### 4. Notes to other subsequent events after the balance sheet date

Applicable Not applicable

## XVIII. Other Key Matters

### 1. Correction of previous accounting errors

#### (1). Retrospective restatement

Applicable Not applicable

#### (2). Prospective application

Applicable Not applicable

### 2. Significant debt restructuring

Applicable Not applicable

### 3. Asset replacement

#### (1). Exchange of non-monetary assets

Applicable Not applicable

#### (2). Other asset replacement

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		627.67	-627.67		-627.67	-627.67
Total		627.67	-627.67		-627.67	-627.67

**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**XIX. 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	Opening book balance
Within one year		
Including: Sub-items within one year		
Within one year	591,623,670.91	531,927,830.67
Subtotal within one year	591,623,670.91	531,927,830.67
One to two years	109,937,330.62	124,489,134.22
Two to three years	28,862,073.79	22,029,827.49
Over three years	11,345,621.91	11,173,794.23
Total	741,768,697.23	689,620,586.61

**(2). Classified disclosure according to the methods for setting aside provision for bad debts**

Applicable Not applicable

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Carrying value	Book balance		Provision for bad debts		Carrying value
	Amount	Percentage (%)	Amount	Provision percentage (%)		Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item	25,917,103.93	3.49	20,651,966.60	79.68	5,265,137.33	29,425,703.57	4.27	14,221,364.18	48.33	15,204,339.39
Provision set aside for bad debts by portfolio	715,851,593.30	96.51	39,368,780.25	5.50	676,482,813.05	660,194,883.04	95.73	41,699,659.32	6.32	618,495,223.72
Including:										
Provision set aside for bad debts by portfolio	426,348,541.08	57.48	39,368,780.25	9.23	386,979,760.83	362,444,419.89	52.55	41,699,659.32	11.51	320,744,760.57
Payment for goods from subsidiaries	289,503,052.22	39.03			289,503,052.22	297,750,463.15	43.18			297,750,463.15
Total	741,768,697.23	/	60,020,746.85	/	681,747,950.38	689,620,586.61	/	55,921,023.50	/	633,699,563.11

Provision set aside for bad debts by the single item:

Applicable Not applicable

Unit: Yuan Currency: RMB

Name	Closing balance			
	Book balance	Provision for bad debts	Provision percentage (%)	Reasons for the provision
Customer 2	20,096,191.00	18,242,000.00	90.77	Projected risk of recovery
Others	5,820,912.93	2,409,966.60	41.40	Projected risk of recovery
Total	25,917,103.93	20,651,966.60	79.68	/

Notes to the provision set aside for bad debts by the single item:

Applicable Not applicable

Provision set aside for bad debts by portfolio:

Applicable Not applicable

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

Unit: Yuan Currency: RMB

Name	Closing balance		
	Accounts receivable	Provision for bad debts	Provision percentage (%)
Within one year	306,740,737.04	13,612,677.51	4.44
One to two years	92,929,637.72	10,906,160.77	11.74
Two to three years	16,155,829.07	5,358,393.31	33.17
Three to five years	7,064,995.67	6,034,207.08	85.41
Over 5 years	3,457,341.58	3,457,341.58	100.00
Total	426,348,541.08	39,368,780.25	9.23

Notes to the provision set aside for bad debts by portfolio:

Applicable Not applicable

Provision set aside for bad debts by the general expected credit loss model

Applicable Not applicable

Notes to the significant changes in the book balance of accounts receivable arising from changes in the provision for losses in the Reporting Period:

Applicable Not applicable

### (3). Provision for bad debts

Applicable Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Change in the Reporting Period				Closing balance
		Provision	Recovery or reversal	Charge-off or write-off	Other changes	
Provision for bad debts	55,921,023.50	3,100,178.66	1,763,000.00	763,455.31		60,020,746.85
Total	55,921,023.50	3,100,178.66	1,763,000.00	763,455.31		60,020,746.85

Including: Significant amount of provision for bad debts recovered or reclassified in the Reporting Period:

Applicable Not applicable

### (4). Accounts receivable written off in the Reporting Period

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount written off
Accounts receivable actually written off	763,455.31

Including: Write-off of significant accounts receivable

Applicable Not applicable

Notes to the write-off of accounts receivable:

Applicable Not applicable

### (5). Top five accounts receivable and contract assets in the closing balance categorised by debtors

Applicable Not applicable



Unit: Yuan Currency: RMB

Unit	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Percentage in the total closing balance of the accounts receivable and contract assets (%)	Closing balance of the provision for bad debts
Xincheng International (Hong Kong) Co., Ltd.	105,961,726.97		105,961,726.97	14.29	
BRIGHTSTAR INVESTMENT LIMITED	61,556,337.11		61,556,337.11	8.30	
Customer 13	57,807,705.60		57,807,705.60	7.79	2,608,653.36
Keda Industrial (India) Limited	33,149,667.69		33,149,667.69	4.47	
Forwell International (HK) Co., Ltd.	27,252,750.60		27,252,750.60	3.67	
Total	285,728,187.97		285,728,187.97	38.52	2,608,653.36

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	137,423,630.00	211,096,750.00
Other receivables	1,215,805,546.19	1,298,694,152.28
Total	1,353,229,176.19	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). Classified disclosure according to the methods for setting aside provision for bad debts**

Applicable Not applicable

Provision set aside for bad debts by the single item:

Applicable Not applicable

Notes to the provision set aside for bad debts by the single item:

Applicable Not applicable

Provision set aside for bad debts by portfolio:

Applicable Not applicable

**(4). Provision set aside for bad debts by the general expected credit loss model**

Applicable Not applicable

Notes to the significant changes in the book balance of interest receivable arising from changes in the provision for losses in the Reporting Period:

Applicable Not applicable

**(5). Provision for bad debts**

Applicable Not applicable

Including: Significant amount of provision for bad debts recovered or reclassified in the Reporting Period:

Applicable Not applicable

**(6). Interest receivable written off in the Reporting Period**

Applicable Not applicable

Including: Write-off of significant interest receivable

Applicable Not applicable

Notes on write-off:

Applicable Not applicable

Other notes:

Applicable Not applicable

### Dividends receivable

#### (7). Dividends receivable

Applicable Not applicable

Unit: Yuan Currency: RMB

Item (or investee)	Closing balance	Opening balance
KEDA HOLDING (MAURITUS) 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	
Foshan KEDA Industrial Co., Ltd.	37,423,630.00	
Total	137,423,630.00	211,096,750.00

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

Applicable Not applicable

#### (9). Classified disclosure according to the methods for setting aside provision for bad debts

Applicable Not applicable

Provision set aside for bad debts by the single item:

Applicable Not applicable

Notes to the provision set aside for bad debts by the single item:

Applicable Not applicable

Provision set aside for bad debts by portfolio:

Applicable Not applicable

#### (10). Provision set aside for bad debts by the general expected credit loss model

Applicable Not applicable

Notes to the significant changes in the book balance of dividends receivable arising from changes in the provision for losses in the Reporting Period:

Applicable Not applicable

**(11). Provision for bad debts**

Applicable Not applicable

Including: Significant amount of provision for bad debts recovered or reclassified in the Reporting Period:

Applicable Not applicable

**(12). Dividends receivable written off in the Reporting Period**

Applicable Not applicable

Including: Write-off of significant dividends receivable

Applicable Not applicable

Notes on write-off:

Applicable Not applicable

Other notes:

Applicable Not applicable

**Other receivables**

**(13). Disclosure by aging**

Applicable Not applicable

Unit: Yuan Currency: RMB

Aging	Closing book balance	Opening book balance
Within one year		
Including: Sub-items within one year		
Within one year	276,081,322.21	679,817,522.79
Subtotal within one year	276,081,322.21	679,817,522.79
One to two years	429,009,395.23	397,333,817.05
Two to three years	322,823,955.06	211,826,323.61
Over three years	407,005,938.69	228,934,999.99
Total	1,434,920,611.19	1,517,912,663.44

**(14). Classification based on the fund nature**

Applicable Not applicable

Unit: Yuan Currency: RMB

Nature of fund	Closing book balance	Opening book balance
Intercompany current accounts	1,401,944,765.07	1,498,082,817.17
Other current accounts	8,470,541.33	7,882,581.80
Export tax rebate	23,139,304.79	11,261,264.47
Margin	1,366,000.00	686,000.00
Total	1,434,920,611.19	1,517,912,663.44

**(15). Provision set aside for bad debts**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Expected credit loss for the next 12 months	Expected credit loss during the whole outstanding maturity (without credit impairment)	Expected credit loss during the whole outstanding maturity (with credit impairment)	
Balance as of 1 January 2023	333,504.99		218,885,006.17	219,218,511.16
Balance as of 1 January 2023 in the Reporting Period	333,504.99		218,885,006.17	219,218,511.16
-- Transferred to Phase II				
-- Transferred to Phase III				
-- Reclassified under Phase II				
-- Reclassified under Phase I				
Provision in the Reporting Period	38,909.40			38,909.40
Reclassification in the Reporting Period				
Charge-off in the Reporting Period				
Write-off in the Reporting Period			142,355.56	142,355.56
Other changes				
Balance on 31 December 2023	372,414.39		218,742,650.61	219,115,065.00

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

Applicable  Not applicable

**(16). Provision for bad debts**

Applicable  Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Change in the Reporting Period				Closing balance
		Provision	Recovery or reversal	Charge-off or write-off	Other changes	
Provision for bad debts for other receivables	219,218,511.16	38,909.40		142,355.56		219,115,065.00
Total	219,218,511.16	38,909.40		142,355.56		219,115,065.00

Including: Significant amount of provision for bad debts reclassified or recovered in the Reporting Period:

Applicable  Not applicable

Other notes

**(17). Other receivables written off in the Reporting Period**

Applicable  Not applicable

Unit: Yuan Currency: RMB

Item	Amount written off
Other accounts receivable written off	142,355.56

Including: Write-off of significant other receivables:

Applicable  Not applicable

Notes to the write-off of other receivables:

Applicable  Not applicable

**(18). Top five other receivables in the closing balance categorised by debtors**

Applicable  Not applicable

Unit: Yuan Currency: RMB

Unit	Closing balance	Percentage in the total closing balance of other receivables (%)	Account nature	Aging	Provision for bad debts Closing balance
Anhui KEDA Investment Co., Ltd.	395,500,000.00	25.15	Intercourse funds	Within four years	
Shenyang KEDA Clean Gas Co., Ltd.	242,280,000.00	15.41	Intercourse funds	Within six years	218,742,650.61
Jiangsu Kehang Environmental Protection Co., Ltd.	183,500,214.72	11.67	Intercourse funds	Within three years	
Keda (Ghana) Ceramics Company Limited	148,736,700.00	9.46	Intercourse funds	Within two years	
Keda Zambia Ceramics Company Limited	127,488,600.01	8.11	Intercourse funds	Within two years	
Total	1,097,505,514.73	69.80	/	/	218,742,650.61

**(19). Other receivables reported due to centralized management of funds**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	7,378,225,423.36	600,000,000.00	6,778,225,423.36	6,897,697,123.36	600,000,000.00	6,297,697,123.36
Investment in associated enterprises and joint ventures	592,640,823.84		592,640,823.84	322,043,985.49		322,043,985.49
Total	7,970,866,247.20	600,000,000.00	7,370,866,247.20	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 Reporting Period	Decrease in the Reporting Period	Closing balance	Impairment provision set aside in the Reporting 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	22,357,017.00		425,233,605.44		
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	71,283.00		407,816,383.00		
Guangdong KEDA Hydraulic Technology Co., Ltd.	28,293,578.97			28,293,578.97		
Foshan KEDA 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 Smart Energy Technology Co., Ltd.	666,000.00			666,000.00		
Shenyang KEDA Clean 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	-		
Anhui KEDA New Energy Equipment Co., Ltd.		65,000,000.00		65,000,000.00		
Guangdong		10,200,000.00		10,200,000.00		



Quanitech Material Ltd.						
Guangdong Tefu International Holdings Limited		25,500,000.00		25,500,000.00		
Total	6,897,697,123.36	525,528,300.00	45,000,000.00	7,378,225,423.36	-	600,000,000.00

**(2). Investment in associated enterprises and joint ventures**

√Applicable □Not applicable

Unit: Yuan Currency: RMB

and other investments Unit	Opening Balance	Change in the Reporting Period								Closing balance Balance	Clos ing balance of the provision for impairme nt
		Increase in the investment	Decrease in the investment	Profit or loss of investment recognised by the equity method	Changes in other comprehensiv e income	Changes in other equities	Cash dividends or profits declared to be distributed	Provisio n set aside for impairment	Others		
I. Associated enterprises											
Foshan KEDA Ceramic Technology Co., Ltd.	155,031,755.71			-468,636.28						154,563,119.43	
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			31,768.62						149,487,634.28	
Shandong SinoCera Create-Tide New Materials High-Tech Co.,		264,000,000.00		24,741,608.34	-151,538.21					288,590,070.13	

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Ltd.											
Sub-total	322,043,985.49	264,000,000.00	15,000,000.00	24,304,740.68	-151,538.21				-2,556,364.12	592,640,823.84	
Total	322,043,985.49	264,000,000.00	15,000,000.00	24,304,740.68	-151,538.21				-2,556,364.12	592,640,823.84	

**(3). Impairment test of long-term equity investments**

Applicable Not applicable

**4. Operating revenue and operating expenses****(1). operating revenue and operating expenses**

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the Reporting Period		Amount incurred in the previous period	
	Income	Cost	Income	Cost
Principal business	1,865,375,667.78	1,484,375,766.37	2,364,624,453.61	1,812,324,728.27
Other business	16,420,044.05	8,057,210.23	7,145,811.38	4,125,572.12
Total	1,881,795,711.83	1,492,432,976.60	2,371,770,264.99	1,816,450,300.39

**(2). Information on the breakdown of operating revenue and cost of sales**

Applicable Not applicable

Other notes

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). Significant contract changes or significant transaction price adjustments**

Applicable Not applicable

**5. Investment income**

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Long-term equity investment income calculated by the cost method	4,175,859,417.31	566,628,500.00
Long-term equity investment income calculated by the equity method	24,304,740.68	4,751,305.48
Investment income arising from the disposal of long-term equity investments	-2,556,364.12	-59,710,364.67
Investment income in the financial assets held for trading during the holding period		
Dividend income from other equity instruments investments during the holding period		
Interest income from debt investments during the holding period		
Interest income from other debt investments during the holding period		
Investment income arising from the disposal of the financial assets held for trading	2,117,194.05	1,404,341.39
Investment income arising from the disposal of other equity instruments investments		
Investment income arising from the disposal of debt investments		
Investment income arising from the disposal of other debt investments		
Total	4,199,724,987.92	513,073,782.20

Other notes:

(1) Long-term equity investment income calculated by the cost method:

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
KEDA HOLDING (MAURITIUS) LIMITED	212,863,035.00	217,948,500.00
HLT Industry Co., Ltd.	360,000,000.00	
Guangdong KEDA Lithium Industry Co., Ltd.	3,365,000,000.00	348,680,000.00
Qinghai Weili New Energy Material Co., Ltd.	157,294,952.31	
KEDA Industrial (Hong Kong) Limited	29,357,800.00	
Foshan KEDA Industrial Co., Ltd.	37,423,630.00	
Anhui KEDA Industrial Co., Ltd.	13,920,000.00	
Total	4,175,859,417.31	566,628,500.00

(2) Long-term equity investment income calculated by the equity method:

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Sichuan Guangxing Lithium Battery Technology Co., Ltd.		5,704,161.35
Foshan KEDA Ceramic Technology Co., Ltd.	-468,636.28	-408,721.53
Guangdong KEDA Nanyue New Energy Venture Capital Partnership (Limited Partnership)	31,768.62	-544,134.34
Shandong SinoCera Create-Tide New Materials High-Tech Co., Ltd.	24,741,608.34	
Total	24,304,740.68	4,751,305.48

## (3) Investment income arising from the disposal of long-term equity investments:

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Fujian KEDA New Energy Technology Co., Ltd.		-1,016,822.67
Anhui KEDA New Material Co., Ltd.		-58,693,542.00
Sichuan Guangxing Lithium Battery Technology Co., Ltd.	-2,556,364.12	
Total	-2,556,364.12	-59,710,364.67

## (4) Investment income arising from the disposal of the financial assets held for trading:

Item	Amount incurred in the Reporting Period	Amount incurred in the previous period
Wealth management products	2,117,194.05	1,404,341.39
Total	2,117,194.05	1,404,341.39

**6. Others**

Applicable Not applicable

**XX. Supplementary Data****1. Breakdown of Non-recurring Profit or Loss in the Current Period**

Applicable Not applicable

Unit: Yuan Currency: RMB

项目	Amount	Note
Profit or losses on disposal of non-current assets, including the portion offset for provisions for asset impairment	-4,015,938.35	
Government grants included in gain and loss of the Reporting Period, except for government grants that are closely related to the Company's normal business operation, comply with national policies and are enjoyed in accordance with defined criteria, and have a continuing impact on the Company's profit or loss	72,985,895.48	
Profit or losses from changes in fair value of financial assets and liabilities held by non-financial corporations and profit or losses from the disposal of financial assets and liabilities, except for effective hedging operations related to the Company's normal business operations	16,532,496.79	
Reclassification of impairment loss allowances of receivables separately tested for impairment	17,963,567.00	
Profit or loss on debt restructuring	-86,960.60	
Other non-operating income and expenses apart from the aforementioned items	131,152,760.71	
Less: Income tax effect	14,909,027.60	
Effect equities of non-controlling interest (after tax)	6,380,355.85	
Total	213,242,437.58	

For non-recurring profit or loss items that the Company has recognised as non-recurring profit and loss items not listed in the Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public--Non-recurring Profit or Loss and the amount of which is material, 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

Other notes

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	18.42	1.095	1.095
Net profits attributable to common shareholders of the Company after deducting non-recurring profit or loss	16.54	0.984	0.984

**3. Differences in accounting data under domestic and overseas accounting standards**

Applicable Not applicable

**4. Others**

Applicable Not applicable

Chairman:

Date of approval by the Chairman for Submission:

**Revision information**

Applicable Not applicable