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## **Keda Industrial Group launches the Offering of GDRs representing A Shares on SIX Swiss Exchange and sets price range between USD14.43 and USD14.58 per GDR**

Zurich, 22 July 2022 – Keda Industrial Group Co., Ltd. (“Keda” or “the Company”), a world-leading supplier of building ceramic machinery and equipment with A-Shares listed on Shanghai Stock Exchange, today launched a private placement (the “Offering”) of GDRs to be listed on SIX Swiss Exchange AG (“SIX Swiss Exchange”).

- The Offering consists of up to 20,000,000 Global Depository Receipts (“GDRs”) representing A Shares, including up to 6,000,000 GDRs pursuant to the Upsize Option (as defined below) and up to 2,000,000 over-allotment GDRs.
- One (1) GDR represents an interest in five (5) A Shares of Keda.
- The price range for the offered GDRs has been set between USD 14.43 and USD 14.58 per GDR.
- The offer period commences today, 22 July 2022, and is anticipated to end on 22 July 2022.
- The listing and the first day of trading are expected to take place on 28 July 2022.

### **Offering summary**

The GDRs represent A Shares of Keda, a joint stock company with limited liability established under the laws of the People’s Republic of China (the “PRC”). The A Shares are ordinary shares with a nominal value of RMB1.00 each, which are listed and traded on the Shanghai Stock Exchange under the stock code 600499.SH. The GDRs are to be issued against the deposit of A Shares, with one (1) GDR representing an interest in five (5) A Shares.

The Offering comprises up to 20,000,000 GDRs, including the option to offer up to an additional 6,000,000 GDRs based on demand (the “Upsize Option”) and an over-allotment option of up to 2,000,000 GDRs (11.1% of the total number of GDRs sold in the offering excluding the over-allotment GDRs) exercisable in whole or in part within 30 calendar days after the first day of trading of the GDRs on SIX Swiss Exchange (the “First Day of Trading”). The listing of the GDRs on SIX Swiss Exchange will be in accordance with its Reporting Standard for Depository Receipts.

The Offer Price Range for the GDRs has been set between USD 14.43 and USD 14.58 per GDR, implying an offer size of USD 173 million and USD 175 million (assuming no exercise of the Upsize Option nor the Over Allotment Option) and an offer size of USD 289 million and USD 292 million (assuming that the Upsize Option and the Over Allotment Option are exercised in full). The Offer Price will be determined following a book building process.

Certain investors, including Guangdong (Foshan) Manufacturing Transformation and Development Fund (Limited Partnership) (the “Cornerstone Investor”) are expected to acquire GDRs (the “Cornerstone GDRs”) at the Offer Price, corresponding to a total investment of approximately USD 44,000,000, and the Group has firmly committed to issue these securities to the Cornerstone Investor.

The Offering consists of: (i) a private placement in Switzerland; and (ii) private placements in certain jurisdictions outside Switzerland and the United States of America (the “United States” or “U.S.”). All offers and sales outside the United States will be made in compliance with Regulation S under the U.S. Securities Act of 1933, as amended. In Switzerland, GDRs will



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be offered solely to professional clients within the meaning of article 4 para 3 of the Swiss Financial Services Act dated 15 June 2018, as amended.

The book-building process commences today, 22 July 2022, and is expected to end on 22 July 2022 at 12.00 CEST. The final offer price is expected to be published on 22 July 2022. The GDRs are expected to be listed on SIX Swiss Exchange and commence trading on or around 28 July 2022.

The net proceeds from the offering of GDRs by the Group are intended to be used to expand the Company's main business, increase the Company's R&D investment, repay loans and supplement the Company's operating funds so as to meet the needs of domestic and foreign markets and promote the Company's globalization.

The lock-up arrangement in connection with the GDRs for the Cornerstone Investor has been agreed to be during a period ending six months after the First Day of Trading, subject to certain customary exceptions and the prior written consent of the Company. GDRs subscribed for by investors in the Offering may not be redeemed within 120 days following the First Day of Trading.

China International Capital Corporation (UK) Limited is acting as Sole Global Coordinator and Joint Bookrunner together with China International Capital Corporation Hong Kong Securities Limited as Joint Bookrunner for the planned Offering. Helvetische Bank AG and China International Capital Corporation Hong Kong Securities Limited are acting as Stabilization Agents. Citibank, N.A. is acting as Depository. Bank of China is acting as Custodian.

### **A world leading supplier of building ceramic machinery and equipment**

Keda is currently the biggest and the second biggest supplier of building ceramic machinery and equipment in Asia and the world, respectively. Adhering to its mission of "green solution, greener life" and after 30 years of operation and development, Keda has successfully achieved its targets of "domestic production of ceramic machinery and equipment" and "being a strong global player in the building materials equipment industry" and completed the transformation from a single equipment manufacturer to a supplier providing complete categories of ceramic machinery and whole-plant entire production line solutions, growing into a leading enterprise in the ceramic machinery industry in China and the world.

Keda is the only company in China that has the ability to produce and supply complete categories of ceramic machinery and whole-plant entire production line solutions. Focusing on the service-oriented development concept, Keda provides downstream ceramic manufacturers with whole-plant design, accessories, consumables, maintenance and repairing, digital upgrading and other comprehensive ancillary services. Its ceramic machinery and equipment covers more than 60 countries and regions such as India, Bangladesh, Pakistan, Southeast Asia, Africa and the Middle East.

Meanwhile, Keda has expanded to downstream building ceramics industries in emerging countries in Africa. It invested in production bases in five African countries, 12 local ceramics production lines and a number of projects under construction. Keda has become a leading overseas building ceramics supplier in Africa, with an annual output of ceramic tiles exceeding 90 million m<sup>2</sup> in 2021.

Keda has strategically invested in the lithium-ion battery materials industry and developed battery anode materials, lithium resources, cathode materials and equipment used to turn lithium carbonate into battery materials, achieving synergy of resources, materials and equipment. It developed lithium carbonate resources through investing in Lanke



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Lithium Industry and currently have an annual production capacity of 30,000 tons of lithium carbonate, becoming a key player in lithium extraction from salt lakes in China.

Keda has achieved rapid growth due to efficient operation and high-quality products and services. For the year ended 31 December 2021, the Group reported operating revenue of RMB 9,796,679.7 thousand, representing a 2019-2021 CAGR of 23.63%. Net profit was RMB 1,463,000.4 thousand for 2021, representing a 2019-2021 CAGR of 154.17%. Operating revenue from building material machinery and equipment segment, Keda's core business, reported RMB 5,764,108.8 thousand in 2021, representing a 2019-2021 CAGR of 41.19%; and operating revenue from building ceramics was RMB 2,344,996.3 thousand in 2021, representing a 2019-2021 CAGR of 48.66%.

### Key Offering data and indicative Offering timetable

Key Data	
Listing	SIX Swiss Exchange AG (Reporting Standard for Depository Receipts)
Ticker	KEDA
Swiss security number	CHF120555065
ISIN	US4872351030
Nominal value	RMB 1.0 per A share, 1 GDR representing an interest in five(5) A Shares
Price range	USD 14.43 – USD14.58 per GDR
Offering size including the upsize option and over-allotment option	Up to 20,000,000 GDRs
Upsize Option	Up to 6,000,000 GDRs
Over-allotment option	Up to 2,000,000 GDRs
Indicative Offering Schedule	
Publication of prospectus	22 July 2022
Commencement of book building	22 July 2022
End of book-building	22 July 2022, at 12.00 noon CEST
Publication of final offer price and final number of offered GDRs	22 July 2022
Listing and first day of trading	28 July 2022
Payment and settlement	28 July 2022
Last day for the exercise of the over-allotment option	26 August 2022



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Keda's 2019 - 2021 Consolidated Financial Statements can be accessed at  
<https://kedagroup.com/index.php?m=content&c=index&a=lists&catid=478>.

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## **About Keda Industrial Group**

Keda is currently the biggest and the second biggest supplier of building ceramic machinery and equipment in Asia and the world, respectively. Adhering to its mission of “green solution, greener life” and after 30 years of operation and development, Keda has successfully achieved its targets of “domestic production of ceramic machinery and equipment” and “being a strong global player in the building materials equipment industry” and completed the transformation from a single equipment manufacturer to a supplier providing complete categories of ceramic machinery and whole-plant entire production line solutions, growing into a leading enterprise in the ceramic machinery industry in China and the world. For more information, visit <http://www.kedagroup.com>.

Keda Industrial Group Co., Ltd., No. 1, West Huanzhen Road, Guanglong Industrial Park, Chencun Town, Shunde District, Foshan City, Guangdong Province, China.



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The Securities offered have not been, and will not be, registered under the Securities Act, or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state or local securities laws. The Securities are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. There will be no public offering of the Securities in the United States.

This announcement does not constitute an offer to sell or a solicitation to buy securities of the Company and it does not constitute a prospectus or a similar notice within the meaning of articles 35 et seqq. or 69 of the Swiss Financial Services Act. An investment decision regarding the securities referred to herein should be based exclusively on the prospectus published by the Company for this purpose. Copies of the prospectus and any supplements thereto are/will be available free of charge for 12 months following the First Day of Trading on SIX Swiss Exchange at No. 1, West Huanzhen Road, Guanglong Industrial Park, Chencun Town, Shunde District, Foshan City, Guangdong Province, China (email: 600499@kedachina.com.cn (Telephone: +86-757-23833869).

In member states of the European Economic Area (the "EEA") the placement of securities described in this announcement is directed exclusively at persons who are "qualified investors" within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "Prospectus Regulation").

This announcement does not constitute an "offer of securities to the public" within the meaning of the Prospectus Regulation of the Securities in any member state of the EEA or the Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended (the "UK Prospectus Regulation"). Any offers of the Securities to persons in the EEA will be made pursuant to an exemption under the Prospectus Regulation, as implemented in member states of the EEA, from the requirement to produce a prospectus for offers of the Securities.

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In Switzerland, the securities described in this announcement will be offered solely to professional clients within the meaning of article 4 para 3 of FinSA. The securities may not be publicly offered, directly or indirectly, in Switzerland within the meaning of FinSA. Each purchaser of the securities in Switzerland will be deemed to have represented and agreed that it qualifies as a "professional client" within the meaning of the FinSA.

The securities are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the applicable laws of the People's Republic of China, including the PRC Securities Law.

No action has been taken that would permit an offering or an acquisition of the securities or a distribution of this announcement in any jurisdiction where such action would be unlawful. Persons into whose possession this announcement comes are required to inform themselves about and to observe any such restrictions.

This announcement does not constitute a recommendation concerning the placement. Investors should consult a professional advisor as to the suitability of the placement for the person concerned.

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

In connection with the Offering, China International Capital Corporation Hong Kong Securities Limited and Helvetische Bank



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AG (or any of their affiliates or any third person acting on their behalf) will act as stabilization agents (the "Stabilizing Agents"). The Stabilization Agents may, in accordance with the applicable legal provisions (in particular Article 126 of the Swiss Financial Market Infrastructure Ordinance), effect transactions with a view to relieving a potential selling pressure by supporting the market price of the GDRs at a level higher than that which might otherwise prevail in the open market (the "Stabilization Measures"). Such Stabilization Measures can be taken from the commencement of the trading in the GDRs on the SIX Swiss Exchange and must be brought to an end no later than 30 calendar days after that date. The Stabilization Agents do not have an obligation to take Stabilization Measures. Therefore, there can be no assurance that Stabilization Measures are effected. Such Stabilization Measures, if commenced, may be discontinued at any time without prior announcement. Stabilization Agents may lead to a higher trading volume or market price of the Shares than would otherwise prevail. Furthermore, the trading volume or market price may temporarily attain a level that is not sustainable in the long-term.