

## **KraussMaffei Company Limited**

### **Announcement of Abnormal Fluctuation in Stock Trading**

The Company and all members of its Board of Directors hereby confirm that all information disclosed herein is true, accurate and complete with no false or misleading statement or material omission.

Important content reminders:

- For three consecutive trading days on May 26, 2021, May 27, 2021, May 28, 2021, the accumulated deviation of the closing price of the shares of KraussMaffei Co., Ltd. (hereinafter referred to as "the Company") is more than 20%. According to the relevant provisions of the *Trading rules of Shanghai Stock Exchange*, it belongs to the abnormal fluctuation of stock trading.
- Through the Company's self-examination and written consultation with the controlling shareholders and actual controllers, as of the disclosure date of this announcement, there are no major issues or important information that should be disclosed but not disclosed.

#### **1、 the specific situation of abnormal fluctuation in stock trading**

For three consecutive trading days on May 26, 2021, May 27, 2021, May 28, 2021, the accumulated deviation of the closing price of the shares of the Company is more than 20%. According to the relevant provisions of the *Trading rules of Shanghai Stock Exchange*, it belongs to the abnormal fluctuation of stock trading.

#### **2、 The Company pays attention to and verifies the relevant situation**

According to the relevant regulations of Shanghai Stock Exchange, the Company has checked the relevant matters in view of the abnormal fluctuation of the Company's shares, and sent letters to the controlling shareholder and actual controller of the Company to verify at the same time. The relevant information is explained as follows:

##### **(1) Production and operation**

The Company's main business is distributed in Europe, North America and the Asia Pacific region. Up to now, the production and operation of overseas parts of the

Company are still affected by different degrees of COVID-19. Under the premise of complying with the relevant epidemic prevention requirements in the area, the Company has taken various measures to maximize the guarantee of the orderly production of hand orders, and control the epidemic situation to a minimum. In addition, at present, the Company's production and operation are normal, there is no major adjustment or change, and there is no major matter affecting the abnormal fluctuation of the Company's stock trading price.

(2) Major events

According to the Company's self-examination and verification by sending letters to the Company's controlling shareholders and actual controllers, as of the disclosure date of this announcement, there are no major events affecting the abnormal fluctuation of the Company's stock trading price; There is no major information that should be disclosed but not disclosed, including but not limited to major asset restructuring, share issuance, acquisition of listed companies, debt restructuring, business restructuring, asset divestiture, asset injection, share repurchase, equity incentive, bankruptcy restructuring, major business cooperation, introduction of strategic investors, etc.

(3) Media reports, market rumors and hot concepts

After verification by the Company, the Company has not found any media reports or market rumors that may have a significant impact on the trading price of the Company's shares, nor has the hot concepts of market been involved.

(4) Other price sensitive information

After verification, the Company's controlling shareholders, actual controllers, directors, supervisors and senior managers did not buy or sell the Company's shares during the abnormal fluctuation period.

The Company has not found any other major events that have a greater impact on the Company's stock trading price.

**3、 relevant risk tips**

(1) Secondary market transaction risk

The Company's stock price has deviated by more than 20% in three consecutive trading days on May 26, 2021, May 27, 2021 and May 28, 2021. The stock price fluctuates greatly. Please pay attention to the investment risk.

(2) Production and operation risk

The Company disclosed the first quarter report of 2021 on April 30, 2021. The

operating revenue of the Company was 1,862,956,364.84 yuan, a decrease of 14.82% compared with the same period in 2020. The net profit attributable to the shareholders of the listed company was -129,368,450.57 yuan, and the Company had an operating loss in the first quarter of 2021.

### (3) Goodwill impairment risk

In April 2016, ChemChina acquired 100% equity of KM Group through acquisition under different control. After the completion of the acquisition, the goodwill generated at the consolidated statement level was EUR 442 million (equivalent to about RMB 3.46 billion). If the future operation of KM Group deteriorates, there is the risk of goodwill impairment. The Company will pay close attention to the operation of CNCE Luxemburg, support and manage CNCE Luxemburg in terms of strategy and resources, and improve its profitability. However, the uncertainty of the future economic situation, including but not limited to the uncertainty of the impact of epidemic prevention and control on the economy, changes in the macroeconomic situation and market conditions, changes in downstream customer demand, intensified industry competition and changes in industrial policies, may have an impact on the operating performance of the Company, and then the Company has the risk of goodwill impairment, so as to cause adverse impact on the Company's current profit and loss, please pay attention to the relevant risks.

## **4、 Board statement and related party commitment**

As confirmed by the Board of Directors of the Company, up to now, the Company does not have any matters that should be disclosed but not disclosed in accordance with the relevant provisions of the *Stock Listing Rules* or plans and intentions related to such matters, and the Board of Directors has not been informed of the matters that should be disclosed but not disclosed in accordance with the relevant provisions of the *Stock Listing Rules* that may have a great impact on the trading prices of the Company's stocks and their derivatives; There is no need to correct or supplement the information disclosed by the Company in the early stage.

The Board of Directors of the Company reminded the investors that the information disclosure media designated by the Company are *Shanghai Securities Journal*, *China Securities Journal* and the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) The relevant information is subject to the Company's announcement in the above designated media. Please invest rationally and pay attention to investment risk.

It is hereby announced.

Board of Directors of KraussMaffei Company Limited

May 29, 2021