

KraussMaffei Company Limited Earnings Preannouncement for the year of 2020

The board of directors and all directors of the company guarantee that there are no false records, misleading statements or major omissions in the contents of this announcement, and bear individual and joint obligation for the authenticity, accuracy and integrity of the contents.

Important content reminders:

1. KraussMaffei Company Limited (hereinafter refers to as "the Company") is expected to make a loss of RMB 190 million to RMB 230 million.
2. After deducting the non-recurring profit and loss items, the Company's performance is expected to make a loss of RMB 85 million to RMB 110 million.
3. The above preannouncement data is only the preliminary accounting data, and the specific and accurate financial data are subject to the audited annual report of 2020 officially disclosed by the Company. Please pay attention to the investment risk.

1. Current performance preannouncement

(1) Performance preannouncement period

From January 1 to December 31, 2020 (hereinafter refers to as the "reporting period").

(2) Performance preannouncement

1. According to the preliminary accounting of the financial department, it is estimated that the net profit attributable to the shareholders of the listed company in the year of 2020 will make a loss, and the net profit attributable to the shareholders of the listed company will be about RMB -190 million to RMB -230 million.

2. The net profit attributable to the shareholders of the listed company after deducting the non-recurring profit and loss is about RMB -85 million to RMB -110 million.

(3) The losses preannouncement is a preliminary calculation made by the Company according to its operation, which has not been audited by the certified public accountant.

2. Performance of the same period last year

(1) Net profit attributable to shareholders of the listed company: RMB -158 million.

Net profit after deducting non-recurring profit and loss attributable to shareholders of listed company: RMB -38 million.

(2) Earnings per share: RMB -0.18.

3. The main reasons for the losses in the reporting period

The novel coronavirus pneumonia epidemic sweeping the world in 2020 has a huge impact on the macro-economy. The manufacturing and operation of overseas manufacturing enterprises are seriously affected, and the industry depression has continued to decline. The Company's main business is located in Europe, North America and Asia Pacific, during the reporting period, with the continuous expansion of the impact of the COVID-19, the daily production and operation of the Company's overseas subsidiaries have been adversely affected to varying degrees. Due to various travel restrictions, transnational and cross regional business activities cannot be carried out normally, resulting in the Company's annual performance losses.

(1) Decline in revenue:

Affected by the continuous epidemic throughout the year, the investment demand of the Company's downstream, such as automobile, plastic packaging and other industries, decreased, leading to the Company's new machine sales orders decreased significantly. In addition, due to the limitation of epidemic prevention and control, the Company's service orders related to equipment sales were also greatly affected. In 2020, the Company's operating revenue will be about RMB 9.7-9.9 billion, which

will be RMB 700-900 million less than that in 2019.

(2) Decrease in operating profit:

During the reporting period, in order to fight against the epidemic, the company took measures such as stopping production in some countries and regions. In addition, the decline of orders also resulted in insufficient operating rate and some fixed costs could not be absorbed, which further reduced the company's operating profit.

4、 Risk reminders

The company's evaluation of goodwill impairment is in progress. As of the performance preannouncement date, no sign of goodwill impairment has been found in the preliminary evaluation test. If there is goodwill impairment, it will increase the Company's loss in the reporting period. As the Company's evaluation of goodwill impairment is still ongoing, the specific amount shall be subject to the audited annual report of 2020 officially disclosed by the Company.

In addition to the above matters, there are no other major uncertain factors that may affect the accuracy of the performance preannouncement.

5、 Other notes

The above preannouncement data are only preliminary accounting data. The specific and accurate financial data are subject to the audited annual

report of 2020 officially disclosed by the company. Please pay attention to the investment risk.

It is hereby announced.

Board of Directors of KraussMaffei Company Limited

30/01/2021

Filing documents

(1) Statement of the Board of Directors on the performance preannouncement of the current period.

(2) Statement of the Chairman of the Board, the Chairman of the Audit Committee, CEO, CFO and Board Secretary on the performance preannouncement of the reporting period.