

## Announcement on the Resolution of the 9th Meeting of the 7th Board of Supervisors

The board of supervisors and all supervisors 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.

The notice of the 9th meeting of the 7th Board of Supervisors of KraussMaffei Company Ltd. ("the Company") and relevant proposals were sent out by email on 19<sup>th</sup> March 2021, and the meeting was held by written signature on 31<sup>st</sup> March 2021. There are 3 supervisors who should attend the meeting and 3 supervisors who actually attend the meeting. The convening procedure and deliberation items of the meeting meet the requirements of the *Company Laws* and other laws and regulations as well as the *Articles of Association*. The meeting is legal and effective. After careful deliberation, the supervisors attending the meeting voted and passed the following proposals, forming the following resolutions:

1、 deliberated and passed the *Report on the Work of the Board of Supervisors in 2020*.

This proposal still needs to be submitted to the Company's 2020 Annual General Meeting for deliberation.

Voting results: 3 in favor, 0 against and 0 abstention.

2、 deliberated and passed the *Financial Report on Final Accounting for the Year of 2020*.

This proposal still needs to be submitted to the Company's 2020 Annual General Meeting for deliberation.

Voting results: 3 in favor, 0 against and 0 abstention.

3、 deliberated and passed the *Proposal on Annual Report of KraussMaffei Company Limited for the Year of 2020 and it's Abstract*.

(1) The preparation and audit procedures of the Company's 2020 Annual Report comply with the relevant laws and regulations and the Company's internal control rules and regulations.

(2) The Company's 2020 Annual Report comprehensively and fairly reflects the financial status and operating results of the reporting period, and the information contained in it can truly reflect the business management and financial status of the reporting period from all aspects.

(3) The Board of Supervisors guarantees that the information disclosed in the 2020 Annual Report of the Company is true, accurate and complete. In the process of preparing the 2020 Annual Report, it is not found that the personnel participating in the preparation and deliberation of the 2020 Annual Report violate the confidentiality provisions.

See the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) disclosed on the same day for details for *Annual Report of KraussMaffei Company Limited for the Year of 2020 and it's Abstract* (the *Abstract* is also published in *China Securities Journal* and *Shanghai Securities Journal*)

This proposal still needs to be submitted to the Company's 2020 Annual General Meeting for deliberation.

Voting results: 3 in favor, 0 against and 0 abstention.

4、 deliberated and passed the *Proposal on Profit Distribution and the Conversion of Capital Reserve into Registered Capital for the Year of 2020*.

According to the audit of PricewaterhouseCoopers Zhongtian accounting firm (special general partnership), the net profit of the Company in 2020 is RMB - 229,989,894.66, the profit available for distribution of the parent company at the

beginning of the period is RMB -1,188,285,862.21, and the profit available for distribution of the parent company at the end of the period is RMB -1,216,792,759.92.

In view of the fact that the accumulated undistributed profit of the parent company is negative by the end of 2020, according to the relevant provisions of the *Articles of Association*, the Board of Directors plans not to withdraw the surplus reserve, not to distribute profits to shareholders, and not to convert capital reserve into registered capital in 2020.

This proposal still needs to be submitted to the Company's 2020 Annual General Meeting for deliberation.

Voting results: 3 in favor, 0 against and 0 abstention.

5、deliberated and passed the *Proposal on Evaluation Report on the Internal Control for the Year of 2020*.

Voting results: 3 in favor, 0 against and 0 abstention.

(1) The Company's internal control evaluation is in line with the *Basic Norms of Enterprise Internal Control* and other relevant regulations, and the Company actually abides by the basic principles of internal control. The Board of Supervisors believes that the Company has established a relatively perfect internal control mechanism and system; the Company actively carries out risk assessment and internal control evaluation, and the Company has not found any significant defects and important defects in the internal control of financial reports or non-financial reports on the base date of the internal control evaluation report.

2. The *Internal Control Evaluation Report of the Company in 2020* truly and objectively reflects the establishment and operation of the Company's internal control.

3. Agree the Company to issue internal control evaluation report and audit report in 2020.

See the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) disclosed on the same day for details for *Internal Control Evaluation Report of KraussMaffei Company Limited for the Year of 2020*.

6、deliberated and passed the *Proposal on Changing Performance Commitment Period of CNCE Global*.

See the website of Shanghai Stock Exchange (www.sse.com.cn) disclosed on the same day for details for *Announcement of KraussMaffei Company Limited on Changing Performance Commitment Period*. (Announcement No. 2021-006)

This proposal still needs to be submitted to the Company's 2020 Annual General Meeting for deliberation.

Voting results: 3 in favor, 0 against and 0 abstention.

7、deliberated and passed the *Special Report on the Deposit and Use of the Raised Funds of KraussMaffei Company Limited*.

See the website of Shanghai Stock Exchange (www.sse.com.cn) disclosed on the same day for details for *Special Report on the Deposit and Use of the Company's Raised Funds in 2020*.

Voting results: 3 in favor, 0 against and 0 abstention.

8、deliberated and passed the *Proposal on Remuneration of the Supervisors of the Company in 2021*.

According to the *Articles of Association*, the *Rules of Procedure of the Remuneration and Assessment Committee* and other relevant systems of the Company, combined with the actual situation of the Company's business scale and referring to the industry's remuneration level, The proposal on the remuneration of supervisors of the seventh Board of Supervisors of the Company is formulated as follows: the supervisors who do not work in the Company will not receive remuneration in the company; the cash remuneration of the supervisors who work in the Company consists of basic remuneration, annual performance remuneration and other floating reward remuneration, and the specific remuneration matters shall be implemented in accordance with the Company's unified employee remuneration scheme.

This proposal still needs to be submitted to the Company's 2020 Annual General Meeting for deliberation.

Voting results: 3 in favor, 0 against and 0 abstention.

9、 deliberated and passed the *Proposal on the Estimation of Daily Related Party Transaction of the Company in 2021*.

See the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) disclosed on the same day for details for *Announcement of KraussMaffei Company Limited on the Estimation of Daily Related Party Transaction of the Company in 2021*. (Announcement No. 2021-008)

Affiliated supervisors, Mr. Zheng Zhi and Mr. Tang Hui avoided voting on the proposal, and the actual number of voting supervisor was one.

The number of non-affiliated supervisors is less than half of the number of the Board of Supervisors, this proposal shall be submitted to the Company's 2020 Annual General Meeting for deliberation.

Voting results: 1 in favor, 0 against and 0 abstention.

It is hereby announced.

Board of Supervisors of KraussMaffei Company Limited

1st April 2021