

KraussMaffei Company Limited
Announcement on Partial Return of Idle Raised
Funds Temporarily Replenish Working Capital

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.

KraussMaffei Company Limited (hereinafter refers to as "the Company") held the 11th Meeting of the Board of Directors and the 7th Meeting of the Board of Supervisors on August 25, 2020, and the proposal on *Continuing to Use Part of Idle Raised Funds to Temporarily Supplement Working Capital* was deliberated and passed. In order to improve the use efficiency of raised funds, reduce financial expenses and meet the needs of production and operation, according to the *Measures for the Administration of Raised Funds of Listed Companies of Shanghai Stock Exchange (Revised in 2013)* and the Company's *Management Measures for the Use of Raised Funds* and other normative documents, under the condition of ensuring that the project construction and use plan of raised funds will not be affected, idle raised funds of no more than RMB 170 million will be used to temporarily supplement the working capital. The term of use shall be valid within 12 months from the date of deliberation and approval by the Board of Directors of the Company, and shall be returned to the special account for raised funds upon expiration. At the same time, the Company promises that the funds used this time will only be limited to the production and operation activities related to the main business; when the time limit for replenishing the working capital with the raised funds is due or the progress of the projects invested with the raised funds is accelerated, the Company will return the funds in full and in time to the special account of the raised funds, which will not affect the normal use of the raised funds or the normal progress

of the investment plan of the raised funds. For details, please refer to the *Announcement of KraussMaffei Company Limited on Idle Raised Funds Temporarily Replenish Working Capital* (Announcement No.: 2020-045) disclosed on *China Securities Journal*, *Shanghai Securities Journal* and the website of Shanghai Stock Exchange (www.sse.com.cn) on August 26, 2020.

On February 1, 2021, the Company has returned the above-mentioned RMB 50 million of raised funds for temporary replenishment of working capital to the special account of raised funds in advance, and has timely informed the sponsor institution China Securities Company Limited and the sponsor of the return of the above-mentioned raised funds. The remaining RMB 120 million raised funds for temporary replenishment of working capital will be returned before the due date, by the time the Company will timely perform the obligation of information disclosure.

It is hereby announced.

Board of Directors of KraussMaffei Company Limited

02/02/2021