

**KraussMaffei Company Limited**  
**Announcement on Changing the Performance**  
**Commitment Period and the Controlling**  
**Shareholder's Commitment to Extend the Lock up**  
**Period**

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 Co., Ltd. (formerly Qingdao Tianhua Institute Chemical Engineering Co., Ltd., hereinafter referred to as "KraussMaffei" or "the Company") completed major asset restructuring in December 2018, the restructuring counterparty, CNCE Global Holdings (Hong Kong) Co, Limited (中国化工装备环球控股（香港）有限公司, hereinafter referred to as "CNCE Global") made performance commitment for the restructuring target on China National Chemical Equipment (Luxemburg) s. à. R.L. (hereinafter referred to as "CNCE Luxembourg"). Affected by the novel coronavirus pneumonia outbreak in 2020 and its continuous spread, the market environment and production activities of CNCE Luxembourg were impacted by force majeure. In order to promote the Company's sound operation and sustainable development, safeguard the interests of shareholders and further enhance its performance in 2021, According to the guidance of *Responsible Persons of Relevant Departments of China Securities Regulatory Commission Answering the Reporter's Questions about the Impact of the Epidemic on the Underlying Assets in the Merger and Reorganization of Listed Companies*, the Company and CNCE Global plan to postpone the performance commitment of 2020 to 2021, the details are as follows:

## **1. Overview of the previous major asset restructuring and related approval procedures that have been performed**

On December 4, 2018, the Company received the *Notice of Approval of Qingdao Tianhua Institute Chemical Engineering Co., Ltd. Issued Shares to CNCE Global Holdings (Hong Kong) Co., Ltd and Other Companies to Purchase Assets and Raise Supporting Funds* (ZJXK [2018] No. 1980) from China Securities Regulatory Commission (hereinafter referred to as "CSRC"), CSRC approved the Company to issue shares to CNCE Global to purchase 100% of its CNCE Luxemburg shares, and issue shares to Fujian Sanming Shuanglun Chemical Machinery Co., Ltd. (hereinafter referred to as "Sanming Chemical Machinery") and Fujian Huaxiang Automatic Control Technology Co., Ltd. (hereinafter referred to as "Huaxiang Automatic Control") to purchase its land, real estate, main equipment and other assets. At the same time, approved the Company's non-public offering of shares to raise matching funds which should not exceed 1,026 million yuan. As of April 23, 2019, 100% equity of CNCE Luxemburg, land, real estate, main equipment and other assets of Huaxiang Automatic Control and Sanming Chemical Machinery have been changed and transferred. Please refer to the relevant announcements issued on the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) from 2018 to 2019 for details.

## **2. Performance commitment related to the previous major asset restructuring**

According to the contract *Qingdao Tianhua Institute Chemical Engineering Co., Ltd. and CNCE Global Holdings (Hong Kong) Co., Ltd.'s Performance Commitment Compensation Agreement on China National Chemical Equipment (Luxemburg) s. à. R.L.* (hereinafter referred to as "Performance Commitment Compensation Agreement") signed on December 6, 2017 and the contract *Qingdao Tianhua Institute Chemical Engineering Co., Ltd. and CNCE Global Holdings (Hong Kong) Co., Ltd.'s Supplementary Agreement to the Performance Commitment Compensation Agreement of China National Chemical Equipment (Luxemburg) s. à. R.L.* (together with the Performance Commitment Compensation Agreement, the "Original Agreement") signed on June 5, 2018 between the Company and CNCE Global, CNCE Global

promises that the net profit attributable to the parent company of CNCE Luxembourg in 2018, 2019 and 2020 (hereinafter referred to as "performance commitment period") after deducting non-recurring profit and loss should not be less than 47,581.87 thousand euro, 47,710.15 thousand euro and 57,027.92 thousand euro respectively. Within three months after the expiration of the performance commitment period, the Company shall employ an accounting firm with securities and futures business qualification to issue an *Impairment Test Report* on the target assets.

If the performance of CNCE Luxembourg fails to meet the commitment standards, CNCE Global shall make cash compensation or share compensation to the Company after the *Special Audit Report on Achievement of Performance Commitment* and *Impairment Test Report* (if any) of the current year are issued, and if it is cash compensation, it shall be completed within 10 working days; In case of share compensation, the Company has the right to buy back the number of shares that should be compensated from CNCE Global at a total price of RMB 1 within 30 days after the general meeting of shareholders of the listed company has passed the resolution on such share compensation and repurchase, and cancel them.

### 3. Performance commitment

In 2018 and 2019, the performance of CNCE Luxembourg is as follows:

Items	2018	2019
Committed net profit of CNCE Luxembourg (thousand euro)	47,581.87	47,710.15
Actual net profit after deducting non-recurring profit and loss of CNCE Luxembourg (thousand euro)	42,868.74	-450.25
Difference (thousand euro)	4,713.13	48,160.40
Number of shares to be compensated in the current year (shares)	14,506,511	148,232,570
Actual number of repurchased and cancelled shares (shares)	14,506,511	148,232,570

According to the above performance commitment and actual performance completion, the Company repurchased 14,506,511 shares and 148,232,570 shares of KraussMaffei shares from CNCE Global in December 2019 and August 2020 respectively at a total price of 1 yuan, and cancelled them. As the performance commitment party, CNCE Global has fulfilled its performance compensation

obligations in 2018 and 2019 according to the commitment content. See the website of Shanghai stock exchange for details ([www.sse.com.cn](http://www.sse.com.cn)), *Announcement of KraussMaffei Co., Ltd. on the Implementation Results of Repurchasing and Canceling Performance Commitment Compensation Shares and Changes in Shares* (Announcement No.: 2019-070) and the *Announcement of KraussMaffei Co., Ltd. on the Implementation Results of Repurchasing and Canceling Performance Commitment Compensation Shares and Changes in Shares* (Announcement No.: 2020-038).

In 2020, the net loss attributable to the parent company after deducting non-recurring profit and loss of CNCE Luxembourg is 1,316,176 thousand euro.

#### **4. Analysis of the reasons for the failure to fulfill the performance commitment in 2020**

In 2020, novel coronavirus pneumonia seriously affected the operation of CNCE Luxembourg, which is mainly reflected as the following aspects:

(1) The first novel coronavirus pneumonia case was found in Berlin in March 2020. After that, the outbreak of the new coronavirus pneumonia spread rapidly to all federal states in Germany. Manufacturers in different industries were seriously affected, and the government began border control. The Robert Koch Institute (RKI), the German authority for Disease Control and prevention, said that without the vaccine, people's life and business activities would not return to normal. The German Institute for Economic Research (IFO) predicts that the economy will not return to its previous level until the end of 2021. Until December 2020, German president said the novel coronavirus pneumonia epidemic situation in Germany is still serious, and travel restrictions, short time working system and partial blockade continued until January 2021.

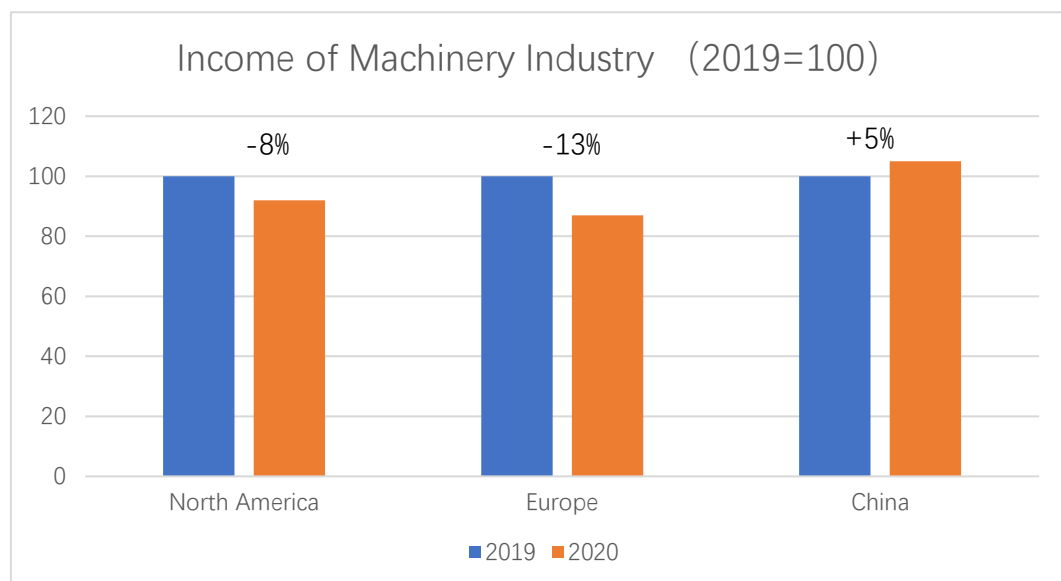
(2) The main production bases of CNCE Luxembourg are located in Germany, Switzerland, Slovakia and Zhejiang, China, and the main business is concentrated in Europe and North America. On March 17, 2020, novel coronavirus pneumonia case was found in the factory in Munich, Germany. To cope with the novel coronavirus pneumonia, CNCE Luxembourg closed factories in Germany and Slovakia from March

30 to April 20, 2020. The novel coronavirus pneumonia epidemic has been spreading worldwide. CNCE Luxembourg was affected by the new crown pneumonia epidemic from March 2020 to December. According to the statistics of the World Health Organization (WHO), as of December 31, 2020, there are more than 81.47 million newly diagnosed cases and nearly 1.8 million deaths in the world. At December 31, 2020, the top 10 countries with the largest number of confirmed cases are the United States, India, Brazil, Russia, France, Britain, Italy, Spain, Colombia and Germany. CNCE Luxembourg has subsidiaries in all the above countries.

(3) The income structure of CNCE Luxembourg is relatively stable. The main business markets are Europe, North America and China. In 2019 and 2020, the proportion of the above regions in the total income of CNCE Luxembourg is as follows:

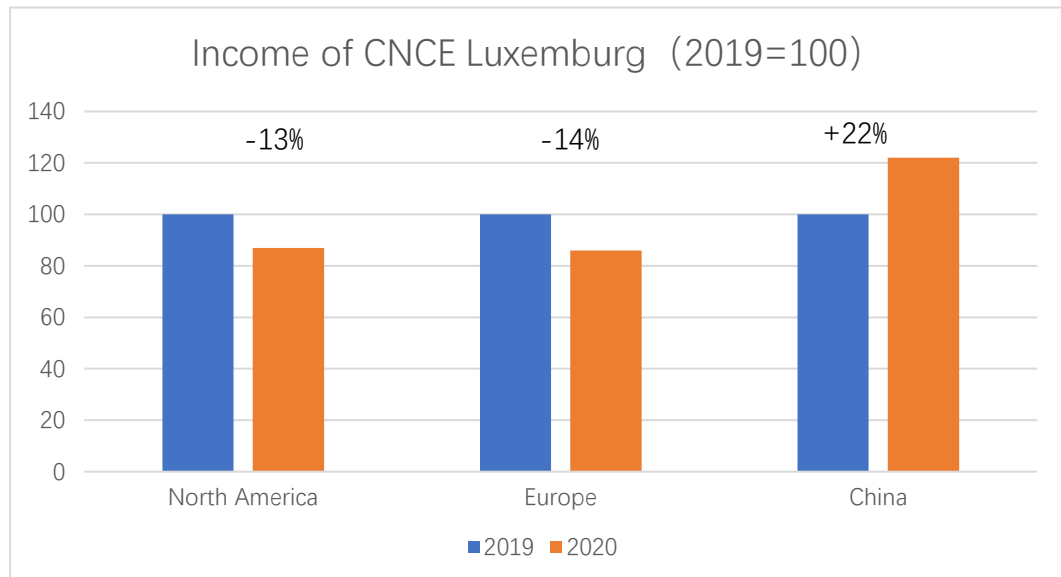
Region	2019	2020
Europe	51.47%	51.68%
North America	25.10%	25.33%
China	7.19%	10.19%

Due to the novel coronavirus pneumonia, the income of machinery industry in Europe and North America in 2020 generally declined compared with that in 2019. As China has achieved remarkable results in fighting the epidemic, its income in 2020 increased to a certain extent compared with that in 2019, as shown in the following table:



Source: Oxford economics December 2020, VDMA December 2020

The income trend of CNCE Luxembourg in Europe, North America and China in 2020 is as follows:



It can be seen from the above tables that the income change trend of CNCE Luxembourg in 2020 is basically consistent with that of machinery industry.

(4) From the German single market point of view, as novel coronavirus pneumonia affects the income of machinery, plastics and rubber equipment, there were a decrease of different proportions in 2020 compared with 2019. See the table below:

project	index	2020 vs. 2019
mechanical equipment	business income	-10%
Plastic and rubber equipment	business income	-12%

Source: VDMA 2020

(5) The novel coronavirus pneumonia has adverse effects on the market environment and production and operation of CNCE Luxembourg, which is mainly reflected in the following aspects: first, the staff members have to take the form of home office because of the new crown pneumonia epidemic, and workers can not normally produce in factories, resulting in restricted business activities; secondly, travel restrictions lead to the inability to visit customers on the spot, the negotiation and technical exchange with customers are limited; thirdly, the stagnation or delay of logistics leads to the failure of product delivery and income realization; finally, some

agreements or orders signed before the outbreak of the epidemic have to be delayed or even cancelled due to various obstacles caused by the epidemic, It directly leads to a decrease in income.

Owing to the novel coronavirus pneumonia epidemic in all aspects, the new orders, revenue and gross profit margin of CNCE Luxembourg in 2020 decreased from 2019:

<b>index</b>	<b>2020</b>	<b>2019</b>	<b>difference</b>	<b>Difference rate</b>
New orders (100 million euro)	9.25	11.71	-2.46	-21.08%
Revenue (100 million euro)	10.31	11.89	-1.58	-13.28%
Gross profit margin (%)	21.13	23.92	-2.79	N/A

(6) The business of CNCE Luxembourg is mainly divided into new machine ("NM") business and digital service ("DSS") business.

Nm business mainly includes IMM (injection molding machine), RPM (reaction molding) and EXT (extruder).According to the market data of EUROMAP, the market decline trend of IMM is obviously highly related to COVID-19. RPM is highly dependent on the automobile market, and is also seriously affected by the epidemic situation. EXT has a longer delivery cycle and is slightly weakened by the epidemic. NM business of CNCE Luxembourg signed new orders of 624 million euro in 2020, which is 25.65% lower than that in 2019. The decrease of orders lead to the decrease of revenue. NM business achieved a revenue of 726 million euro in 2020, which is 15.72% lower than that in 2019.

DSS business mainly refers to the rubber and plastic equipment repair and maintenance, upgrading, technical optimization, parts replacement and digital services and other business, in most cases need to go to the customer site for operation. DSS business has achieved 5% growth in 2019. By optimizing the structure and other measures, DSS business was originally planned to grow by 15% in 2020, and its revenue is planned to grow from 288 million euro to 330 million euro. DSS business is concentrated in Germany, Europe and North America, which is greatly affected by the epidemic. The epidemic has led to a decrease in machine utilization and spare parts demand, resulting in a decrease in services. In addition, travel restrictions lead to severe restrictions on cross-border services, resulting in new orders of 270 million euros for

equipment DSS business in 2020, down 9.01% compared with that in 2019. The reduction of orders leads to a drop in revenue, and DSS business achieved a revenue of 270 million euros in 2020, down 8.17% compared with that in 2019.

(7) We obtained the information of comparable companies from the open market as follows:

In millions of euros				
Name	Revenue in 2020	Revenue in 2019	difference	difference rate
DMG MORI Aktiengesellschaft	2,701.5	1,831.3	-870.2	-32.21%
GEA Group Aktiengesellschaft	4,879.7	4,635.0	-244.7	-5.01%
KUKA Aktiengesellschaft	3,192.6	2,573.5	-619.1	-19.39%
Heidelberger Druckmaschinen Aktiengesellschaft(*)	1,690.0	1,289.0	-401.0	-23.73%
Krones AG	3,958.9	3,322.7	-636.2	-16.07%
Pfeiffer Vacuum Technology AG	632.8	618.6	-14.2	-2.24%
Dürr Aktiengesellschaft	3,921.5	3,324.8	-596.7	-15.22%
Manz AG(**)	192.8	172.4	-20.4	-10.29%
Jenoptik AG	855.2	767.2	-88.0	-10.29%

\*: the financial year of the company is from April 1 to March 31 of the next year. The data listed in the table for 2019 and 2020 are the data of the first three quarters of 2019 and 2020.

\*\* : the company has not released the annual data of 2020, and the data listed in the table are the data of the first three quarters of 2019 and 2020.

From the information of comparable companies, due to the novel coronavirus pneumonia epidemic, the income of comparable companies has declined to varying degrees in 2020 compared with 2019.

## 5. Details of this change

In view of novel coronavirus pneumonia outbreak and the spread of force majeure in 2020, and based on the guidance of *Responsible Persons of Relevant Departments of China Securities Regulatory Commission Answering the Reporter's Questions about the Impact of the Epidemic on the Underlying Assets in the Merger and Reorganization of Listed Companies*, the full evaluation of the comprehensive impact of the epidemic on the production and operation, market development and management improvement of the Company and CNCE Luxemburg is carried out. Under such circumstances, the Company and CNCE Global intend to sign the *Supplementary Agreement II of the Performance Commitment Compensation Agreement between KraussMaffei Co., Ltd.*



*and CNCE Global Holdings (Hong Kong) Co., Ltd. on China National Chemical Equipment (Luxemburg) S.à.r.l.* (hereinafter referred to as the "Supplementary Agreement") to change the performance commitment period agreed in the Original Agreement, as follows:

(1) Considering the novel coronavirus pneumonia's actual impact on the restructured target in 2020, CNCE Global intends to extend its commitment period of the commitments made under the Original Agreement to CNCE Luxembourg with net profit for 2020 to 2021, which means the performance commitments period under the original agreement will be changed from FY 2018, FY 2019 and FY 2020 to FY 2018, FY 2019 and FY 2021. The annual committed net profit remained unchanged, which were 47,581.87 thousand euro, 47,710.15 thousand euro and 57,027.92 thousand euro respectively. In other words, after this change, CNCE Global promises that the net profit of CNCE Luxembourg in 2021 after deducting non-recurring profit and loss attributable to the parent company shall not be less than 57,027.92 thousand euro.

(2) Except for the above contents, the procedures, implementation methods and calculation methods of compensation amount of performance commitment under the Original Agreement remain unchanged.

(3) The Supplementary Agreement will come into effect after the relevant proposal is deliberated by the Board of Directors and the General Meeting of Shareholders of the Company.

## **6. The controlling shareholder promises to extend the share lock-up period**

Based on the adjustment of the above performance commitment period, and based on the confidence of the Company's controlling shareholder CNCE Global in the Company's future development potential and recognition of the Company's long-term investment value, and in the attitude of being responsible to the public shareholders, CNCE Global promises to extend the lock-up period of all its shares of the Company for another 12 months, that is, after the completion of this change, The lock up period of the Company's shares held by CNCE Global is 54 months in total, and the expiration date of the lock up period is extended from October 23, 2022 to October 23, 2023.

## **7. Impact of this change on the Company**

The outbreak of novel coronavirus pneumonia worldwide, especially in Europe, has brought about a continuous impact. It is an epidemic that cannot be predicted and signed when the Original Agreement is signed, and the occurrence and consequences cannot be avoided or overcome. It is directly related to the failure of CNCE Luxemburg to achieve net profit in 2020. According to the provisions of force majeure in Article 6 of the Performance Commitment Compensation Agreement, the failure of the CNCE Global as the performance commitment party to fully fulfill the performance commitment under the Original Agreement shall not constitute a breach of contract. At the same time, in consideration of the guidance of *Responsible Persons of Relevant Departments of China Securities Regulatory Commission Answering the Reporter's Questions about the Impact of the Epidemic on the Underlying Assets in the Merger and Reorganization of Listed Companies*, the Company and CNCE Global extended the performance period of the relevant obligations affected by force majeure under the original agreement after consensus, so this change is reasonable.

This change is an appropriate adjustment of performance commitment period between the Company and CNCE Global based on the fairness principle because of the objective reasons for novel coronavirus pneumonia affected the actual operation of CNCE Luxemburg which is not controllable. This change of the performance commitment period will not have a significant impact on the financial data of the consolidated statements, nor will it harm the interests of the Company and its shareholders, especially the interests of small and medium-sized shareholders. This change does not change the original performance commitment amount, performance compensation method, cash compensation or share compensation calculation method, but only changes the performance commitment period, which puts forward a clear amount requirement for the operating performance target of CNCE Luxemburg in 2021, that is, the net profit attributable to the parent company after deducting non-recurring profit and loss in 2021 should not be less than 57,027.92 thousand euros, which is conducive to further promoting the Company's performance recovery speed, increasing

the performance improvement range, improving the quality of listed companies in essence, and benefiting the long-term interests of all shareholders, especially small and medium shareholders.

After this change, the Company and CNCE Global will complete the relevant procedures of performance commitment compensation according to the Supplementary Agreement after the end of 2021.

## **8. Performance of review procedures**

### **(1) Opinions of the Board of Directors**

On March 31, 2021, the Company held the 16th meeting of the 7th Board of Directors, deliberated and passed the *Proposal on Changing the Performance Commitment Period of CNCE Global*, and the related directors have avoided voting on the above proposal.

### **(2) Opinions of independent directors**

Prior to the Board of Directors' review of the *Proposal on Changing the Performance Commitment Period of CNCE Global*, the independent directors of the Company issued the following approval opinions in advance: As the counterparty of this transaction, CNCE Global is an enterprise controlled by the actual controller of the Company, according to the *Provisions of the Listing Rules of Shanghai Stock Exchange*, CNCE Global and the Company form an associated relationship. When the Board of Directors of the Company deliberates this proposal, the affiliated directors shall avoid voting; at the same time, when this proposal is submitted to the General Meeting of Shareholders for deliberation, the affiliated shareholders shall also avoid voting. The change of performance commitment period is an appropriate adjustment of the Original Agreement made by the Company and CNCE Global under the influence of the new crown pneumonia outbreak to cope with the objective environmental changes. It is in line with the basic spirit of the *Responsible Persons of Relevant Departments of China Securities Regulatory Commission Answering the Reporter's Questions about the Impact of the Epidemic on the Underlying Assets in the Merger and Reorganization of Listed Companies*, and has also fulfilled the necessary decision-making procedures and

provisions of relevant laws, regulations and normative documents, this do not harm the interests of the Company and its shareholders, especially small and medium shareholders. We agree to submit the proposal to the Board of Directors for deliberation.

The independent directors of the Company issued the following independent opinions at the Board of Directors' meeting on the *Proposal on Changing the Performance Commitment Period of CNCE Global*: The change of performance commitment period is an appropriate adjustment of the Original Agreement made by the Company and CNCE Global under the influence of the new crown pneumonia outbreak to cope with the objective environmental changes. It is in line with the basic spirit of the *Responsible Persons of Relevant Departments of China Securities Regulatory Commission Answering the Reporter's Questions about the Impact of the Epidemic on the Underlying Assets in the Merger and Reorganization of Listed Companies*, this change does not harm the interests of the Company and its shareholders, especially small and medium shareholders. This proposal had been approved by all independent directors before the Board of Directors held for deliberation. During the deliberation of the Board of Directors, all affiliated directors had avoided voting. The convening and holding procedures and voting procedures of the Board of Directors are in line with the *Company Laws of the People's Republic of China*, the *Securities Laws of the People's Republic of China* and other relevant laws, regulations and normative documents issued by the CSRC, We unanimously agreed to the *Proposal on Changing the Performance Commitment Period of CNCE Global*, and agreed to submit the proposal to the General Meeting of Shareholders of the Company for deliberation.

### (3) Opinions of the Board of Supervisors

On March 31, 2021, the Company held the 9th meeting of the 7th Board of Supervisors, deliberated and passed the *Proposal on Changing the Performance Commitment Period of CNCE Global*. The board of Supervisors said that the performance of CNCE Luxemburg was seriously affected by the new crown pneumonia epidemic in 2020. It is an unforeseen event that cannot be avoided or overcome by its occurrence and consequences. This change is a reasonable change to the matters related to performance commitment, which is in line with the interests of the Company and its

shareholders, and does not harm the minority shareholders. This proposal has been deliberated and passed by the Board of Directors of the Company. The deliberation and voting procedures are in line with the relevant provisions of the *Company Laws* and the *Articles of Association*. It is agreed to revise the performance commitment period of CNCE Global in 2020.

(4) Follow up procedure

The related matters involved in the *Proposal on Changing the Performance Commitment Period of CNCE Global* still need to be submitted to the general meeting of shareholders of the Company for deliberation. The related shareholders of CNCE global, China Academy of Chemical Sciences Co., Ltd., Sanming Chemical Machinery, Huaxiang Automatic Control, China Chemical Equipment Co., Ltd., Anxin Qiansheng Wealth-Pingan Bank-Anxin Qiansheng-Stable Confidence Special Asset Management Plan, and China Chemical Rubber Co., Ltd need to withdraw from voting.

## **9. Independent financial advisor's opinion**

### **CSC Securities:**

On March 31, 2021, CSC Securities Co., Ltd. issued the *Verification Opinions of CSC Securities Co., Ltd. on KraussMaffei Co., Ltd. Adjusting the Issuance of Shares to Purchase Assets and Raising Supporting Funds and Compensation Scheme for Performance Commitment of Related Party Transactions*, and express the following opinions:

(1) The reason for this performance commitment adjustment is mainly due to the adverse effects of COVID-19 on the performance of Target Company in 2020. This adjustment is conducive to eliminating the contradiction between the objective factors of short-term force majeure and the disturbance to performance and long-term development of performance. It is in line with the relevant provisions and guiding opinions of the CSRC, and the Company's performance commitment postponed adjustment is reasonable.

(2) The Board of Directors and the Board of Supervisors of the listed company have held the necessary approval procedures for this performance commitment

adjustment, and the independent directors have expressed their consent opinions, which are in line with the relevant laws and regulations. The counterparty still need to agree and sign a supplementary agreement with the listed company through their own internal decision-making procedures. The adjustment of the performance commitment scheme shall be submitted to the general meeting of shareholders of the listed company for deliberation and approval. The agreement shall take effect after being deliberated by the general meeting of shareholders. When the general meeting of shareholders is held, the shares of the Company held by the performance commitment party shall avoid voting.

**Zhongde Securities:**

On March 31, 2021, Zhongde Securities Co., Ltd. issued the *Verification Opinions of Zhongde Securities Co., Ltd. on KraussMaffei Co., Ltd. Adjusting the Issuance of Shares to Purchase Assets and Raising Supporting Funds and Compensation Scheme for Performance Commitment of Related Party Transactions*, and express the following opinions:

(1) The reason for this performance commitment adjustment is mainly due to the adverse effects of COVID-19 on the performance of Target Company in 2020. It is in line with the relevant provisions and guiding opinions of the CSRC, and the Company's performance commitment postponed adjustment is reasonable.

(2) The Board of Directors and the Board of Supervisors of the listed company have held the necessary approval procedures for this performance commitment adjustment, and the independent directors have expressed their consent opinions, which are in line with the relevant laws and regulations. The counterparty still need to agree and sign a supplementary agreement with the listed company through their own internal decision-making procedures. The adjustment of the performance commitment scheme shall be submitted to the general meeting of shareholders of the listed company for deliberation and approval. The agreement shall take effect after being deliberated by the general meeting of shareholders. When the general meeting of shareholders is held, the shares of the Company held by the performance commitment party shall avoid voting.

### **CICC Securities:**

On March 31, 2021, CICC Securities Co., Ltd. issued the *Verification Opinions of CICC Securities Co., Ltd. on KraussMaffei Co., Ltd. Adjusting the Issuance of Shares to Purchase Assets and Raising Supporting Funds and Compensation Scheme for Performance Commitment of Related Party Transactions*, and express the following opinions:

(1) The reason for this performance commitment adjustment is mainly due to the adverse effects of COVID-19 on the performance of Target Company in 2020. This adjustment is conducive to eliminating the contradiction between the objective factors of short-term force majeure and the disturbance to performance and long-term development of performance. It is in line with the relevant provisions and guiding opinions of the CSRC, and the Company's performance commitment postponed adjustment is reasonable.

(2) The Board of Directors and the Board of Supervisors of the listed company have held the necessary approval procedures for this performance commitment adjustment, and the independent directors have expressed their consent opinions, which are in line with the relevant laws and regulations. The counterparty still need to agree and sign a supplementary agreement with the listed company through their own internal decision-making procedures. The adjustment of the performance commitment scheme shall be submitted to the general meeting of shareholders of the listed company for deliberation and approval. The agreement shall take effect after being deliberated by the general meeting of shareholders. When the general meeting of shareholders is held, the shares of the Company held by the performance commitment party shall avoid voting.

### **10. Audit opinion of accountant**

On March 31, 2021, PricewaterhouseCoopers Zhongtian Certified Public Accountants (special general partnership) issued the *Special Audit Report on the Statement of Actual Profit and Committed Net Profit of KraussMaffei Co., Ltd. in 2020* (PWC Zhongtian TSZ (2021) No. 1138), which held the opinion that the statement of

actual profit and committed net profit in 2020 of CNCE Luxemburg has been prepared in accordance with the *Administrative Measures For Major Asset Restructuring of Listed Companies* (Order No. 159 of CSRC), reflecting the actual profit and committed net profit in all major aspects.

## **11. Reference documents**

- (1) Resolution of the 16th meeting of the 7th Board of Directors;
- (2) Prior approval and independent opinions of independent directors on related party transactions;
- (3) Resolution of the 9th meeting of the 7th Board of Supervisors;
- (4) *Supplementary Agreement II of the Performance Commitment Compensation Agreement between KraussMaffei Co., Ltd. and CNCE Global Holdings (Hong Kong) Co., Ltd. on China National Chemical Equipment (Luxemburg) S.à.r.l.*;
- (5) *Verification Opinions of CSC Securities Co., Ltd. on KraussMaffei Co., Ltd. Adjusting the Issuance of Shares to Purchase Assets and Raising Supporting Funds and Compensation Scheme for Performance Commitment of Related Party Transactions, Verification Opinions of Zhongde Securities Co., Ltd. on KraussMaffei Co., Ltd. Adjusting the Issuance of Shares to Purchase Assets and Raising Supporting Funds and Compensation Scheme for Performance Commitment of Related Party Transactions, Verification Opinions of CICC Securities Co., Ltd. on KraussMaffei Co., Ltd. Adjusting the Issuance of Shares to Purchase Assets and Raising Supporting Funds and Compensation Scheme for Performance Commitment of Related Party Transactions*
- (6) PricewaterhouseCoopers Zhongtian Certified Public Accountants (special general partnership) *Special Audit Report on the Statement of Actual Profit and Committed Net Profit of KraussMaffei Co., Ltd. in 2020* (PWC Zhongtian TSZ (2021) No. 1138).

It is hereby announced.

Board of Directors of KraussMaffei Company Limited



July 13, 2021