

# 2025 Annual Report of Zhejiang Huayou Cobalt Co., Ltd.



April, 2026

### Important Notes

**I. The Board of Directors, directors and officers of the Company warrant that the information in this annual report is true, accurate and complete and that there is no false representation, misleading statement contained herein or material omission from the report, for which they will assume joint and several liabilities.**

**II. All directors have attended the Board meeting.**

**III. Pan-China Certified Public Accountants LLP issued a standard unmodified audit report for the Company.**

**IV. Chen Xuehua, the person in charge of the Company, Wang Jun, the accounting principal, and Ma Xiao, the head of the accounting department (accounting officer) declare that the financial statements in this annual report are true, accurate and complete.**

**V. Proposals for profit distribution or converting reserve fund to share capital for the reporting period adopted by the Board of Directors**

Proposal for profit distribution in 2025: Based on the total share capital registered on the equity registration date for the implementation of the equity distribution, a cash dividend of RMB 5.00 (tax included) per 10 shares will be paid to all shareholders, and no distribution of bonus share and conversion of capital reserve fund into share capital will be implemented. Where there is any change in the Company's total share capital during the period from the date of disclosure of this announcement to the equity registration date for the implementation of the equity distribution, the Company intends to maintain the distribution ratio for each share unchanged and adjust the total distribution amount accordingly, and the detailed adjustment shall be announced separately.

As of the end of the reporting period, whether the parent company has any uncovered losses, and their impact on the Company's profit distribution etc.

√Applicable  Not applicable

**VI. Risk related to forward-looking statements**

√Applicable  Not applicable

Forward-looking statements herein concerning the Company's future development strategies, such as its operation and development strategies do not constitute any material commitment by the Company to investors. Investors are advised to pay attention to the investment risks.

**VII. Statement on whether there is a situation that the controlling shareholder or other related parties occupy funds for any non-operation purpose**

None

**VIII. Statement on whether there are any external guarantees provided in violation of the required decision-making procedures**

None

**IX. Statement on whether there are more than half of the directors who are unable to warrant the truthfulness, accuracy, and completeness of this annual report disclosed by the Company**

None

**X. Major risks warning**

The Company has provided a detailed description of the existing risk factors in this report. Please refer to the possible risks in the Company's discussion and analysis of its future development in "Section III Management Discussion and Analysis" for details.

**XI. Others**

Applicable Not applicable

## Table of Contents

<b>Section I</b>	<b>Definitions.....</b>	<b>5</b>
<b>Section II</b>	<b>Company Overview and Major Financial Indicators.....</b>	<b>7</b>
<b>Section III</b>	<b>Management Discussion and Analysis .....</b>	<b>13</b>
<b>Section IV</b>	<b>Corporate Governance, Environment and Society.....</b>	<b>47</b>
<b>Section V</b>	<b>Major Matters .....</b>	<b>72</b>
<b>Section VI</b>	<b>Change in Shares and Information about Shareholders .....</b>	<b>92</b>
<b>Section VII</b>	<b>Bonds .....</b>	<b>102</b>
<b>Section VIII</b>	<b>Financial Report.....</b>	<b>111</b>

Directory of reference documents	Financial statements with the signatures and seals of the person in charge of the Company, the accounting principal, and the head of the accounting department (accounting officer)
	Original copy of the audit report with the seal of the accounting firm and the signatures and seals of the certified public accountants
	Original copies of all corporate documents and announcements publicly disclosed on the websites designated by the China Securities Regulatory Commission (CSRC) during the reporting period

## Section I Definitions

### I. Definitions

Unless the context otherwise requires, these terms shall have the following meanings when used in this report:

#### Commonly used words

The Company, Company, or Huayou Cobalt	mean(s)	Zhejiang Huayou Cobalt Co., Ltd.
Huayou Holding	mean(s)	Huayou Holding Group Co., Ltd.
BCM Company	mean(s)	LG-HY BCM, Co., Ltd.
CDM Company	mean(s)	CONGO DONGFANG INTERNATIONAL MINING SAS, with the Chinese name “刚果东方国际矿业简易股份有限公司”
MIKAS Company	mean(s)	LA MINIERE DE KASOMBO SAS, with the Chinese name “卡松波矿业简易股份有限公司”
Huayou Hong Kong	mean(s)	HUAYOU(HONGKONG) CO., LIMITED, with the Chinese name “华友（香港）有限公司”
OIM Company	mean(s)	ORIENT INTERNATIONAL MINERALS & RESOURCE (PROPRIETARY) LIMITED, with the Chinese name “东方国际矿业有限公司”
Huayou Import & Export	mean(s)	Zhejiang Huayou Import & Export Co., Ltd.
Huayou Quzhou	mean(s)	Quzhou Huayou Cobalt New Materials Co., Ltd.
Huayou Mining Hong Kong	mean(s)	HUAYOU INTERNATIONAL MINING (HONGKONG) LIMITED, with the Chinese name “华友国际矿业（香港）有限公司”
Huayou International Holding	mean(s)	HUAYOU INTERNATIONAL MINING HOLDING LIMITED, with the Chinese name “华友国际矿业控股有限公司”
Huayou International Cobalt	mean(s)	Huayou International Cobalt (Hong Kong) Company Limited
New Energy Quzhou	mean(s)	Huayou New Energy Technology (Quzhou) Co., Ltd.
Huayou Recycling	mean(s)	Zhejiang Huayou Recycling Technology Co., Ltd.
Resource Recycling	mean(s)	Quzhou Huayou Resource Recycling Technology Company Limited
Huayou New Energy	mean(s)	Zhejiang Huayou New Energy Technology Co., Ltd.
Jiangsu Huayou	mean(s)	Jiangsu Huayou Energy Technology Co., Ltd.
Huayou Singapore	mean(s)	HUAYOU RESOURCES PTE. LTD.
Huajin Company	mean(s)	Huajin New Energy Materials (Quzhou) Co., Ltd.
Huayou Puxiang	mean(s)	Zhejiang Huayou Puxiang New Energy Materials Co., Ltd.
Leyou Company	mean(s)	Leyou New Energy Materials (Wuxi) Co., Ltd.
Puhua Company	mean(s)	Zhejiang Puhua New Energy Materials Co., Ltd.
Chongjing Holding	mean(s)	Chongjing Holdings Co., Ltd.
AMI Company	mean(s)	PT Andalan Metal Industry
KNI Company	mean(s)	PT KOLAKA NICKEL INDONESIA
IPIP Company	mean(s)	PT.INDONESIA POMALAA INDUSTRY PARK
Huayue Company	mean(s)	PT.HUAYUE NICKEL COBALT
Huake Indonesia	mean(s)	PT. HUAKE NICKEL INDONESIA
Indonesia Huafei	mean(s)	PT. Huafei Nickel Cobalt
Prospect Lithium	mean(s)	Prospect Lithium Zimbabwe (Pvt) LTD
Guangxi B&M	mean(s)	Guangxi B&M Technology Co., Ltd.
Chengdu B&M	mean(s)	Chengdu B&M Technology Co., Ltd.
Tianjin B&M	mean(s)	Tianjin B&M Technology Co., Ltd.

Zhejiang B&M	mean(s)	Zhejiang B&M Science and Technology Co., Ltd.
Guangxi Huayou New Materials	mean(s)	Guangxi Huayou New Materials Co., Ltd.
Guangxi Lithium Industry	mean(s)	Guangxi Huayou Lithium Industry Co., Ltd.
GDR	mean(s)	GLOBAL DEPOSITARY RECEIPTS

## Section II Company Overview and Major Financial Indicators

### I. Company name

Full Chinese name	浙江华友钴业股份有限公司
Chinese name abbreviation	华友钴业
Full English name	ZHEJIANG HUAYOU COBALT CO., LTD.
English name abbreviation	HUAYOU COBALT
Legal representative	Chen Xuehua

### II. Contact persons and their contact details

	Secretary of the Board of Directors	Representative of Securities Affairs
Name	Li Rui	He Qing
Contact address	79 Wuzhen East Road, Tongxiang Economic Development Zone Phase II, Zhejiang Province	79 Wuzhen East Road, Tongxiang Economic Development Zone Phase II, Zhejiang Province
Telephone	0573-88589981	0573-88589981
Fax	0573-88585810	0573-88585810
E-mail	lirui@huayou.com	heqing@huayou.com

### III. Company basics

Registered address	18 Wuzhen East Road, Tongxiang Economic Development Zone Phase II, Zhejiang Province
Historical changes in the Company's registered address	None
Office address	79 Wuzhen East Road, Tongxiang Economic Development Zone Phase II, Zhejiang Province
Postal code of office address	314500
Website	www.huayou.com
E-mail	information@huayou.com

### IV. Information disclosure and storage locations

The name and website of the media where the Company discloses its annual report	China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily
The website of the stock exchange where the Company discloses its annual report	www.sse.com.cn
The place where the Company makes its annual report available for inspection	Office of the Securities Management Department of the Company

### V. Company stock profile

Company Stock Profile				
Stock type	Stock exchange	Stock abbreviation	Stock code	Stock abbreviation before change
A-share	Shanghai Stock Exchange	华友钴业 (Huayou Cobalt)	603799	None
GDR	SIX Swiss Exchange	Zhejiang Huayou Cobalt Co., Ltd.	HUAYO	None

### VI. Other relevant information

The accounting firm engaged by the Company	Name	Pan-China Certified Public Accountants LLP
	Office address	Office Building T2, Run'ao Business Center, Yingfeng Street, Xiaoshan District, Hangzhou,

(Domestic)		Zhejiang
	Signatory accountant name	Zhang Jingjing, Lu Yanli
Sponsor performing continuous supervision duties during the reporting period	Name	CITIC Securities Company Limited
	Office address	CITIC Securities Tower, No. 48 Liangmaqiao Road, Chaoyang District, Beijing
	Signatory sponsor representative name	Wang Jiaji, Meng Xia
	Period of continuous supervision	From February 9, 2021 through the date when the funds raised are used up

## VII. Major accounting data and financial indicators in the last three years

### (I) Major accounting data

Monetary unit: Yuan Currency: RMB

Major accounting data	2025	2024	YoY (%)	2023
Operating income	81,018,674,069.68	60,945,563,720.14	32.94	66,304,047,529.81
Total profit	8,329,775,716.16	5,584,628,546.54	49.16	4,774,015,096.80
Net profit attributable to shareholders of the listed company	6,110,378,757.84	4,154,825,193.75	47.07	3,350,891,340.06
Net profit attributable to shareholders of the listed company after deducting non-recurring gains/losses	5,792,932,025.41	3,795,092,102.46	52.64	3,092,830,789.90
Net cash flow from operating activities	4,011,961,997.48	12,431,110,882.70	-67.73	3,485,888,093.33
	As of the end of 2025	As of the end of 2024	YoY (%)	As of the end of 2023
Net assets attributable to the shareholders of the listed company	48,295,468,220.57	36,945,607,483.36	30.72	34,277,801,337.40
Total assets	159,437,759,775.50	136,591,394,324.44	16.73	125,520,277,340.78

### (II) Major financial indicators

Major financial indicators	2025	2024	YoY (%)	2023
Basic earnings per share (RMB/share)	3.34	2.50	33.60	2.05
Diluted earnings per share (RMB/share)	3.33	2.39	39.33	2.05
Basic earnings per share after deducting non-recurring gains/losses (RMB/share)	3.17	2.28	39.04	1.89
Weighted average return on net assets (%)	13.70	11.69	2.01	11.14
Weighted average return on net assets after deducting non-recurring gains/losses (%)	12.99	10.68	2.31	10.29

Description of the Company's major accounting data and financial indicators of the last three years at the end of the reporting period

Applicable Not applicable

## VIII. Differences in accounting data under Chinese and foreign accounting standards

### (I) Difference in net profit and net assets attributable to shareholders of the listed company in

**financial reports disclosed under both International Accounting Standards (IAS) and Chinese Accounting Standards (CAS)**

Applicable Not applicable

**(II) Difference in net profit and net assets attributable to shareholders of the listed company in financial reports disclosed under both foreign accounting standards (FAS) and Chinese Accounting Standard (CAS)**

Applicable Not applicable

**(III) Description of differences between Chinese and foreign accounting standards:**

Applicable Not applicable

### IX. Major financial data by quarter in 2025

	Monetary unit: Yuan    Currency: RMB			
	Q1 (January-March)	Q2 (April-June)	Q3 (July-September)	Q4 (October-December)
Operating income	17,841,985,369.46	19,354,528,743.32	21,744,247,029.37	22,077,912,927.53
Net profit attributable to shareholders of the listed company	1,252,109,041.28	1,458,827,067.25	1,505,275,038.20	1,894,167,611.11
Net profit attributable to shareholders of the listed company after deducting non-recurring gains/losses	1,226,823,619.76	1,360,370,361.67	1,425,112,214.45	1,780,625,829.53
Net cash flow from operating activities	1,017,076,743.57	600,994,097.63	2,561,190,922.13	-167,299,765.85

Description of differences between the quarterly data and the data disclosed in the periodic reports

Applicable Not applicable

### X. Non-recurring gains/losses items and amounts

Applicable Not applicable

	Monetary unit: Yuan    Currency: RMB			
Non-recurring gains/losses	Amount in 2025	Note(s) (if applicable)	Amount in 2024	Amount in 2023
Gains/losses from disposal of non-current assets, including write-offs of provision for impairment losses on assets	54,835,386.99		-43,760,048.37	-2,696,370.19
Government subsidies included in current profit or loss except for those that are closely related to the Company's normal business, granted in line with national policies and in accordance with defined criteria, and	133,534,710.32		129,113,062.48	209,617,859.71

having a continuing impact on the Company's profit or loss				
Gains/losses from changes in the fair value of financial assets and liabilities held by non-financial enterprises and gains/losses from the disposal of financial assets and liabilities, except for effective hedging business related to the Company's normal business operations	252,414,484.07		606,285,421.45	186,336,202.62
Fund occupancy fees charged to non-financial enterprises included in the current profit or loss	27,741,273.16		23,394,065.08	
Gains/losses from entrusting others to invest or manage assets				
Gains/losses from external entrusted loans				
Various asset losses arising from force majeure events, such as natural disasters				
Reversal of provision for impairment of accounts receivable subject to separate impairment test			4,195,844.62	1,525,213.78
Gains arising from the excess of the enterprise's share of the fair value of the identifiable net assets of the subsidiaries, associates and joint ventures as at the time of acquisition over its investment costs of acquiring such investees				
Current net profit and loss of subsidiaries arising from business combination under the same control from the beginning of the period to the combination date				
Gains/losses from exchange of non-monetary assets				
Gains/losses from debt restructuring				
One-time expenses incurred due to the cessation of the relevant business activities, such as expenses for the placement of employees				
Impact amount of One-time adjustment to current profit or loss in accordance with requirements of tax, accounting, and other laws and regulations on current profit or loss				
One-time share-based payment expense recognized due to cancellation or modification of equity incentive plans			-150,647,576.80	
For share-based payments settled in cash, gains/losses arising from changes in the fair value of employee compensation payable after the vesting date				

Gains/losses arising from changes in the fair value of investment real estate that are subsequently measured using the fair value model				
Gains/losses arising from transactions where the transaction price is obviously unfair				
Gains/losses arising from contingent events unrelated to the normal operation of the Company				
Custody fee income from entrusted operations				
Other non-operating income and expenses except for the abovementioned items	-46,919,924.19		-35,183,843.93	-5,885,216.94
Other gain/loss items that meet the definition of non-recurring gains/losses				
Less: impact amount of income tax	26,000,835.73		67,599,153.04	86,873,014.89
Impact amount of minority equity (after-tax)	78,158,362.19		106,064,680.20	43,964,123.93
<b>Total</b>	<b>317,446,732.43</b>		<b>359,733,091.29</b>	<b>258,060,550.16</b>

Explain the reasons if the Company recognizes items not listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public - Non-recurring Gains/Losses as non-recurring gains/losses and the amount of such items is material, or if the Company recognizes items listed therein as recurring gains/losses

Applicable  Not applicable

**XI. Companies with equity incentive plans or ESOPs may elect to disclose net profit excluding the effect of share-based payments**

Applicable  Not applicable

Monetary unit: Yuan Currency: RMB

Key accounting data	2025	2024	YoY change (%)	2023
Net profit excluding the effect of share-based payment	7,562,009,441.83	5,292,255,112.07	42.89	4,716,818,639.58

**XII. Items measured at fair value**

Applicable  Not applicable

Monetary unit: Yuan Currency: RMB

Items	Opening balance	Closing balance	Changes in current period	Amount of impact on current profit
Held-for-trading financial assets	381,711,806.17	80,000,000.00	-301,711,806.17	2,014,162.03
Derivative financial assets	1,001,393,320.42	1,403,497,706.80	402,104,386.38	250,400,322.04
Financing funds receivables	1,428,306,241.20	1,647,571,042.81	219,264,801.61	-61,422,759.21

Other equity instrument investments	176,379,882.81	393,906,682.81	217,526,800.00	
Other non-current financial assets	6,573,600.00	6,573,600.00		141,354,669.21
Total	2,994,364,850.60	3,531,549,032.42	537,184,181.82	332,346,394.07

**XIII. Others**

Applicable     Not applicable

## Section III Management Discussion and Analysis

### I. Situation of the Company's business during the reporting period

#### (I) Overview of Main business Ac

The Company mainly engages in the research and development, manufacturing and sales of lithium battery materials, energy metals and energy materials products. The Company takes lithium battery materials business as its core, and energy metals and energy materials as new growth poles. It has built a new energy integrated industrial ecosystem on a global scale, covering the development of nickel, cobalt and lithium resources, green smelting and processing, the manufacturing of ternary precursors and cathode materials, and the recycling and utilization of resources.

Over the years of development, the Company has always adhered to the transformation and upgrading route of “controlling resources at the top, expanding the market at the bottom, and enhancing capabilities in the middle”, and has built an integrated industrial system from resource development, non-ferrous smelting, material processing to recycling and utilization, forming an industrial pattern of highly coordinated development of resources, new materials, new energy and circular business. In the future, the Company will continuously consolidate its business pattern of “overseas resources, international manufacturing, and global market”, leverage and amplify its development advantages of “integrated industrial chains, technology-centric development, globally oriented operations, and ecosystem-based growth”, and strive to become a globally leading energy materials technology enterprise.

#### (II) Business Model

##### 1. New Energy Business

The new energy business serves as the cornerstone of the Company's integrated industrial strategy and is a key driver for the sustained growth of upstream resources and new materials businesses. This segment focuses on the research, development, production, and sales of lithium battery cathode materials, including ternary cathode materials and lithium cobalt oxide. These products are primarily used in electric vehicles, energy storage systems, and consumer electronics, low-altitude economy and embodied AI. Cathode materials are manufactured through processes such as mixing, grinding, high-temperature sintering, and crushing. The raw materials required for the production of cathode materials are primarily sourced from the Company's subsidiaries and through market procurement. The Company's cathode materials are sold directly to lithium battery manufacturers. Pricing is determined by referencing the market prices of nickel, cobalt, manganese, and lithium metals, while also considering the product's technological value and overall market supply and demand dynamics. The Company's lithium battery cathode materials have been extensively adopted within the international and domestic high-end automotive supply chain, the global energy storage market, mainstream consumer electronics sectors, UAV, low-altitude economy and embodied AI.

##### 2. New Materials Business

As a crucial support for the Company's industrial integration,, the new materials business plays a core resource conversion role that connects the upper and lower parts of the Company's business industrial chain and serves as the core carrier for the Company's development of “energy materials and energy metals”. This segment focuses on the research, development, production, and sales of ternary precursors and nickel, cobalt, and lithium-based new material products. The products are primarily used in cathode materials for electric vehicle batteries, consumer electronics, and alloy materials. Ternary precursors are manufactured through processes such as synthesis, washing, and drying. The raw materials required for the production are mainly self-supplied, with external purchases supplementing shortages. Customers for ternary precursors are primarily lithium battery cathode material manufacturers, and sales are conducted through a direct model. Pricing is based on the market prices of nickel, cobalt, and manganese metals, while also considering the product's technological value and market supply and demand dynamics. For nickel and cobalt raw materials, procurement pricing is determined at a discount to prevailing metal market prices. Cobalt products are mainly sold through direct sales, with some markets utilizing a distribution model, while nickel products predominantly follow a direct sales approach. Lithium raw materials are largely self-supplied, and lithium products are sold directly, with pricing determined by referencing international and domestic market prices for nickel, cobalt, and

lithium, alongside specific supply-demand conditions. The ternary precursor products are extensively applied in high-end electric vehicles from manufacturers such as Tesla, Volkswagen, BMW, Hyundai, Stellantis, General Motors, and Ford. The Company has also entered into a supply framework agreement with Tesla, securing its place in Tesla's core supply chain.

### 3. Resource Business

The resource business acts as the foundation of the Company's industrial integration, providing a stable and reliable raw material guarantee that supports the Company's leading position in the new energy materials sector. This segment primarily involves the mining, beneficiation, and initial processing of non-ferrous metals such as nickel, cobalt, lithium, and copper. Nickel-cobalt resource development in Indonesia is central to securing upstream resources and a strategic highland for transformation and upgrading. Key products include crude nickel hydroxide and high-grade nickel matte. Nickel ore supplies are secured through equity stakes in mines and long-term supply agreements, supplemented by market purchases. Pricing for nickel intermediates, used as raw materials in domestic new materials production, is tied to international and domestic market prices. Cobalt and copper resource development in Africa represents another critical area for securing upstream resources. Primary products include crude cobalt hydroxide and electroplated copper. Cobalt and copper ores are sourced from company-owned mines and local mining companies, with cobalt raw material pricing set at a discount to Metal Bulletin (MB) prices, and copper ore pricing linked to international copper metal prices. Crude cobalt hydroxide is mainly used for manufacturing cobalt-based new materials domestically, while electroplated copper is typically sold to international commodity traders, priced according to the London Metal Exchange (LME) copper price. Lithium operations focus on mining, beneficiation and early-stage processing of company-owned mines, producing spodumene concentrate, petalite concentrate and lithium sulfate. Lithium concentrates and lithium sulfate serve as raw materials for domestic lithium salt production. The Company's low-cost, large-scale, high ESG standards, and reliable resource supply ensure a robust foundation for its leadership in the new energy lithium battery materials industry.

Additionally, the Company actively develops lithium battery recycling operations. Subsidiaries such as Huayou Quzhou, Resource Regeneration, and Jiangsu Huayou have been listed in different batches of enterprises meeting the Conditions for the Comprehensive Utilization of Used Power Batteries from New Energy Vehicles issued by the Ministry of Industry and Information Technology. Through innovative business models such as the establishment of a recycling network, tiered utilization development, resource recovery, waste-to-material exchanges, and battery maintenance and remanufacturing, the Company collaborates extensively with leading domestic and international automotive manufacturers and battery enterprises, including BMW, Volkswagen, Toyota, LG Energy Solution, FAW, Changan, GAC, SAIC, NIO, and Li Auto, to provide global, non-harmful, and sustainable solutions for waste battery management.

Explanation of the Company's new significant non-core businesses during the reporting period

Applicable  Not applicable

**Explanation of the Company's new significant non-core businesses during the reporting period**

Applicable  Not applicable

## II. Situation of the Company's industry during the reporting period

During the reporting period, the global green transformation and industrial intelligence have been accelerating, and the new energy lithium battery industry has maintained a steady growth trend. According to EVTank, global sales of new energy vehicles reached 23.542 million units in 2025, representing a year-on-year growth of 29.1%; sales in China reached 16.545 million units, representing a year-on-year growth of 29.5%. The global shipment volume of lithium-ion batteries reached 2,280.5GWh, increasing by 47.6% year-on-year; China's shipment volume was 1,888.6GWh, representing a year-on-year growth of 55.5%. As a core component of lithium batteries, the shipment volume of lithium battery cathode materials has increased in tandem with the overall growth of the industry. However, the market demand showed a clear structural differentiation: lithium iron phosphate materials had a relatively fast market growth rate due to their cost advantage, while the growth pace of ternary materials was relatively slow. During the reporting period, nickel prices generally remained at a low level. The price of cobalt has rebounded significantly due to the export control policies of major

supplying countries. The price of lithium carbonate showed a V-shaped reversal trend of first falling and then rising.

#### 1. Situation of the lithium battery materials industry

In 2025, the lithium battery cathode material industry witnessed structural growth. According to ICC, the global production of lithium iron phosphate reached 3.938 million tons in 2025, representing a year-on-year growth of 63.0%, while the production of ternary materials was 1.033 million tons, up 7.4% year-on-year. Lithium iron phosphate dominated the energy storage and mid-to-low-end vehicle market with its cost advantage, while ternary cathode materials, relying on their high energy density, excellent low-temperature performance and fast charging capabilities, continued to hold an absolute dominant position in the high-end performance market. With the continuous increase in the carrying capacity of electric vehicles, the industrialization process of new-generation battery technologies such as large cylindrical batteries and solid-state batteries is accelerating, as well as the rapid development of emerging application scenarios such as embodied AI, UAV, and low-altitude economy. The market demand for cathode materials with higher energy density and better comprehensive performance is increasing day by day, which will open up broad growth space for ternary cathode materials.

#### 2. Situation of the nickel industry

According to INSG, the global nickel supply was 3.81 million tons and the demand 3.6 million tons in 2025. The nickel price throughout the year was mainly fluctuating within the bottom range due to the mismatch between supply and demand. At the end of the year, it rebounded significantly under the expectation of the tightening of Indonesia's RKAB quota policy. From the supply side, global nickel production was highly concentrated in Indonesia. Its policy trends such as the RKAB quota have become key variables affecting the global nickel supply and demand balance. From the demand side, the stainless steel industry served as the core demand support and remained relatively stable overall. The demand in areas such as batteries, alloys, and electroplating has steadily increased. Looking ahead, with the industrial application of new-generation battery technologies such as large cylindrical batteries and solid-state batteries, as well as the rise of emerging application scenarios like embodied AI, low-altitude economy, and aerospace, the market has put forward higher requirements for battery energy density and the high-temperature resistance and high-strength performance of structural materials. This will bring new application demands for high-nickel ternary batteries and nickel-based alloys. The nickel industry is expected to embrace new development opportunities.

#### 3. Situation of the cobalt industry

In 2025, the supply and demand pattern of the cobalt industry shifted from structural surplus to tight supply due to policy influence, and the price of cobalt rebounded strongly. From the perspective of the industrial landscape, the supply side was highly concentrated. According to USGS, the cobalt output of the Democratic Republic of the Congo accounted for 75% of the global total in 2024. The demand side was centered on the battery field and formed a diversified demand structure with industrial fields such as high-temperature alloys and hard alloys. According to data from the Cobalt Institute, the global cobalt demand was approximately 214,000 tons in 2025, representing a year-on-year growth of 4.4%. The effective supply was approximately 120,000 tons, a significant decrease compared to the previous year due to export controls from major supplying countries. The reversal of the supply and demand pattern drove cobalt prices into a supply-driven upward cycle and significantly enhanced the industry's prosperity. Looking ahead, with the development and integration of technologies such as AI, 6G and the Internet of Things, the demand for single-unit battery capacity of smart terminals will increase significantly, which is expected to drive the consumer electronics market into a new growth cycle. In addition, the commercial application of new technologies such as large cylindrical batteries and solid-state batteries will further drive battery performance to iterate and upgrade towards higher energy density. This will drive the cobalt market into a new round of a cycle of both volume and price increase, and the industry has broad long-term development space.

#### 4. Situation of the lithium industry

In 2025, the lithium carbonate industry witnessed a phased mismatch between supply and demand, and the annual price showed a V-shaped trend of first declining and then rising. According to Mysteel, the global supply of lithium carbonate was approximately 1.78 million tons in 2025, while the demand was about 1.678 million tons, with an excess of about 103,000 tons. The excess pressure was mainly

concentrated in the first half of the year. In the second half of the year, with the rapid increase in energy storage demand, the demand for lithium carbonate significantly rebounded, and the market supply and demand pattern improved significantly. Looking ahead, the global electrification process will continue to deepen. Coupled with the large-scale development of the energy storage industry, a dual-driven demand pattern of “power batteries + energy storage” will be formed, providing a solid and long-term support for the demand of lithium carbonate.

### III. Discussion and analysis of business conditions

In 2025, in the face of a complex and volatile industrial situation and a highly competitive market environment, the Company adhered to the work requirements of seeking progress in stability and winning in progress. It persisted in the business essence of putting customers at the center and creating value for them, implemented the business philosophy of market priority, benefit orientation, structural optimization, and strong support, gave full play to the advantages of integrated industries, international operations, diversified technology and ecological development, explored domestic and international markets, optimized the structure of industrial products and expanded the space for open development, thereby further enhancing its degree of internationalization, making the coordination between domestic and foreign industries smoother, and continuously strengthening its operational capacity, profitability and development capacity. The Company’s foundation for stability has become more solid, its driving force for progress has been accumulating day by day, and its achievements of victory have been continuously expanding. It has created the best business performance in history, which has effectively promoted the high-quality development of the Company.

In 2025, the Company mainly completed the following tasks based on its established business plan:

(I) Continuously released the integrated advantages, and created a new historical high in business performance

During the reporting period, the Company achieved operating revenue of RMB 81.019 billion, representing a year-on-year growth of 32.94%, achieved a net profit attributable to the parent company of RMB 6.110 billion, a year-on-year increase of 47.07%, a significant rise compared to the previous year, setting a new record for the best operating performance in history and promoting the Company’s high-efficiency and high-quality development. The Company adhered to a customer-centric approach, expanded the market to seize growth, increased orders and boosted sales volume, achieving steady growth in the production and sales of its main products. The shipment volume of ternary cathode materials exceeded 100,000 tons, increasing by 108% year-on-year. Among them, the market share of 9-series ultra-high nickel products exceeded 33%, and the market share of high-end power cylindrical ternary materials exceeded 60%, ranking among the leading positions in the industry; the shipment volume of ternary precursors increased slightly compared with the previous year, and the product structure continued to upgrade and the customer structure was constantly optimized. The shipment volume of nickel products was approximately 292,500 metal tons, representing a year-on-year growth of about 58.72%; the shipment volume of cobalt products was approximately 46,500 tons, remaining stable compared to the previous year; the shipment volume of lithium carbonate was 54,400 tons, increasing by approximately 38.58% year-on-year. During the reporting period, the Company’s industrial integration advantages continued to be released. The upstream laterite nickel ore hydrometallurgical project in Indonesia maintained stable and high production, with MHP shipments reaching 236,500 tons, a year-on-year increase of 30%. The operational efficiency of the Arcadia lithium mine in Zimbabwe was constantly improving, and production indicators were continuously optimized, providing highly competitive raw material guarantees for the downstream product end. At the downstream lithium battery materials end, the Company vigorously expanded both domestic and international markets, promoted the large-scale production of new large-sized products, and secured long-term supply orders of 215,800 tons of cathode materials and 155,600 tons of precursors in advance, achieving a new breakthrough in expanding the downstream market. During the reporting period, the Company signed a supply memorandum of 79,600 tons of ternary precursors with internationally renowned customers, a supply contract of 127,800 tons of ultra-high nickel cathode materials with EVE, an order of 76,000 tons of precursors plus 88,000 tons of cathode materials with LGES, and strategic agreements with WeLion and Golden Feather to promote cooperation in the field of solid-state and semi-solid-state batteries. In the low-altitude economy sector, it has entered the supply chains of enterprises such as Golden Feather, CALB, XPENG AEROHT, and Autel; in terms of power lithium battery materials, it has entered the

supply chains of leading electric vehicle enterprises in the United States, as well as international renowned automakers such as Volkswagen, BMW, Daimler, Renault, Nissan, and Jaguar Land Rover, and has provided mass production products. The Company has supplied consumer lithium battery materials in bulk to the industrial chains of multiple leading international enterprises such as iPhone, Huawei, OPPO, VIVO, Samsung, HP, and Dell. Its international operation capabilities have been continuously enhanced, laying a solid market foundation for the Company's high-quality development.

(II) Empowered industrial development with technology, and significantly enhanced its innovation capabilities

During the reporting period, the Company deeply implemented the scientific and technological innovation strategy of "supporting industries and leading the future", accelerated technological progress and product research and development, promoted equipment innovation and integrated innovation, and led the high-quality development of the Company with scientific and technological innovation. During the reporting period, the Company was granted 105 new patents, bringing the total number of patent authorizations to 667. The two national standards led by it in formulation have been approved and released by the Ministry of Industry and Information Technology of the People's Republic of China, two technical projects respectively won the first and second prizes of the China Nonferrous Metals Industry Science and Technology Award in 2025, one ternary precursor technology has been included in the advanced Technology Product Transformation and Application Directory of the Ministry of Industry and Information Technology, and one production process for ternary materials has been included in the green technology promotion directory of the National Development and Reform Commission. During the reporting period, the Company focused on advanced processes, key equipment and core technologies, promoting technological upgrades and breakthroughs in all links of the entire industrial chain, and achieved a series of important results. In terms of resource development, it upgraded the cobalt-nickel-manganese reduction leaching technology to further enhance the efficiency of resource leaching; it applied the magnesium-based nickel precipitation technology to effectively reduce the production cost of MHP; by integrating technological advantages in processes, equipment, production, etc., it formed a systematic and engineering-oriented technical system to support the high-quality construction and operation of multiple projects. In the field of non-ferrous metallurgy, efforts were made to strengthen the technological innovation of integrated electronic nickel production, achieving remarkable cost reduction in the process, and multiple high-end nickel products were mass-produced to achieve full coverage of mainstream nickel series products. The Company broke through the bottleneck of roasting low-grade mineral salts, continuously increasing the yield of lithium salt projects, and overcame the technology of spray doping with cobalt, significantly improving the product quality and electrochemical performance. In terms of precursors, it consolidated the core technological advantages of high-nickel and ultra-high-nickel ternary precursors, completed the development of 46 series large cylindrical battery precursors, achieved process standardization for sodium-ion polyanions, and finalized the first generation of lithium-rich manganese-based precursors, conducted pre-research on the second generation, and entered the solid-state supply chain. In terms of cathode materials, it adhered to the high-end strategy, consolidated the technological advantages of the 9-series ultra-high nickel products, positioned itself in the large cylindrical battery market, and achieved industrialization of high-end power cylindrical ternary materials first, taking the lead in the industry. The medium-nickel high-pressure series products were mass-produced and put into operation, and entered the supply chains of leading domestic and foreign automakers. The development and certification of multiple series of new lithium cobalt oxide products were completed and they have been supplied in bulk. Focusing on emerging fields such as embodied AI, low-altitude economy, and supercomputing centers, the Company collaborated with industry leaders to develop new material systems including solid-state, lithium-rich manganese-based, sodium-battery, 5V spinel, and new crystal phase lithium cobalt oxide. The performance of many of its products has ranked among the top in the industry. It also collaborated with multiple mainstream vehicle manufacturers and battery cell factories to develop solid-state cathode materials. The capacity and rate performance have reached the level of conventional liquid batteries, and the advantages in client evaluation are significant. The Company laid out dual routes of lithium-rich manganese-based and ternary materials, developed 300mAh/g ultra-high capacity all-solid-state lithium-rich manganese-based materials, and carried out industry-university-research cooperation with WeLion, Zhejiang University, and Ningbo Institute of Materials Technology and Engineering, Chinese Academy of Sciences to promote breakthroughs in key technologies and mass production. It simultaneously developed oxygen layer and poly-anion NSPP sodium-electric materials, and achieved

mass production and shipment in the oxygen layer materials, ranking among the leading in the client evaluation of poly-anion materials. The technical reserves for 5V spinel lithium nickel manganese oxide and new crystal phase lithium cobalt oxide have been completed and they have entered the certification stage for the 100-kilogram level.

(III) Deepened global layout, and further enhanced the driving force for high-quality development

During the reporting period, the Company further deepened its business pattern of overseas resources, international manufacturing and global markets, broadened the space for open development, accelerated the process of internationalization, and driven the high-quality development of the Company's internationalization with high-level opening up. In the upstream resource sector, in Indonesia, efforts were made to intensify the development of mining resources. To date, a total of over 1.4 billion wet tons of nickel resources in Indonesia were locked in through various means such as investment, equity participation and underwriting, further consolidating the reserves of nickel and cobalt resources. The two HPAL projects, Huayue and Huafei, maintained stable and exceeded production capacity, achieving an annual MHP shipment of 235,000 tons, a 30% increase compared to the same period of the previous year. The Pomalaa HPAL project with an annual output of 120,000 tons of nickel metal progressed steadily as planned and is expected to be completed before the end of this year. The preparatory work for the Sorowako HPAL project with an annual output of 60,000 tons of nickel metal is proceeding in an orderly manner. The Huaxing RKEF project with an annual output of 40,000 tons of nickel metal has started construction. The construction of the Pomalaa Industrial Park is progressing smoothly and it has been awarded the title of "Important National Industrial Project of Indonesia". The Company has reached strategic cooperation with ANTAM and IBC to carry out cooperation in the entire industrial chain of new energy vehicle batteries in Indonesia. In Zimbabwe, through supplementary exploration, the remaining resources of the Arcadia lithium mine have increased from 1.5 million tons of lithium carbonate equivalent to 2.45 million tons, and the grade has risen to 1.34%. The 50,000-ton lithium sulfate project was completed and put into trial production in the first quarter of this year, realizing the implementation of the integrated mining and metallurgy resource efficient utilization model. In Europe, the first phase of the 25,000-ton cathode material project in Hungary has been completed and entered the production line commissioning stage. Long-term contracts have been signed with LGES and EVE to lock in the project's sales volume, helping the Company deeply integrate into the European electric vehicle industry chain and seize the market opportunities in the European and even global lithium battery industry chain. The completion and commissioning of major projects have further enhanced the Company's ability to participate in global resource allocation, integrate into global industrial division of labor, and join global market competition. The driving force for the Company's high-quality development has been further enhanced.

(IV) Upgraded and advanced ESG management, and significantly increased the capacity for sustainable development

During the reporting period, the Company elevated ESG from a "basic management requirement" to a core engine that "drives business innovation, strengthens global competitiveness, and builds long-term value". It systematically planned and advanced the implementation of the sustainable development action roadmap, injecting sustainable impetus into high-quality development. The Company firmly implemented the safety and environmental protection concept that "safety and environmental protection are of paramount importance", discharged the "three wastes" up to standard, and standardized the management of hazardous chemicals, without occurrence of occupational hazard accidents. Under the guidance of the carbon neutrality goal, the Company accelerated the transformation of its energy structure and increased the proportion of clean electricity. Its subsidiary Chengdu B&M has taken the lead in achieving 100% clean electricity supply. Water resource management has been continuously optimized. Both Huayou Quzhou and New Energy Quzhou have obtained the ISO 46001 water resource efficiency management system certification, becoming the first enterprises in the global battery materials industry to receive this certification. While focusing on its own operational emission reduction, it promoted biodiversity conservation practices at global bases and was committed to building an environmentally friendly benchmark enterprise. The Company deeply integrated the concept of sustainable development into the entire process of supply chain management, continuously improved the supply chain management mechanism, systematically managed ESG risks in the supply chain, and promoted the coordinated and sustainable development of the upstream and downstream of the industrial chain, laying a solid supply chain foundation for the Company's high-quality development. The

Company was committed to promoting sustainable development throughout the entire value chain, extending the standards of responsible business conduct to its business partners, and contributing to the overall improvement of ESG performance in the industry. The Company actively created social value and returned the value creation to every community where it operated, achieving a harmonious resonance between the development of the enterprise and the prosperity of the community, allowing the “Huayou temperature” to transcend mountains and seas and warm people’s hearts. In China, it has participated in the rural revitalization program. In Indonesia, it has jointly launched the “China-Indonesia Community Sustainable Development Action Network” with 19 partners including the United Nations Global Compact. In the Democratic Republic of the Congo, its community development empowerment project was selected for the Global Poverty Reduction Award. In Zimbabwe, it has worked with UNICEF to promote the care of children in surrounding communities. During the reporting period, the Company’s ESG rating was once again recognized internationally. After being included in S&P’s “Sustainability Yearbook (China Edition)”, it made its debut in the global edition of “Sustainability Yearbook 2026”, marking another key milestone in its journey towards sustainable development.

(V) Continued to promote management innovation, and further consolidated the foundation for high-quality development

During the reporting period, the Company continuously advanced management reform, mechanism innovation, and process optimization, strengthened the group control model of strategic management, financial control, and business coordination, comprehensively enhanced management capabilities, and further consolidated the foundation for high-quality development. The “15th Five-Year Plan” strategic planning outline was formulated, clearly defining the Company’s mission, vision, development goals and strategic measures for the next five years. It continuously deepened comprehensive budget management, improved the standard cost mechanism, solidified the responsibility of small units, strengthened organizational performance assessment, and integrated the value management closed loop from business financial data to performance evaluation, thus deeply activating the internal driving force of the organization. It deepened the ultimate manufacturing system, and improved the long-term operation mechanism of benchmark production lines, systematically and regularly enhancing the quality management and cost control capabilities. The Company made efforts to optimize the capital structure, successfully completed the conversion of RMB 7.6 billion of convertible bonds into stocks, and effectively reduced the asset-liability ratio and financial expenses; actively expanded financing channels and successfully issued the first medium- and long-term green science and technology innovation bond, with the issuance interest rate significantly better than the industry average. The Company’s comprehensive bank credit line has exceeded RMB 100 billion, and the syndicated loan for the Pomalaa HPAL project in Indonesia has been approved in excess. The Company advanced the transformation of supply chain management, strengthened the closed-loop management of category operation plans, enhanced the professional level of supply chain management, deeply explored and fully leveraged the advantages of large-scale procurement of the group, and further improved the competitiveness of the supply chain. It vigorously carried out the “increase, save and reduce” campaign. Throughout the year, the Company advanced nearly 350 “increase, save and reduce” projects in aspects such as optimizing processes, improving technologies, enhancing labor efficiency and reducing inventory. By activating the internal drive and innovation vitality of the grassroots level, it promoted the increase of income, reduction of expenditure and reduction of consumption for all staff. The continuous deepening of management innovation has continuously enhanced the Company’s operational efficiency and optimized its management mechanism, further consolidating the foundation for the Company’s high-quality development.

(VI) Steadily advanced special actions, and steadily returned shared value

During the reporting period, the Company deeply practiced the core concept of “putting investors first”, steadily advanced the special action of “improving quality, increasing efficiency and emphasizing returns”, and was committed to enhancing the quality of operation and investment value, sharing the fruits of development with all investors.

First, it focused on its core business, and its business performance reached a new historical high. The Company has always focused on the integrated industrial chain of new energy lithium battery materials, adhering to the transformation and development path of “controlling resources at the top,

expanding the market at the bottom, and enhancing capabilities in the middle”. It fully leveraged the advantages of integrated industry, international operation, and ecological development to promote high-quality and stable development. During the reporting period, the Company achieved operating revenue of RMB 81.019 billion and net profit attributable to the parent company of RMB 6.110 billion, a significant increase compared to the same period of the previous year. It created the best business performance in history, which has promoted the high-efficiency and high-quality development of the Company.

Second, it provided continuous returns, with a high proportion of dividends to share growth. The Company attached great importance to shareholder returns and adhered to a stable and proactive cash dividend policy. During the reporting period, the Company completed the equity distribution for the year 2024, distributing a cash dividend of RMB 5 (including tax) for every 10 shares, with a total cash dividend of RMB 839 million. In 2025, the Company planned to distribute a cash dividend of RMB 5 (including tax) for every 10 shares to all shareholders, with an estimated dividend amount of RMB 948 million. The cumulative cash dividends over the past three years account for 76.30% of the average annual net profit, truly allowing investors to share the dividends of the Company’s development.

Third, it adopted a dual approach of increasing holdings and providing incentives to demonstrate development confidence. During the reporting period, based on its firm confidence in the Company’s long-term value, the controlling shareholder Huayou Holding Group cumulatively increased its holdings of the Company’s shares by more than RMB 700 million. During the reporting period, the Company implemented a new equity incentive plan, granting 9.9795 million restricted shares, covering 1,337 core employees. This further consolidated the team’s synergy, stimulated team vitality, and achieved the common growth of the Company and its employees.

Fourth, guided by the demands of investors, it further strengthened information disclosure and investor relations management. During the reporting period, the Company, guided by the demands of investors, continuously improved the quality of information disclosure, enhanced the effectiveness and pertinence of information disclosure, enabling investors to obtain important information of the company more conveniently and promptly, and further increasing the transparency of the listed company. The Company attached great importance to investor relations management, continuously strengthened investor relations management, constantly expanded the breadth and depth of communication with the capital market, responded to investors’ concerns from multiple dimensions and channels, deepened investors’ understanding of the Company’s production and operation and other situations, promptly and effectively conveyed the Company’s investment value, and enhanced investors’ recognition of the Company. The Company’s annual report performance briefing was awarded the title of “Best Practice Case” by the China Listed Companies Association.

#### **IV. Core competence analysis during the reporting period**

√Applicable Not applicable

### (I) Efficient Industrial Synergy

As a leading enterprise in the new energy lithium battery materials sector, the Company has established an integrated industrial chain covering nickel, cobalt, and lithium resource development, green smelting and processing, new energy material R&D and manufacturing, as well as recycling of used batteries for energy metals. This tightly connected and efficiently coordinated chain continually highlights the Company's advantages in integrated industrial synergy. Stable resource assurance is the foundation of the Company's competitive edge. By leveraging robust resource development capabilities and an efficient mine-to-metal business model, the Company enhance its competitive edge from the ground up. The Company's low-cost, large-scale operations, adherence to high ESG standards, and reliable resource supply lay a solid foundation for maintaining its leadership in the new energy lithium battery materials industry. The manufacturing capability of precursors and nickel, cobalt, and lithium-based new materials is crucial for sustaining the Company's industry leadership. Through continuous improvements in technological innovation, product development, smart manufacturing, and cost control, the new materials segment has become a benchmark for advanced, green, and profitable manufacturing within the industry. The new energy business serves as the driving force behind the Company's "industrial integration," propelling sustained growth in upstream resources and new materials operations. With upstream resource development and raw material manufacturing as its backbone and supported by technological innovation, this segment focuses on mainstream markets, achieving full coverage of major products and customers. The Company's products are extensively applied in international premium automotive chains and mainstreaming consumer electronics sectors, and the Company has completed product development in application fields such as UAV and low-altitude economy, achieving mass production and shipment for some customers. Concurrently, the Company is actively developing its circular economy initiatives, establishing deep collaborative relationships with several renowned domestic and international automotive manufacturers to jointly pursue projects focused on the secondary utilization of power batteries and the recycling of retired batteries, thereby achieving efficient resource recycling. The integrated industrial chain has successfully facilitated the organic integration of upstream and downstream resource elements, resulting in high levels of industrial synergy and a significant competitive advantage.

### (II) Leading Technological Innovation

The Company is recognized as a national high-tech enterprise and has established a comprehensive technological innovation system. It boasts several high-level research and development centers, including a “National Enterprise Technology Center,” a “National Postdoctoral Research Station,” a “Provincial Key Research Institute for New Energy Battery Materials,” and a “Provincial Research Institute for Green Cobalt Smelting Technology and New Material Development.” Additionally, the Company has collaborated with institutions such as the State Key Laboratory of Powder Metallurgy of Central South University and the National Engineering Research Center to create joint research bases. These platforms focus on cutting-edge research in new lithium battery cathode materials and precursor products, advanced manufacturing technologies, innovative processes for nickel, cobalt, and lithium mining and smelting, and green manufacturing technologies, establishing competitive development, evaluation, and application research platforms of the highest caliber. The Company is home to top-tier technical talent within the domestic industry. The R&D team, led by key personnel from the Company’s research institute, has been recognized as a provincial key innovation team. During the reporting period, the Company was granted 105 new patents, bringing the total number of authorized patents to 667. The two standards, “Crude Nickel and Cobalt Raw Materials” and “Nickel Matte”, which were led by it in formulation, have been approved and released by the Ministry of Industry and Information Technology of the People’s Republic of China. The projects “Development and Industrialization of High-Performance High-Nickel Composite Cathode Materials for Long-Range Vehicles” and “Preparation Technology and Application of Ultra-High Voltage Lithium Cobalt Oxide Precursor” respectively won the first and second prizes of the China Nonferrous Metals Industry Science and Technology Award in 2025. The “Ultra-Narrow Distribution Control Technology for High-Nickel Ternary Precursor Materials” has been included in the advanced Technology Product Transformation and Application Directory of the Ministry of Industry and Information Technology. In the field of precursors, efforts were made to promote the research and development of new products such as lithium-rich manganese-based precursors, sodium-battery high specific energy precursors, the first-generation standardized precursors of 46 series large cylinders, as well as high-nickel and ultra-high-nickel precursors. In the field of cathode materials, the Company closely followed the evolution of new-generation battery technologies, actively developed cathode materials suitable for solid-liquid/solid-state battery systems, and accelerated the layout of emerging material directions such as lithium-rich manganese-based, sodium-ion batteries, and 5V spinel. The breakthroughs in the development of new products and processes have further enhanced the Company’s technological innovation capabilities, providing robust scientific support for its high-quality development.

### (III) Open Global Layout

The Company vigorously implements an open strategy of “cooperation for mutual benefit and shared future,” actively participating in overseas resource allocation, integrating into international division of labor, and engaging in global market competition, driving a high-quality development with internationalization. To date, a total of over 1.4 billion wet tons of nickel resources in Indonesia were locked in through various means such as investment, equity participation and underwriting. The Company has completed the Huayue HPAL project, the Huafei HPAL project and the Huake RKEF project, and acquired the Qingtian RKEF project, collectively achieving nearly 245,000t of nickel intermediates. Furthermore, the Pomalaa HPAL project with an annual output of 120,000 tons of nickel metal, in collaboration with Vale Indonesia and Ford Motor Company, has commenced construction. The Sorowako HPAL project with an annual output of 60,000 tons of nickel metal, also in partnership with Vale Indonesia, is progressing smoothly. The Company has developed a copper-cobalt resource development system that integrates mining, beneficiation, and copper-cobalt smelting in the Democratic Republic of the Congo, and has implemented a resource-efficient utilization model of “mining and metallurgy integration” from lithium mines to lithium sulfate projects in Zimbabwe, effectively reducing the company's lithium salt production costs. In the downstream lithium battery materials sector, in Europe, the first phase of the Hungary 25,000t cathode material project has been completed and entered the production line commissioning stage. As a core supplier in the new energy lithium battery materials industry, the Company's products have been widely adopted in the supply chains of international high-end automotive brands such as Tesla, Volkswagen, BMW, Hyundai, Stellantis, General Motors, Ford, and Renault, the mainstream digital product industry chains of iPhone, Huawei, MI, ViVo, OPPO, Lenovo, Dell, HP and Samsung, as well as the emerging application field industry chains of UAV and low-altitude such as DJI and Aridge. The Company consistently adheres to an open strategy, actively integrating upstream and downstream resource elements, continuously expanding collaborative and mutually beneficial development opportunities, and enhancing its global development capabilities and international competitiveness.

#### (IV) Advanced Management System

The Company has established an industry-leading modern management system, which is guided by strategy, centered on business, and oriented towards value, comprehensively empowering the efficient operation and sustainable development of the enterprise. It has established a “Huayou characteristic strategic system” led by the Company's overall strategy and supported by the sub-strategies of each business, and always adhered to the principle of strategy driving business development to ensure that the company has a clear direction and can move steadily and far in the complex and ever-changing market environment. The Company has established a modern lean operation management system, which takes business as the essence, financial management as the center, a standard cost accounting system as the foundation, and the division of accounting units and the promotion of activities for increasing, saving and reducing costs as the key points. It also implements performance assessment and solidifies business responsibilities, achieving a virtuous development pattern of strengthening the foundation, increasing enterprise efficiency and raising employee income. With a high-quality human resource management framework, the Company has cultivated a team of highly skilled, professional, international, and industry-leading talents, providing solid human capital for sustainable development. A comprehensive group-level financial management system has been developed, featuring diverse domestic and international financing channels and exceptional financing capabilities, which secure funding for the Company's production operations and developmental projects. The Company has implemented a stable and reliable safety and environmental management system, comprehensively strengthening the safety and environmental protection barrier for production and operation, and achieving green development and intrinsic safety. Additionally, it has established a centralized procurement center that adopts standardized procurement practices across the group, thereby maximizing the value of supply chain management, and enhancing procurement efficiency and cost control capabilities. Its comprehensive compliance and risk control systems make us the world's first new energy lithium battery material company to obtain ISO37301 compliance management certification. Furthermore, the Company has developed an “extremely low cost, extreme efficiency, and extreme energy efficiency” manufacturing system, continuously improving product quality, effectively controlling production costs, and significantly enhancing manufacturing capabilities. Adhering to the philosophy of “shortened processes, large-scale equipment, automated production lines, intelligent manufacturing, digital operations, and green industries”, the Company's operational management and smart manufacturing are at the forefront of the industry.

### (V) High Standards of ESG Practices

As one of the pioneers in the new energy lithium battery materials sector to adopt international ESG standards and management systems, the Company has established a high-standard ESG management system that covers the entire company. This system integrates ESG principles into all aspects of production, development, and risk management. In 2025, the Company further elevated ESG from a “basic management requirement” to a core engine that “drives business innovation, strengthens global competitiveness, and builds long-term value”, and systematically planned a sustainable development action roadmap, creating a distinctive ESG practice reflective of the Company’s values. The Company adhered to the safety and environmental protection concept that “safety and environmental protection are above all else”, fulfilled safety and environmental protection responsibilities, and enhanced safety and environmental protection capabilities. It implemented the transformation strategy of “low-carbon, green and sustainable”, and has built a green Huayou through green development. It has built a responsible mineral supply chain and continuously strengthened the responsible management of raw material suppliers. Adhering to the investment philosophy of “No matter where you invest, you should contribute to the local economy and society”, it has facilitated the integrated advancement of education, healthcare, infrastructure, and environmental initiatives in the regions where the Company operates, and achieved deep integration of corporate growth and social value. During the reporting period, the Company was included in S&P Global’s “2026 Sustainability Yearbook”, ranked among the top 100 of the Guoxin Cup ·ESG Golden Bull Award, and was consecutively listed in the Fortune China ESG Influence List (2025) and Forbes China Sustainable Industrial Enterprises (2024-2025). Its capacity for sustainable development has been recognized by international authorities.

### V. Main operation status during the reporting period

As of the end of the reporting period, the total assets of the Company were RMB 159.438 billion, a year-on-year increase of 16.73%, and the net assets attributable to the shareholders of the parent company were RMB 48.295 billion, a year-on-year decrease of 30.72%. During the reporting period, the Company realized operating income of RMB 81.019 billion, a year-on-year increase of 32.94%, and net profit attributable to the shareholders of parent company of RMB 6.110 billion, a year-on-year increase of 47.07%, creating the best operating performance since the establishment of the Company.

#### (I) Analysis of primary business

##### 1. Analysis of changes in relevant items of the Income Statement and the Statement of Cash Flows

Monetary Unit: Yuan Currency: RMB

Item	Amount in the current period	Amount in the same period of last year	Change ratio (%)
Operating income	81,018,674,069.68	60,945,563,720.14	32.94
Operating costs	66,865,106,789.80	50,445,676,975.22	32.55
Selling expenses	170,286,312.78	159,228,602.56	6.94
General and administrative expenses	2,009,449,160.61	1,894,646,185.31	6.06
Finance expenses	2,399,184,377.14	2,069,820,526.37	15.91
R&D expenses	1,682,172,318.86	1,300,157,406.08	29.38
Net cash flow from operating activities	4,011,961,997.48	12,431,110,882.70	-67.73
Net cash flow from investing activities	-9,918,636,828.77	-7,668,452,150.84	29.34
Net cash flow from financing activities	1,950,074,486.55	25,183,856.07	7,643.35

Reasons for changes in operating income: Mainly due to an increase in product sales volume, resulting in a rise in the scale of operating income

Reasons for changes in operating costs: Mainly due to an increase in product sales volume, resulting in a simultaneous increase in operating costs

Reasons for changes in selling expenses: Mainly due to an increase in product sales volume, resulting in a simultaneous increase in selling expenses

Reasons for changes in general and administrative expenses: Mainly due to an increase in employee compensation and service fees

Reasons for changes in finance expenses: Mainly due to an increase in exchange losses arising from the fluctuation of exchange rates

Reasons for changes in R&D expenses: Mainly due to an increase in material consumption in R&D investment

Reasons for changes in net cash flow from operating activities: Mainly due to the Company locking in raw material prices based on market conditions and making advance payments for raw materials; in addition, a large advance payment was received in the previous period, but it is not involved in this period

Reasons for changes in net cash flow from investing activities: Mainly due to an increase in the amount paid for investment in ongoing projects

Reasons for changes in net cash flow from financing activities: Mainly due to the expansion of investment scale and an increase in borrowing

**Detailed description of major changes in the Company's business type, profit composition, or profit source during the current period**

Applicable Not applicable

2. Analysis of income and costs

Applicable Not applicable

**(1). Analysis of the primary business by industry, products, region, and sales mode**

Monetary unit: Yuan Currency: RMB

Analysis of the primary business by industry						
By industry	Operating income	Operating costs	Gross profit margin (%)	Increase/decrease in operating income compared to that in the previous year (%)	Increase/decrease in operating costs compared to that in the previous year (%)	Increase/decrease in gross profit margin compared to that in the previous year (%)
New Energy battery materials and raw materials	39,656,458,057.33	33,220,514,703.73	16.23	37.95	37.18	0.47
Nonferrous metal materials	31,341,443,893.45	24,440,807,097.02	22.02	54.21	64.02	-4.67
Trade and others	8,840,631,256.73	8,478,273,626.91	4.10	-16.65	-19.17	2.98
Analysis of the primary business by products						
By products	Operating income	Operating costs	Gross profit margin (%)	Increase/decrease in operating income compared to that in the previous year (%)	Increase/decrease in operating costs compared to that in the previous year (%)	Increase/decrease in gross profit margin compared to that in the previous year (%)
Cobalt product	5,030,477,998.31	3,180,322,917.21	36.78	48.77	11.36	21.24
Copper Product	4,527,204,520.71	3,349,670,837.25	26.01	-19.77	-15.31	-3.90
Nickel Product	25,895,263,715.39	20,795,176,552.40	19.70	81.50	99.94	-7.41
Lithium Product	3,440,717,918.92	2,730,353,331.36	20.65	12.34	1.23	8.71
Ternary precursor	4,485,832,779.88	3,730,615,663.00	16.84	-33.44	-31.99	-1.77
Cathode material	14,968,853,933.49	13,567,767,107.23	9.36	73.91	71.00	1.54

Nickel intermediate	11,780,920,226.62	9,505,106,484.40	19.32	67.44	73.59	-2.86
Trade and others	9,709,262,114.19	9,280,582,534.81	4.42	-11.26	-14.08	3.14
Analysis of the primary business by region						
By region	Operating income	Operating costs	Gross profit margin (%)	Increase/decrease in operating income compared to that in the previous year (%)	Increase/decrease in operating costs compared to that in the previous year (%)	Increase/decrease in gross profit margin compared to that in the previous year (%)
Domestic	29,283,293,451.75	23,850,679,150.48	18.55	24.62	17.82	4.70
Overseas	50,555,239,755.76	42,288,916,277.18	16.35	39.73	44.02	-2.49
Analysis of the primary business by sales mode						
By sales mode	Operating income	Operating costs	Gross profit margin (%)	Increase/decrease in operating income compared to that in the previous year (%)	Increase/decrease in operating costs compared to that in the previous year (%)	Increase/decrease in gross profit margin compared to that in the previous year (%)
Self-sales	79,838,533,207.51	66,139,595,427.66	17.16	33.78	33.33	0.28

Description of the situation of the primary business analyzed by industry, products, region, and sales mode:  
None

(2). Analysis of production and sales volumes

Applicable Not applicable

Main products	Unit	Production volume	Sales volume	Inventory	Increase/decrease in production volume compared to that in the previous year (%)	Increase/decrease in sales volume compared to that in the previous year (%)	Increase/decrease in inventory compared to that in the previous year (%)
Cobalt product	Ton (metal quantity)	51,196.91	46,547.56	14,813.30	4.54	-0.62	150.81
Copper Product	Ton (metal quantity)	69,185.74	65,265.09	7,182.65	-22.30	-27.67	120.65
Nickel Product	Ton (metal quantity)	287,461.58	292,546.74	7,993.84	49.29	58.72	-37.64
Lithium Product	Ton (physical quantity)	51,728.34	54,387.84	2,808.50	24.97	38.58	-48.35
Ternary precursor	Ton (physical quantity)	109,066.23	108,411.39	4,287.84	7.17	5.15	18.52
Cathode material	Ton (physical quantity)	122,108.92	116,417.00	8,799.91	87.22	77.29	229.75

Description of the production and sales volumes

The sales volume shown in the above table refers to the total shipment volume, including internal supply, contracted processing, etc.

(3) Performance of major procurement contracts and major sales contracts

Applicable Not applicable

**(4) Analysis of costs**

Monetary unit: Yuan Currency: RMB

By Industry							
By industry	Cost component items	Amount in the current period	Proportion in the total cost(%)	Amount in the same period of last year	Proportion in the total cost (%)	Change ratio(%)	Note
New energy battery materials	Operating cost	33,220,514,703.73		24,216,936,679.79		37.14	
New energy battery materials	Raw material cost	24,737,839,651.65	74.47	17,947,954,827.75	74.11	37.78	
New energy battery materials	Accessory cost	3,465,961,634.74	10.43	2,352,811,578.52	9.72	47.31	
New energy battery materials	Labor cost	928,532,306.73	2.80	806,191,192.86	3.33	15.18	
New energy battery materials	Energy cost	1,406,985,887.75	4.24	1,102,837,944.08	4.55	27.58	
New energy battery materials	Other costs	2,681,195,222.87	8.07	2,007,141,136.57	8.29	33.58	
Nonferrous metal materials	Operating cost	24,440,807,097.02		14,900,835,262.69		64.02	
Nonferrous metal materials	Raw material cost	20,971,135,439.82	85.80	12,091,023,794.02	81.14	73.44	
Nonferrous metal materials	Accessory cost	1,400,102,674.59	5.73	995,707,049.60	6.68	40.61	
Nonferrous metal materials	Labor cost	306,876,075.36	1.26	340,770,067.96	2.29	-9.95	
Nonferrous metal materials	Energy cost	944,139,760.87	3.86	742,251,493.01	4.98	27.20	
Nonferrous metal materials	Other costs	818,553,146.37	3.35	731,082,858.09	4.91	11.96	
By product							
By product	Cost component items	Amount in the current period	Proportion in the total cost (%)	Amount in the same period of last year	Proportion in the total cost (%)	Change ratio (%)	Note
Cobalt product	Operating cost	3,180,322,917.21		2,855,859,368.60		11.36	
Cobalt product	Raw material cost	2,617,079,499.50	82.29	2,304,913,382.71	80.71	13.54	
Cobalt product	Accessory cost	367,010,765.16	11.54	235,050,520.93	8.23	56.14	
Cobalt product	Labor cost	32,428,291.64	1.02	46,407,845.59	1.63	-30.12	
Cobalt product	Energy cost	51,532,794.47	1.62	70,617,248.78	2.47	-27.03	
Cobalt product	Other costs	112,271,566.44	3.53	198,870,370.59	6.96	-43.55	
Nickel product	Operating cost	20,795,176,552.40		10,400,749,102.45		99.94	
Nickel product	Raw material cost	18,411,847,677.79	88.54	8,921,109,856.17	85.77	106.39	
Nickel product	Accessory	1,067,856,771.89	5.14	574,583,511.89	5.52	85.85	

	cost						
Nickel product	Labor cost	215,054,521.89	1.03	220,150,993.94	2.12	-2.31	
Nickel product	Energy cost	595,863,380.38	2.87	386,559,835.93	3.72	54.15	
Nickel product	Other costs	504,554,200.45	2.43	298,344,904.52	2.87	69.12	
Lithium product	Operating cost	2,730,353,331.36		2,697,238,847.65		1.23	
Lithium product	Raw material cost	1,742,271,615.00	63.81	1,816,305,760.82	67.34	-4.08	
Lithium product	Accessory cost	358,992,045.82	13.15	345,205,494.60	12.80	3.99	
Lithium product	Labor cost	204,102,552.67	7.48	160,038,765.84	5.93	27.53	
Lithium product	Energy cost	115,298,763.06	4.22	161,229,268.98	5.98	-28.49	
Lithium product	Other costs	309,688,354.81	11.34	214,459,557.41	7.95	44.40	
Ternary precursor	Operating cost	3,730,615,663.00		5,485,688,048.91		-31.99	
Ternary precursor	Raw material cost	3,252,501,141.81	87.18	4,681,711,754.97	85.34	-30.53	
Ternary precursor	Accessory cost	168,479,853.57	4.52	243,698,271.80	4.44	-30.87	
Ternary precursor	Labor cost	36,181,438.08	0.97	54,672,485.69	1.00	-33.82	
Ternary precursor	Energy cost	74,113,766.81	1.99	115,353,107.60	2.10	-35.75	
Ternary precursor	Other costs	199,339,462.73	5.34	390,252,428.84	7.11	-48.92	
Cathode material	Operating cost	13,567,767,107.23		7,934,248,182.62		71.00	
Cathode material	Raw material cost	11,453,151,590.88	84.41	6,801,111,471.62	85.72	68.40	
Cathode material	Accessory cost	273,065,925.68	2.01	188,463,149.25	2.38	44.89	
Cathode material	Labor cost	649,507,918.10	4.79	414,031,985.65	5.22	56.87	
Cathode material	Energy cost	309,399,151.43	2.28	198,552,114.04	2.50	55.83	
Cathode material	Other costs	882,642,521.14	6.51	332,089,462.06	4.19	165.78	
Copper product	Operating cost	3,349,670,837.25		3,955,180,058.24		-15.31	
Copper product	Raw material cost	2,382,422,340.64	71.12	2,747,124,548.18	69.46	-13.28	
Copper product	Accessory cost	234,114,558.41	6.99	363,961,113.33	9.20	-35.68	
Copper product	Labor cost	82,667,387.60	2.47	104,372,115.96	2.64	-20.80	
Copper product	Energy cost	340,030,817.42	10.15	331,966,757.93	8.39	2.43	
Copper product	Other costs	310,435,733.18	9.27	407,755,522.83	10.31	-23.87	
Nickel intermediate	Operating cost	9,505,106,484.40		5,475,517,596.92		73.59	
Nickel intermediate	Raw material cost	5,047,392,317.95	53.10	2,453,411,110.20	44.81	105.73	
Nickel intermediate	Accessory cost	2,396,544,388.80	25.21	1,397,556,566.33	25.52	71.48	
Nickel intermediate	Labor cost	435,974,418.77	4.59	366,521,735.37	6.69	18.95	

Nickel intermediate	Energy cost	444,378,828.39	4.68	361,576,436.61	6.60	22.90	
Nickel intermediate	Other costs	1,180,816,530.49	12.42	896,451,748.41	16.37	31.72	

Other description of cost analysis  
None

**(5) Changes in the consolidation scope caused by the equity changes of major subsidiaries during the reporting period**

Applicable Not applicable

Please refer to “IX. Changes in Consolidation Scope” in Section X of this report for details.

**(6) Major changes or adjustments in the Company’s business, products or services during the reporting period**

Applicable Not applicable

**(7) Major customers and suppliers**

Customers or suppliers under the control of the same controller are regarded as the same customer or supplier and are consolidated for presentation, except those actually controlled by the same state-owned assets management institution.

The following is a situation description of the consolidated calculation and presentation of customer and supplier information under the same control criteria.

The Company has treated customers or suppliers under the control of the same controller as the same customer or supplier and consolidated them for presentation.

**A. Major customers and suppliers of the Company**

Applicable Not applicable

The total sales amount achieved through the top 5 customers is RMB39,353,271,600, accounting for 48.57% of the total sales amount of the year. Among them, the total sales amount achieved through related parties is RMB 0, accounting for 0% of the total sales amount of the year.

The total purchase amount achieved through the top 5 suppliers is RMB 17,109,216,800, accounting for 25.71% of the total purchase amount of the year. Among them, the total purchase amount achieved through related parties is RMB 0, accounting for 0% of the total purchase amount of the year.

**B. Whether there is the situation during the reporting period that the amount of sales to a single customer exceeds 50% of the total sales amount of the year, or there are new customers among the top 5 customers, or the sales volume are heavily dependent on a few customers**

Applicable Not applicable

Monetary unit: Ten Thousand Yuan Currency: RMB

S/N	Name of customer	Sales amount	Proportion to the total annual sales amount (%)
1	Customer 5	511,419.81	6.31

**Whether there is the situation during the reporting period that the amount of purchase from a single supplier exceeds 50% of the total purchase amount of the year, or there is new supplier among the top 5 suppliers, or the purchase volume are heavily dependent on a few suppliers**

Applicable Not applicable

Monetary unit: Ten Thousand Yuan Currency: RMB

S/N	Name of customer	Sales amount	Proportion to the total annual purchase amount (%)
1	Supplier 5	210,838.16	3.17

**C. During the reporting period, the Company's stocks were subject to delisting risk warnings or other risk warnings**

Top 5 customers

Applicable Not applicable

Top 5 suppliers

Applicable Not applicable

**D. During the reporting period, the Company had income from trade business**
Applicable Not applicable

Monetary unit: Ten Thousand Yuan Currency: RMB

Operation of trade business	Operating income for the current period	Operating income for the previous period	Increase or decrease in operating income for the current period compared with the same period of the previous year (%)
Trade business	822,534.41	947,533.63	-13.19

Top 5 customers whose trade business accounts for more than 10% of their operating income

Applicable Not applicable

Monetary unit: Ten Thousand Yuan Currency: RMB

S/N	Name of customer	Sales amount	Proportion to the total annual sales amount (%)
1	Customer 1	289,348.15	3.57
2	Customer 2	137,552.42	1.70
3	Customer 3	84,441.85	1.04
4	Customer 4	32,268.17	0.40
5	Customer 5	26,873.48	0.33
<b>Total</b>	/	570,484.07	7.04

Top 5 suppliers whose trade business accounts for more than 10% of their operating income

Applicable Not applicable

Monetary unit: Ten Thousand Yuan Currency: RMB

S/N	Name of supplier	Purchase amount	Proportion to the total annual purchase amount (%)
1	Supplier 1	133,629.54	2.01
2	Supplier 2	86,085.20	1.30
3	Supplier 3	77,892.29	1.17
4	Supplier 4	59,907.39	0.90
5	Supplier 5	40,107.45	0.60
<b>Total</b>	/	397,621.87	5.99

Other description

None

**3. Expenses**
Applicable Not applicable

Items	Amount as at the end of the current period	Amount as at the end of the previous year	Change ratio (%)
Selling expenses	170,286,312.78	159,228,602.56	6.94
General and administrative expenses	2,009,449,160.61	1,894,646,185.31	6.06
R&D expenses	1,682,172,318.86	1,300,157,406.08	29.38

Finance expenses	2,399,184,377.14	2,069,820,526.37	15.91
Total	6,261,092,169.39	5,423,852,720.32	15.44

#### 4. R&D input

##### (1) R&D investments

Applicable Not applicable

Monetary unit: Yuan

Expensed R&D investments in the current period	1,682,172,318.86
Capitalized R&D investments in the current period	
Total R&D investments	1,682,172,318.86
Proportion of total R&D investments in the operating income (%)	2.08%
Proportion of capitalized R&D investments (%)	

##### (2) R&D personnel

Applicable Not applicable

Number of R&D employees	1,708
Proportion of R&D employees in the total employees of the Company (%)	6.45%
Classification of R&D employees by educational background	
Category	Number of employees
Doctorate	53
Master	451
Bachelor	575
College	257
High school and below	372
Classification of R&D employees by age	
Category	Number of employees
Under 30 (exclusive) years old	642
30 (inclusive) ~ 40 (exclusive) years old	703
40 (inclusive) ~ 50 (exclusive) years old	291
50 (inclusive) ~ 60 (exclusive) years old	70
60 years old or above	2

##### (3) Description of the situation

Applicable Not applicable

##### (4) Reason for major change in the composition of the R&D employees of the Company and its impact in the future development of the Company

Applicable Not applicable

#### 5. Cash flow

Applicable Not applicable

Item	Amount as at the end of the current period	Amount as at the end of the previous year	Change ratio (%)
Net cash flows from operating activities	4,011,961,997.48	12,431,110,882.70	-67.73
Net cash flows from investing activities	-9,918,636,828.77	-7,668,452,150.84	29.34
Net cash flows from financing activities	1,950,074,486.55	25,183,856.07	7,643.35

#### (II) Significant changes in profits resulting from non-primary business

□Applicable √Not applicable

**(III) Analysis of assets and liabilities**

√Applicable □Not applicable

**1. Assets and liabilities conditions**

Monetary unit: Yuan Currency: RMB

Item	Amount as at the end of the current period	Proportion in the total assets (%)	Amount as at the end of the previous year	Proportion in the total assets (%)	Change ratio (%)	Detailed description
Held-for-trading financial assets	80,000,000.00	0.05	381,711,806.17	0.28	-79.04	Mainly due to the reduction in financial products
Derivative financial assets	1,403,497,706.80	0.88	1,001,393,320.42	0.73	40.15	mainly due to an increase in hedging futures contracts
Advance payment	5,906,325,334.63	3.70	2,950,454,862.65	2.16	100.18	Mainly due to an increase in advance payment for goods
Other receivables	420,695,664.15	0.26	274,707,951.55	0.20	53.14	Mainly due to an increase in deposits, guarantees and export rebates receivable
Inventory	25,624,157,550.87	16.07	17,296,771,331.50	12.66	48.14	Mainly due to the expansion of business scale
Other current assets	6,004,282,129.30	3.77	4,512,122,865.97	3.30	33.07	Mainly due to an increase in input VAT that is subject to deduction or refund
Long-term receivables	1,362,754,137.45	0.85	454,704,734.21	0.33	199.70	Mainly due to an increase in shareholder loans and receivable performance bonds of associated enterprises
Construction in progress	12,998,862,681.11	8.15	9,902,246,502.50	7.25	31.27	Mainly due to an increase in investment in ongoing projects
Deferred income tax assets	1,071,667,753.02	0.67	604,898,289.27	0.44	77.16	Mainly due to an increase in deferred income tax assets for the recognition of unrealized profits from internal transactions
Other non-current assets	4,947,488,551.75	3.10	2,259,180,048.30	1.65	118.99	Mainly due to an increase in advance payments for land and engineering equipment as well as long-term loans
Notes payable	7,196,242,617.28	4.51	4,209,819,518.55	3.08	70.94	Mainly due to the expansion of business scale
Accounts payable	18,208,994,873.11	11.42	12,041,543,179.65	8.82	51.22	Mainly due to the expansion of business scale
Contract liabilities	1,274,805,334.45	0.80	867,721,977.01	0.64	46.91	Mainly due to an increase in advance receipts for goods
Taxes payable	1,110,349,313.42	0.70	623,927,519.98	0.46	77.96	Mainly due to an increase in the enterprise income tax payable
Other payables	1,241,610,600.62	0.78	1,805,454,346.03	1.32	-31.23	Mainly due to the reduction in loans payable and interest
Other current liabilities	4,120,599,011.83	2.58	2,338,401,435.83	1.71	76.21	Mainly due to an increase in the issuance of ultra-short-term financing in the current period
Bonds payable	500,920,684.94	0.31	6,940,139,194.75	5.08	-92.78	Mainly due to the conversion of the current convertible bonds into stocks
Other equity instruments			1,490,043,939.84	1.09	-100.00	Mainly due to the conversion of the current convertible bonds into stocks
Capital reserve	22,818,030,515.23	14.31	15,394,817,790.36	11.27	48.22	Mainly due to the conversion of the current convertible bonds into stocks

Less: Inventory stocks	220,377,564.40	0.14	892,829,631.62	0.65	-75.32	Mainly due to the conversion of the current convertible bonds into stocks
Other comprehensive income	719,128,955.45	0.45	1,461,436,658.05	1.07	-50.79	Mainly due to the reduction in the translation differences of foreign currency financial statements

Other information

None

## 2. Overseas assets

Applicable Not applicable

### (1) Asset size

Including: overseas assets 84,193,434,905.25 (Monetary unit: Yuan Currency: RMB), accounting for 52.81% of the total assets.

### (2) Explanation for relatively high proportion of overseas assets

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Name of overseas assets	Cause of formation	Operation mode	Operating income during the reporting period
Huafei Company	Business combination not under common control	Self-operation	14,495,040,016.64
Huayou Hong Kong	New establishment	Self-operation	37,181,815,450.08
Huayue Company	New establishment	Self-operation	8,004,924,711.27

## 3. Restriction of major assets as of the end of the reporting period

Applicable Not applicable

For details on the restrictions of major assets at the end of the reporting period, please refer to the explanation in "VII. Notes to Consolidated Financial Statements - 31. Assets with Restricted Ownership or Use Rights" under "Section VIII Financial Reports" of this report.

## 4. Other information

Applicable Not applicable

### (IV) Analysis of industry operational information

Applicable Not applicable

For more industry information, please refer to "(I) Industry structure and trend", "VI. Discussion and analysis of the Company's future development", "II. Situation of the Company's industry during the reporting period" in this section.

**Analysis of operational information of the non-ferrous metal industry**
**1. Cost of ore raw materials**
 Applicable  Not applicable

**2. Basic information of self-owned mines (if any)**
 Applicable  Not applicable

Mine name	Main varieties	Resource qty	Reserves	Grade	Annual output	Remaining exploitable years	Expiry date of license/mining rights
Arcadia mine in Zimbabwe	Spodumene and petalite	66,853,900 tons	50,222,600 tons	1.34%	4,500,000 tons	11.1 years	Permanent
PE527 Mining Right Luiswishi Copper Cobalt Mine in D. R. Congo	Copper and cobalt	284,700 tons	10,000 tons of mixed ore	Copper 1.33%; cobalt 0.80%	1,100,000 tons	0.00 year	The mining rights are currently being renewed, and the formalities are being handled
PE527 Mining Right Lukuni Copper Mine in D. R. Congo	Copper	135,840,000 tons	250,000 tons of mixed ore and sulfide ore	Copper 1.10%	1,100,000 million tons	0.23 years	
PE527 Luiswishi existing surface stacked ore	Copper and cobalt	317,500,000 tons	3,175,000 tons of oxidized ore	Copper 1.53%; cobalt 0.27%	/	/	Self-mining stacked ore
PE527 Lukuni existing surface stacked ore	Copper	112,090,000 tons	1,120,900 tons of oxidized ore and mixed ore	Copper 1.24%	/	/	Self-mining stacked ore
MIKAS lower tailings	Copper and cobalt	108,740,000 tons	1.0874 million tons of tailings	Cooper: 0.82%; cobalt: 0.20%	/	/	/

**(V) Analysis of investments****Overall analysis of equity investments**

Applicable Not applicable

During the reporting period, the Company had 16 new subsidiaries and disposed of 3 subsidiaries, as detailed in “1. Business combination not under common control”, “4. Disposal of subsidiaries” and “5. Changes in the scope of consolidation for other reasons”, “IX. Changes in the scope of consolidation”, “Section VIII Financial Report”, and had 2 new equity participation companies, as detailed in “17. Long-term equity investments” and “18. Other equity instrument investments”, “VII. Notes to items of consolidated financial statements”, “Section VIII Financial Report”.

**1. Major equity investments**

Applicable Not applicable

**2. Major non-equity investments**

Applicable Not applicable

The major non-equity investments in the current period are mainly construction in progress. As of the end of the reporting period, the balance of the Company’s construction in progress was RMB12,998.8627 million, an increase of RMB 3,096.6162 million compared with the end of the previous period, representing a growth rate of 31.27%. For relevant information, please refer to “22. Construction in progress”, “VII. Notes to items of consolidated financial statements”.

**3. Financial assets measured at fair value**

Applicable Not applicable

Please refer to the contents of “XIII. Disclosure of Fair Value” in “Section X Financial Report” of this report for details.

## Securities investments

Applicable Not applicable

## Further information about securities investments

Applicable Not applicable

## Private fund investments

Applicable Not applicable

## Derivatives investments

Applicable Not applicable

#### 4. Progress of major asset restructuring and consolidation during the reporting period

Applicable Not applicable

##### (VI) Sales of major assets and major equity

Applicable Not applicable

1. On September 8, 2025, the Company entered into an Equity Transfer Agreement with TOYOTA TSUSHO CORPORATION (“Toyota Tsusho”), pursuant to which the Company transferred its 25% equity in BCM Company to the counterparty at a price of USD 121,195,700. After the completion of the transaction, it is expected to generate investment income of approximately RMB 472,560,600, and the Company’s shareholding ratio in BCM Company will be reduced from 49% to 24%. For details, please refer to the *Announcement on the Sale of Partial Equity in an Investee* (Announcement No.: 2025-094) of Huayou Cobalt. As of the disclosure date of this report, The closing of the transaction was completed.

##### (VII) Analysis of major holding companies and participating companies

Applicable Not applicable

Situation of major subsidiaries and participating companies that have an impact of more than 10% on the Company’s net profit

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Company name	Company type	Main business	Registered capital	Total assets	Net assets	Operatig income
Huayou Hong Kong	Subsidiary	Trade in raw metal materials and products	HKD 550,992,000	26,492,618,539.54	6,910,865,648.91	37,181,815,450.08
Huayou Quzhou	Subsidiary	Research and development, production and sales of cobalt, copper and nickel products	RMB 2,401,243,600	23,971,771,814.26	6,799,890,732.92	20,509,159,378.67
Huayou Mining Hongkong	Subsidiary	Overseas Investment Platform	HKD16,612,946,600	24,228,893,729.73	15,956,098,183.98	18,605,321.73
Huayue Company	Subsidiary	Production and sales of MHP	USD 260,000,000	12,088,340,797.80	8,386,572,755.96	8,004,924,711.27
Guangxi Huayou New Material	Subsidiary	Research and development, production and sales of cobalt and nickel products	RMB 2,054,406,700	18,893,711,774.42	3,932,280,858.20	20,356,718,685.18
Indonesia Huafei	Subsidiary	Production and sales of MHP	USD 540,000,000	18,340,222,894.10	5,733,492,800.69	14,495,040,016.64

Acquisition and disposal of subsidiaries during the reporting period

Applicable Not applicable

For details, please refer to the explanation in “IX. Changes in the scope of consolidation”, “Section VIII Financial Report”.

Other information

Applicable Not applicable

**(VIII) Structural entities controlled by the Company**

Applicable Not applicable

## VI. Discussion and analysis of the Company's future development

### (I) Industry structure and trend

√Applicable  Not Applicable

1. The new energy lithium battery industry is moving towards a new stage of high-quality development

At present, the new round of technological revolution and energy transition is advancing in depth. Green and low-carbon, digital and intelligent, and sustainable development have become the themes of the times. With the continuous advancement of the global “dual carbon” strategy, the global new energy vehicle market continues to maintain a rapid growth trend. EVTank data shows that the global sales of new energy vehicles reached 23.542 million units in 2025, representing a year-on-year increase of 29.1%. In terms of upstream power batteries, SNE data shows that the total global installed capacity of power batteries reached 1,187.01GWh in 2025, representing a year-on-year growth of 31.7%.

The Outline of the “15th Five-Year Plan” points out that it is necessary to deeply implement the new energy security strategy, accelerate the construction of a clean, low-carbon, safe and efficient new energy system, carry out the ten-year doubling action of non-fossil energy, and build an energy power; accelerate the development of strategic emerging industries such as new-generation information technology, new energy, new materials, intelligent connected new energy vehicles, and robots, build a full-chain cultivation system for future industries, and promote quantum technology, hydrogen energy and nuclear fusion energy, embodied AI, and sixth-generation mobile communication to become new growth points of the economy; accelerate the research and development of key materials such as high-capacity electrode materials, high-conductivity electrolyte materials, and composite current collectors, and expand the application of high-safety and high-energy-density batteries in new smart terminals, new energy storage, electric vehicles and other fields.

In the future, as the technological revolution and energy transition continue to deepen, the positioning of batteries will shift from a key subsystem for terminal applications to a fundamental enabling unit, providing energy support for more terminal application scenarios. With the improvement of the intelligence level of new energy vehicles and the rise of emerging application scenarios such as embodied AI and low-altitude economy, the future new energy industry will continue to iterate towards high energy density, high safety, lightweight and fast charging, and fully enter a new stage of high-quality development. According to EVTank’s prediction, global sales of new energy vehicles will reach 28.496 million units in 2026, representing a year-on-year growth of 21%; global sales of new energy vehicles are expected to reach 42.65 million by 2030; global shipment of lithium batteries is expected to reach 3,016.3GWh in 2026, representing a year-on-year growth of 32.3%, and is projected to reach 6,012.3GWh by 2030.

2. The technical routes in the battery industry will maintain a diversified coexistence pattern for a long time

The China Center for Information Industry Development’s Outlook on the Development Situation of China’s New Battery Industry in 2026 points out that the differentiation of scene demands has driven the diversified development of battery technology routes, and the industry will maintain a development pattern of coexistence of multiple elements and differentiated competition for a long time. According to SPIR data, the global lithium battery shipment reached 2,042.7GWh in 2025, among which ternary batteries accounted for 35.2%, lithium iron phosphate batteries 60.7%, and other types of batteries 4.1%. The two mainstream routes of lithium iron phosphate and ternary materials will coexist and complement each other for a long time. Lithium iron phosphate will dominate the energy storage and mid-to-low-end passenger car markets relying on its cost advantage. Ternary materials, with their high specific energy characteristics, will cover high-end passenger car models and the consumer electronics market, and be widely applied in emerging scenarios with high requirements for range and lightweighting, such as embodied AI and low-altitude economy. The industrialization of new technological routes such as sodium-ion batteries has been accelerated, and they have achieved large-scale application in specific scenarios. According to McKinsey’s prediction, by 2030, the global market share of lithium iron phosphate batteries will be 55% to 60%, that of ternary power batteries will be 30% to 35%, and the remaining market share will be composed of other battery technology routes.

3. Emerging markets and new application scenarios will bring new growth space to lithium battery materials

With the acceleration of the global transition to a zero-carbon economy and the in-depth advancement of the technological revolution centered on AI, new growth space will be brought to lithium battery materials. The “Global Lithium Battery Industry Medium and Long-Term Development Outlook Report” released by GGII shows that in the next five years, the growth of the global lithium battery industry will shift to a dual-wheel drive of overseas market penetration and the implementation of emerging scenarios, opening up new growth space for upstream lithium battery materials. In terms of emerging markets, the demand for new energy vehicles and energy storage in overseas regions such as Europe, America, and Southeast Asia will continue to grow. The rapid development of the AI industry in the United States has significantly increased the demand for energy storage in data centers and on the grid side. Many European countries have continuously introduced and strengthened support policies for new energy vehicles, driving the steady growth of vehicle batteries. According to GGII’s prediction, from 2025 to 2030, the compound annual growth rate of overseas demand for power batteries and energy storage batteries will exceed 18% and 30% respectively. Material enterprises with a global layout will fully benefit. In terms of emerging scenarios, the demand for lithium battery materials in non-automotive fields such as embodied AI, low-altitude economy, and electric ships will enter a growth period. According to the prediction of Bank of America Research Department, the compound annual growth rate of global embodied AI shipments in the next five years will be as high as 86%. According to GGII’s forecast, the compound annual growth rate of demand for non-automotive cathode materials will exceed 75% from 2025 to 2030, injecting strong growth into the industry’s development. Ternary materials, with their core characteristics such as high specific energy, high rate, and wide temperature range, have become the preferred material in scenarios with high requirements for range and lightweight, such as high-end passenger vehicles, embodied AI, and low-altitude economy.

4. The demand for nickel, cobalt and lithium metals has been steadily increasing, and their strategic value has become increasingly prominent

Nickel, cobalt and lithium, as core raw materials for the new energy lithium battery industry, are strategic mineral resources that support the global energy transition. Both the International Energy Agency (IEA) and the Ministry of Natural Resources of China have listed them as core and key minerals for energy transition. The rising global penetration rate of new energy vehicles, the large-scale expansion in the energy storage sector, the implementation of emerging scenarios such as embodied AI and low-altitude economy, as well as the expansion of industrial demands in high-end equipment and aerospace, will continue to drive the growth of demand for nickel, cobalt and lithium. The scarcity of resources and the strategic value of the industry will be further highlighted. According to the prediction of the International Nickel Study Group (INSG), the nickel demand in 2026 will be 3.824 million tons, representing a year-on-year growth of 6.2%. According to the prediction of the Cobalt Institute, the demand for cobalt will be 220,000 tons in 2026, representing a year-on-year growth of 3%. According to Mysteel’s forecast, the demand for lithium in 2026 will reach 2.197 million tons of LCE, representing a year-on-year growth of 31%.

5. The trend of industrial integration and coordinated development will continue to deepen

Supply chain resilience, cost controllability and technological synergy efficiency have become the key elements determining the core competitiveness of enterprises in the new energy lithium battery industry and the long-term stable development of the industry. The “White Paper on the Development of China’s Lithium-ion Battery Industry (2026)” jointly released by EVTank, EVI Economic Research Institute and China Battery Industry Research Institute points out that the full-chain integrated layout and cross-link industrial collaboration are the core paths for the lithium battery industry to break through the bottleneck of technological iteration and enhance the resilience of the supply chain. For lithium battery material enterprises, building an integrated layout and continuously enhancing the stability of the supply chain and the level of independent controllability have become the key path choices for enterprises to improve operational efficiency and industrial value. The coordinated development of upstream materials and downstream batteries and vehicles, as well as the continuous deepening of cooperation models such as joint research and development, supply and demand matching, and technology co-creation, have become a trend in the new stage of industry development. Enterprises with

an integrated industrial layout, leading technological capabilities and global operation capabilities will occupy a favorable competitive position in the future industrial landscape.

## (II) Corporate Development Strategy

√Applicable  Not Applicable

During the “15th Five-Year Plan” period, the Company will usher in an unprecedented strategic opportunity:

From the perspective of the times, the new round of technological revolution represented by AI is amplifying global energy demand. The current situation in the Middle East also indicates that accelerating the transformation of the global energy structure is not only for sustainable development, but also for the high-level security of each country itself.

From the perspective of national strategy, China’s “15th Five-Year Plan” Outline has for the first time included “building an energy power” as a key national strategy, emphasizing the need to deeply implement the new energy security strategy, accelerate the construction of a clean, low-carbon, safe and efficient new energy system, and continuously increase the proportion of new energy supply.

From the perspective of industry trends, as battery technology continues to evolve, the positioning of batteries is shifting from a key subsystem for terminal applications to a fundamental enabling unit, providing energy support for more terminal application scenarios such as embodied robots, low-altitude economy, and electric transportation.

From Huayou’s own perspective, on the resource side, the Company will actively participate in overseas resource allocation. From cobalt in the Democratic Republic of the Congo, nickel in Indonesia to lithium in Zimbabwe, Huayou has firmly established itself in the global high-quality mineral resources. On the manufacturing side, the Company has established the most complete integrated industrial system for lithium battery materials in the industry, achieving a high degree of synergy in links such as precursors, cathode materials, and recycling and utilization. On the market side, the Company has been deeply integrated into the supply chains of global leading customers, forming a long-term stable and mutually beneficial cooperative ecosystem.

Based on the above-mentioned changes in the external environment and the foundation of internal capabilities, the Company systematically analyzed the opportunities brought by the background of the times, national strategies, and industrial development, and formulated the “15th Five-Year Plan” for development, striving to move forward towards the goal of becoming a world-class enterprise.

Development idea: Throughout the 15th Five-Year Plan period, guided by the mission to “create value for customers and lead industrial advancement”, driven by the vision of “becoming a globally leading energy materials technology enterprise,” and with “high-quality development” as its central theme and the dual drivers of technological and managerial innovation, the Company will continue to strengthen its core competitiveness built on “product excellence and cost efficiency”, make concerted efforts to optimize its industrial, product, customer, and geographic structures, further leverage the advantages of “integrated industrial chains, technology-centric development, globally oriented operations, and ecosystem-based growth.” By implementing five key strategic initiatives—“Technological Huayou, Green Huayou, Open Huayou, Responsible Huayou and Striving Huayou”—the Company aims to establish itself as a world-class enterprise distinguished by “superior products, strong brand recognition, innovation leadership, and modern governance.”

Development strategy: The Company will remain committed to the development strategy of “One Core, Two Poles, Four Expansions”, which means taking the “development of lithium battery materials business” as the core and “energy metals and energy materials” as two new growth poles, while continuing to expand its advantages in “integrated industrial chains, technology-centric development, globally oriented operations, and ecosystem-based growth.”

The “Four Modernizations” refer to “integrated industrial chains, technology-centric development, globally oriented operations, and ecosystem-based growth”, specifically:

Integrated industrial chains: It is necessary to fully tap into the collaborative advantages of integrated industries, build industrial competitiveness covering resource guarantee, product

manufacturing, new product research and development, and global marketing, enhance the resilience of the industrial chain, and strengthen industrial chain collaboration.

**Technology-centric development:** It is necessary to focus on the deep integration of industrial innovation and scientific and technological innovation, empower industrial innovation with scientific and technological innovation, and lead scientific and technological progress with industrial innovation, accelerate the cultivation of energy metals and energy materials, and consolidate the core competitiveness of the industry with independent and controllable technology.

**Globally oriented operations:** It is necessary to actively participate in overseas resource allocation, integrate into international industrial division of labor, and join global market competition, continuously deepen the business pattern of “overseas resources, international manufacturing, and global market”, and constantly enhance the Company’s global business operation capabilities.

**Ecosystem-based growth:** It is necessary to promote high-level cooperation through high-level opening up, create “an international industrial ecosystem, a smooth supply chain ecosystem, and a secure operation guarantee ecosystem”, and build ecological cooperative relationships with global industrial partners to jointly build, share and win together.

**Strategic initiatives:** It is necessary to closely focus on the theme of high-quality development, fully implement the five major strategic measures of “Technological Huayou, Green Huayou, Open Huayou, Responsible Huayou, and Striving Huayou”, and strive to create a new situation and open up a new realm of high-quality development during the “15th Five-Year Plan”.

**Technological Huayou:** Driving the Company’s high-quality growth through advanced technology. The Company will implement a science and technology innovation strategy focused on “supporting business operations and shaping future directions,” with emphasis on “product, process, equipment and integrated innovation.” It will reinforce protections for the R&D team, institutional frameworks, and funding to achieve technological self-reliance, comprehensively elevate its capacity for independent innovation, secure a leading position in technological development, and continuously cultivate new sources of productive strength.

**Green Huayou:** Advancing the Company’s high-quality growth through green and sustainable practices. Guided by the long-term objectives of “achieving carbon neutrality across the full value chain by 2050” and “using 100% clean electricity across the entire industrial chain by 2035,” the Company will steadily advance its carbon neutrality plan, by focus on increasing the share of recycled materials and clean energy usage, persistently reducing the carbon emission of its products, and developing a robust green manufacturing system alongside a low-carbon supply chain management framework, thereby establishing globally leading green and sustainable competitiveness.

**Open Huayou:** Promoting the Company’s high-quality growth through high-level openness. With a more open mindset, the Company will engage in the allocation of overseas resources, integrate into the global industrial division of labor, and participate in international market competition, thereby continuously enhancing its productivity, competitiveness and overall development capacity in the process of opening up.

**Responsible Huayou:** Strengthening the Company’s high-quality growth through a strong sense of responsibility. The Company will elevate ESG to a core strategic priority with a focus on long-term value creation, including the Company’s internal value, the collaborative value across the industry, the developmental value of the sector, and the symbiotic value of the community. The Company will consistently honor its commitments to all stakeholders, delivering value to customers, fostering employee growth, generating returns for shareholders, contributing to the industry, and fulfilling its social responsibilities.

**Striving Huayou:** Propelling the Company’s high-quality growth through a spirit of striving. The Company will continue to uphold the ethos of striving and maintain a proactive stance, uniting its employees under this shared spirit and guiding corporate development with a striving-oriented culture. It will uphold a value system that rewards strivers, carry forward the foundational spirit of persistent and hard work, embody the essential qualities of embracing challenges, delivering results, executing effectively, and upholding integrity, while building a platform where employees can pursue

entrepreneurial goals and wealth creation, sharing success with those who co-create value and share risks.

### **(III) Business plan**

√ Applicable  Not Applicable

The year 2026 marks the beginning of the Company's "15th Five-Year Plan", which holds significant strategic importance for carrying forward the past and ushering in the future. The Company will closely follow the pulse of the times of the technological revolution and energy transition, and guided by the "Outline of the 15th Five-Year Development Strategy Plan", strengthen the dual-wheel drive of technological innovation and management innovation, amplify its advantages of "integrated industrial chains, technology-centric development, globally oriented operations, and ecosystem-based growth", comprehensively promote the five strategic measures of "Technological Huayou, Green Huayou, Open Huayou, Responsible Huayou, and Striving Huayou", adhere to the business essence of "customer-centered and value-creating for customers", implement the work requirements of "seeking progress in stability and winning in progress", adhere to the transformation path of "controlling resources at the top, expanding the market at the bottom, and enhancing capabilities in the middle", implement the business philosophy of "technological support, market orientation, overall coordination, and strengthened guarantee", accelerate the development of overseas resources, international production capacity cooperation and global market layout, and strive to create a new situation of high-quality development during the 15th Five-Year Plan period. The main tasks are as follows:

#### 1. Strengthen innovation-driven development and focus on building a technological Huayou

The Company will adhere to the scientific and technological innovation strategy of "supporting industries, leading the future, open cooperation and collaborative innovation", continuously increase investment in scientific research, seize the commanding heights of industry technology, and lead the high-quality development of the Company with high-level technology. It will strengthen the construction of the scientific and technological talent team, cultivate and gather high-level innovative talents, and further enhance the coverage of leading talents in all links of the industrial chain. Focusing on areas such as safety and environmental protection, resource intensification, green and low-carbon development, energy conservation and emission reduction, quality improvement, cost reduction, and intelligent manufacturing, the Company will carry out process research and development, equipment development, and integrated innovation to promote technological progress throughout the Company's entire industrial chain, from resource development, non-ferrous smelting, lithium battery materials to recycling. It will focus on the competitive strategy of "product leadership", establish a new product research and development model of "developing one generation, mass-producing one generation, and reserving one generation", strengthen the transformation of scientific and technological achievements, promote the practical application of innovative technologies, and enhance the effectiveness of new product research and development. It will deepen open cooperation, collaborate with universities and research institutions to conduct research on cutting-edge materials, actively carry out joint research and development of new products with major clients, accumulate the first-mover advantage in technology, and enhance the accuracy and success rate of new product research and development.

#### 2. Enhance operational efficiency and continuously consolidate the leading position

The Company will adhere to the business essence of "customer-centered and value-creating for customers", center on the core demands of the industrial chain to enhance the three key elements, pay close attention to three aspects and focus on three mainstreams, strive to improve its operational efficiency, enhance its ability to create value for customers, and continuously consolidate its leading position in the industry with high-level operations. It will strengthen planning and control, coordinate resource allocation, and deepen industrial collaboration to ensure the efficient interaction between domestic and international resource guarantees and the coordination of upstream and downstream industries, and further leverage the advantages of integrated industries. It will adhere to market orientation, closely focus on leading enterprises and core clients, lock in long-term orders through strategic marketing, stabilize long-term clients through mutual benefit and win-win results, and expand domestic and international markets through value creation. On the basis of consolidating the leading position in the cobalt industry, the Company will increase the market share in the nickel industry and expand the market share of lithium battery materials such as ternary precursors and ternary cathode

materials, implement the competitive strategy of “product leadership and cost leadership”, and comprehensively build a manufacturing system with extremely low cost, extremely high efficiency and ultimate performance to promote the in-depth development of ultimate manufacturing in all links of the industrial chain.

### 3. Deepen global layout and pool efforts for high-quality development

The “15th Five-Year Plan” period is a crucial stage for the Company to expand its business and achieve rapid development. The Company will firmly adhere to its strategic orientation, persist in the path of transformation, continuously strengthen its business pattern of overseas resources, international manufacturing, and global markets, constantly broaden its development space, improve its industrial system and enhance the level of openness to promote high-quality development of the Company through high-level construction. In the Indonesia region, the Pomalaa HPAL project with an annual output of 120,000 tons of nickel metal is being steadily constructed to ensure its completion and commissioning within the year, the construction of the Sorowako HPAL project with an annual output of 60,000 tons of nickel metal will be started, and the spatial planning, industrial layout and infrastructure construction of the Pomalaa Industrial Park in Indonesia will be strengthened, striving to make it a model of international cooperation. In the African region, the lithium sulfate project in Zimbabwe has been completed and put into operation as planned, and efforts are being made to achieve full production capacity and over production as soon as possible. In the European region, the Hungarian cathode material project will achieve product delivery as soon as possible to amplify the advantages of international operation and industrial synergy. The Company will make overall plans for the capacity layout of domestic production bases, accelerate the product structure adjustment, and enhance the efficiency of resource allocation, develop new quality productive forces in accordance with local conditions, enhance the competitiveness of factors, strive to build an international industrial ecosystem, a smooth supply chain ecosystem, and a safe operation guarantee ecosystem, and continuously strengthen the ecological advantages of development, so as to gather a powerful synergy for the company's high-quality international development.

### 4. Promote management innovation and lay a solid foundation for high-quality development

The Company will continue to improve its management system with business as the essence and financial management as the center, constantly enhance the governance efficiency of modern enterprises, achieve the “dual-wheel drive” of technological innovation and management innovation, and promote the high-quality development of the Company through high-level management. It will strengthen strategic management, and under the framework of the “15th Five-Year Plan”, refine the formulation of various business and functional strategies, and enhance the ability to implement strategies, comprehensively promote the digital transformation of finance, enhance accounting and analysis capabilities, and provide strong support for business decision-making. It will further improve the compliance operation system, continuously perfect the internal control mechanism, enhance the compliance management ability, and systematically prevent business risks. Adhering to the business philosophy of enhancing enterprise efficiency and employee income, based on the division of accounting units and standard cost accounting, the Company will improve the operational capabilities of each accounting unit, solidify operational responsibilities, improve the incentive mechanism, strictly implement performance assessment, and fully stimulate organizational vitality. It will build a globally leading and highly resilient supply chain system, build a raw and auxiliary material supply system featuring “diverse origins and various logistics”, strengthen the supply guarantee capacity and risk assessment of key materials, and create a competitive edge in the supply chain featuring outstanding quality, extreme cost, resilience and reliability, as well as advanced ecology, strengthen the control of budgets, improve operational efficiency and reduce management costs through process reengineering and process control, strengthen organizational construction, build capabilities on the organization, and optimize the structure and improve the standards, construct an efficient organizational system. Oriented towards value creation, the Company will further promote mechanism reforms such as performance assessment and salary incentives, and fully stimulate organizational vitality to provide solid talent and organizational guarantees for high-quality development.

### 5. Strengthen ESG management and lead the green development of the industry

The Company will continue to strengthen ESG management, fully and deeply integrating environmental protection, social responsibility and corporate governance into its global business and

operational processes, and build an ESG management system with Huayou's own characteristics from a global perspective. The Company will comprehensively promote green transformation, build green factories, create green supply chains, implement the "Carbon Emission Plan", reduce carbon footprints through clean production and resource recycling, and expand the capacity for recycling used batteries overseas to provide green closed-loop solutions for the industrial chain and lead the green development of the industry. It will adhere to responsible mineral supply chain management, proactively carry out third-party audits, and actively fulfill local social responsibilities, fulfill the commitments in the Social Responsibility Document in Africa, promote the United Nations Global Compact Community Project in Indonesia, and continuously pay attention to employee rights and community development. The Company will continuously enhance governance levels, strengthen compliance and transparent operations with a global perspective, deeply integrate ESG concepts into the entire process of company operations, and safeguard the high-quality and sustainable development of the Company with high-level ESG practices.

#### 6. Promote special campaigns and effectively protect shareholders' rights and interests

The Company will implement the relevant requirements of the State Council's Opinions on Further Improving the Quality of Listed Companies, actively respond to the Shanghai Stock Exchange's Initiative on Carrying out the Special Action of "Improving Quality, Increasing Efficiency and Emphasizing Returns" for Companies Listed on the Shanghai Stock Exchange, and formulate and implement the Company's special action plan for "Improving Quality, Increasing Efficiency and Emphasizing Returns" in 2026. It will always adhere to the development concept of "putting investors first", focus on strengthening the main business, and improve the quality of operation and profitability; deepen scientific and technological innovation and accelerate the cultivation and development of new quality productive forces; strengthen the responsibility of the "key few", enhance their ability to perform duties, and improve the level of corporate governance; attach importance to investor returns, maintain the continuity and stability of profit distribution policies, and enhance investors' sense of gain; further strengthen information disclosure and investor relations management, enhance the transparency of the Company, build a favorable ecosystem in the capital market, and effectively protect the legitimate rights and interests of investors.

#### (IV) Possible risks

Applicable Not applicable

##### 1. Market risk

The Company's main products include lithium-ion cathode materials, precursor products, nickel, cobalt and lithium new material products, and copper products. The production process requires auxiliary materials such as sulfur and liquid caustic soda. Due to the influence of various factors such as global economy, supply and demand, market expectations and speculative speculation, the prices of nickel, cobalt, lithium and copper metals, and auxiliary materials such as sulfur and liquid caustic soda present high volatility feature, which in turn leads to product market price fluctuations. During the reporting period, cobalt prices rose sharply since late February affected by policies, nickel prices trended downward with fluctuations and reversed at year-end, lithium prices first declined and then rebounded, and copper prices maintained at a high level overall. The increase in product prices to some extent would improve the Company's profitability, while the decrease in prices would weaken the Company's profitability. If there is a significant decline in the prices of nickel, cobalt, lithium and copper metals in the future, the Company will face the risk of inventory depreciation loss and operating performance falling short of expectations, significant decline, or losses. The increase in the prices of auxiliary materials such as sulfur and liquid caustic soda will also push up the Company's production costs to a certain extent, thereby weakening the Company's profitability. Due to the uncertainty of the supply of auxiliary materials such as sulfur, if the prices of auxiliary materials like sulfur and liquid caustic soda rise significantly in the future, it will lead the Company to face the risk of its profitability falling short of expectations.

##### 2. Exchange risk

At present, the Company's business layout is highly internationalized. The overseas operations of the subsidiaries, the procurement of major raw materials such as nickel, cobalt and lithium, and the export and sales of products such as cobalt-nickel new materials, precursors and cathode materials are

mainly settled in U.S. dollars. As a result, production and operations are exposed to significant risks from fluctuations in foreign currency exchange rates. A significant fluctuation in the USD/RMB exchange rate, for example, may cause the Company to incur exchange loss or increase its operating expenses, which in turn may have a certain negative impact on the Company's profitability. At the same time, the functional currency of the Company's overseas subsidiaries is mostly USD, and the change in the RMB exchange rate will expose the Company to the risk of foreign currency statement translation.

### 3. Risks from environmental protection

Since the production and operations of the Company must comply with a number of environmental laws and regulations relating to air, water quality, waste disposal, public health and safety, the Company is required to obtain relevant environmental protection permits and accept inspection by the relevant environmental protection authorities of its country and places where overseas investments are made. In recent years, the Company has invested a large amount of capital and technical force in the renovation of environmental protection equipment and improvement of production processes, and has carried out the treatment and discharge of pollutants in accordance with the environmental protection requirements of its country and the places where overseas investments are made. However, in the future, more stringent environmental protection standards may be implemented at home and abroad, and more extensive and stringent environmental protection control measures may be adopted. As a result, the Company's environmental protection costs and management difficulties will increase

### 4. Risk of uncertainty in technology R&D

The Company organized R&D for a series of products such as lithium-ion battery ternary precursors and cathode materials. Some products have been mass-produced and sold, and some products have been certified. However, some products are still in the process of development and certification, and there is great uncertainty, which may result in the risk of not achieving the expected targets. At the same time, due to the high technology content of new energy lithium-ion battery materials and the rapid upgrading of technology, there is a certain uncertainty as to whether the Company can seize the opportunity in this process to achieve the first breakthrough in R&D, production, and sales. If the Company is unable to keep up with the pace of industrial development in new product R&D, certification, and sales, or if downstream manufacturers choose or develop other potential technological routes, it may lead to the risk of transformation and upgrading not meeting the expectations.

### 5. Management risk

The company's business has formed an operation pattern featuring overseas resources, international manufacturing and a global market, and has formed its business model which underpinned by its three major business segments, namely, new energy business, new material business and resource business, with the characteristics of transnational and trans-regional, wide variety of products, and long industrial chain, which increase the management difficulty of the Company. During the reporting period, due to the continuous expansion of the Company's main business, the continuous growth of the product quantity and the continuous adjustment of the product structure, how to establish and improve the effective management system, investment control system and internal control system, and how to introduce and train management, technical and marketing talents will become the major problems facing the Company. If the Company's operation management system, investment control ability and human resources coordination ability cannot be improved correspondingly with the international expansion of the Company's business, the future development of the Company's business will be affected, and the investment projects will face the risk of not meeting the expectations.

### 6. Risks of transnational business

The new energy vehicle industry has a highly globalized characteristic. The Company, based on characteristics of the industry, arranged its business operation internationally and invested in mineral resource development, smelting and processing, battery material manufacturing and other projects in Indonesia, D. R. Congo, Zimbabwe, South Korea, Hungary and other places, and its products were launched in global markets such as in China, Japan, South Korea, Europe and America. Due to uncertainty factors such as industrial policies, politics, economy, regulation and law in the countries where the investment projects are located and the end markets are located, if the Company is unable to effectively respond to and resolve the said risks in the future, it may lead to the risk of litigation and development not meeting expectations.

### 7. Risk of overcapacity

The Company has currently formed an integrated industrial chain from the development of nickel, cobalt and lithium resources, green smelting and processing, manufacturing of ternary precursors and cathode materials, to resource recycling and reuse. With the slowdown in the growth rate of new energy vehicles and the gradual release of production capacity in various links of the industry chain, the supply and demand of power batteries and lithium battery materials has reversed, resulting in phased and structural overcapacity and intensified competition. If the overcapacity continues and demand grows slowly down in the future, it may lead to the risk of low capacity utilization and development of the Company falling short of expectations.

#### (V) Other

Applicable Not applicable

### VII. Situation and reasons for the Company's failure to disclose information as required due to non-application of standards or special reasons such as national secrets and trade secrets

Applicable Not applicable

1. On December 17, 2025, the Company disclosed the *Announcement of Huayou Cobalt on Signing a Memorandum of Understanding* (Announcement No.: 2025-135). As per the announcement, the Company signed a binding MoU with a well-known international customer, stipulating that during the term of the MoU, the Company's subsidiaries will supply 79,600 tons of ternary precursor products to the buyer designated by the customer. As information such as the counterparty to the transaction constitutes trade secrets and commercially sensitive information, the Company has exempted from disclosing certain information in the MoU in accordance with relevant provisions of the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange* and the *Information Disclosure Suspension and Exemption Management System* of the Company.

## Section IV Corporate Governance, Environment and Society

### I. Information related to corporate governance of the Company

Applicable Not applicable

During the reporting period, the Company has operated in a standardized manner according to the requirements of the *Company Law*, the *Securities Law* and the *Rules Governing the Listing of Stocks* and other laws and regulations, in which it has followed the corresponding decision-making procedures for all major matters such as major investments, external guarantees and related-party transactions in accordance with the applicable requirements and managed the disclosure of relevant information in strict compliance with its *Information Disclosure Management Policy* of the Company. The Shareholders' Meeting, the Board of Directors and the special committees under the Board of Directors of the Company have performed their duties in accordance with the law and operated in a standardized manner. During the reporting period, the Company has not engaged in any material violations of laws and regulations, nor has any of its funds been occupied by the actual controller and other enterprises under its control, nor has it entered into any guarantees in violation of laws and regulations for the actual controller and other enterprises under its control.

#### 1. Shareholders and the Shareholders' Meeting

During the reporting period, the Company convened and held the general meetings in strict compliance with the *Company Law*, the *Articles of Association* and the *Rules of Procedure of Shareholders' Meeting* and other relevant regulations. The general meetings are conducted in strict accordance with the requirements of relevant laws and regulations in terms of meeting preparation, meeting proposals, deliberation procedures, voting and resolutions at the meetings, implementation of the resolutions and disclosure of information, such that the shareholders are fully guaranteed to exercise their legitimate rights in accordance with the law. All general meetings of the Company were attended and witnessed by lawyers, who issued legal opinions on the compliance and legality of the meetings. During the reporting period, the Company held a total of 5 general meetings of shareholders.

#### 2. Directors and the Board of Directors

The Board of Directors of the Company has operated in accordance with laws and regulations such as the *Company Law*, as well as the *Articles of Association* and the *Rules of Procedure of Board of Directors* of the Company. The Board of Directors currently consists of 8 members, including 3 independent directors and 1 employee representative director. Both the number and composition of the Board of Directors are in compliance with the requirements of laws, regulations and the *Articles of Association*. There are 4 special committees under the Board of Directors, including the Nomination Committee, the Audit Committee, the Remuneration and Appraisal Committee and the Strategy Committee. When the Board of Directors deliberates on major matters, the relevant special committees shall provide professional opinions and recommendations to make sure that the Board of Directors makes decisions in a scientific and reasonable manner. The Company held a total of 11 meetings of the Board of Directors during the reporting period.

#### 3. Information Disclosure and Transparency

During the reporting period, the Company has disclosed relevant information in a truthful, accurate, timely and complete manner in strict accordance with applicable laws and regulations as well as the *Articles of Association*, the *Information Disclosure Management Policy* and other requirements. The Company has assigned the Secretary of the Board of Directors to be in charge of the disclosure of information and handled the incoming calls and inquiries from shareholders and investors seriously, so as to ensure that all shareholders and investors have fair and timely access to the information required to be disclosed.

Whether there are significant differences between the corporate governance of the Company and that required by the laws, administrative regulations and CSRC's regulations on governance of listed companies; if there are significant differences, the reasons should be stated

Applicable Not applicable

### II. Specific measures taken by the Company's controlling shareholder and actual controller to

**ensure the Company's independence in assets, personnel, finances, organization, business and other aspects, as well as the solutions adopted, work progress and follow-up plans that affect the Company's independence**

Applicable Not applicable

The Company is completely separate from its controlling shareholder and actual controller in terms of business, personnel, assets, organization, finance, and other aspects, and they each operate independently and bear responsibilities and risks independently. The Company is equipped with complete business and independent operation capabilities.

Controlling shareholder, actual controller and other entities under their control engaging in the same or similar business as the Company, as well as the impact of horizontal competition or significant changes thereto on the Company, the measures taken to resolve the issue, the progress of the resolution, and the subsequent resolution plans

Applicable Not applicable

**III. Status of directors and officers**
**(I) Changes in shareholding and remuneration of current and departing directors and officers during the reporting period**

√Applicable □Not applicable

Unit: Share

Name	Position	Gender	Age	Term start	Term end	Shares held at the beginning of the year	Shares held at the end of the year	Change in shares during the year	Reason for the change	Total pre-tax remuneration received from the Company during the reporting period (RMB'0,000)	Whether or not received remuneration from a related party of the Company
Chen Xuehua	Chairman	Male	65	2008-03-24	2026-05-17	82,504,946	82,505,146	200		975.02	No
Chen Hongliang	Director, President	Male	53	2008-03-24	2026-05-17	423,000	468,000	45,000	Grant of shares and cancellation of shares repurchased under equity incentive plan	803.73	No
Fang Qixue	Vice Chairman, Vice President	Male	64	2020-01-06	2026-05-17	269,000	299,000	30,000	Grant of shares and cancellation of shares repurchased under equity incentive plan	463.86	No
Wang Jun	Director, Vice President, Chief Financial Officer	Male	56	2023-02-22	2026-05-17	100,000	130,000	30,000	Grant of shares and cancellation of shares repurchased under equity incentive plan	535.17	No
Li Hailong	Independent Director	Male	46	2024-12-16	2026-05-17	0	0	0		17.27	No
Dong Xiuliang	Independent Director	Male	60	2022-05-13	2026-05-17	0	0	0		18	No

Qian Bolin	Independent Director	Male	66	2022-04-17	2026-05-17	0	0	0		18	No
Tao Yiwen	Employee Representative Director	Female	48	2025-09-08	2026-05-17	0	0	0		13.51	No
Xu Wei	Vice President	Male	43	2016-07-12	2026-05-17	184,500	114,500	-70,000	Cancellation of shares repurchased under equity incentive plan	559.58	No
Chen Yaozhong	Vice President	Male	56	2015-04-17	2026-05-17	184,500	214,500	30,000	Grant of shares and cancellation of shares repurchased under equity incentive plan	570.01	No
Gao Baojun	Vice President	Male	57	2021-01-20	2026-05-17	58,500	58,500	0		869.19	No
Qian Xiaoping	Vice President	Male	54	2018-09-30	2026-05-17	0	53,000	53,000	Grant of shares under equity incentive	419.87	No
Fang Yuan	Vice President	Male	54	2017-01-09	2026-05-17	117,600	82,600	-35,000	Cancellation of shares repurchased under equity incentive plan	227.01	No
Lu Feng	Vice President	Male	43	2021-01-20	2026-05-17	46,800	46,800	0		252.55	No
Zhang Bing	Vice President	Male	52	2024-10-18	2026-05-17	800	53,800	53,000	Grant of shares under equity incentive	272.17	No
Wu Mengtao	Vice President	Male	63	2022-01-19	2026-05-17	94,200	112,200	18,000	Grant of shares and cancellation of shares repurchased under equity incentive plan	434.48	No
Li Rui	Secretary to the Board of	Male	44	2017-01-09	2026-05-17	64,640	71,240	6,600	Grant of shares and cancellation of shares repurchased	121.21	No

	Directors								under equity incentive plan		
Total	/	/	/	/	/	84,048,486	84,209,286	160,800	/	6,570.63	/

Name	Main work experience
Chen Xuehua	Mr. Chen Xuehua, male, born in 1961, is of Chinese nationality. He is a senior economist and an honorary doctor of the University of Lubumbashi. Mr. Chen Xuehua worked in a rural chemical factory operated by Xiangzhou Village of Lutou Township in Tongxiang City and Tongxiang Huaxin Chemical Factory. In 2002, Mr. Chen Xuehua founded Zhejiang Huayou Cobalt and Nickel Materials Company Limited (the predecessor of the Company) with others. He served as the Chairman and General Manager of the Company from June 2002 to July 2016 and the Chairman of the Company from July 2016 to date. Mr. Chen Xuehua is also currently serving as the Chairman of Huayou Holding Group Co., Ltd.
Chen Hongliang	Mr. Chen Hongliang, male, born in 1973, is of Chinese nationality. He holds a junior college degree. Mr. Chen Hongliang used to work in Agricultural Bank of China Tongxiang Sub-branch, Agricultural Bank of China Zhejiang Trust and Investment Company Tongxiang Securities Department, Shenyn Wanguo Securities Co., Ltd. Tongxiang Business Office, and Tongxiang Huaxin Chemical Factory. He has been working with the Company since May 2002, serving as a Director and Deputy General Manager of the Company. From July 2016 to the present, he has served as a Director and President of the Company.
Fang Qixue	Mr. Fang Qixue, male, was born in October 1962. Graduated from Wuhan University of Science and Technology, majoring in mineral processing, and obtained a PhD degree in engineering from Central South University, he is a professor-level senior engineer and holder of the license issued by the Securities and Futures Commission of Hong Kong to carry on relevant business. He had worked with Beijing General Research Institute of Mining and Metallurgy (BGRIMM) as a professor-level senior engineer and head of the Mineral Engineering Research Institute of BGRIMM. Then he served as Deputy General Manager of China United Copper Co., Ltd., Director and General Manager of Minmetals JCCL Mining Investment Co., Ltd., and the Chief Technology Officer of China Minmetals Non-ferrous Metals Co., Ltd. and General Manager of its Investment Department. Dr. Fang also served at Standard Bank (its Headquarters located in Johannesburg, South Africa) as the Head of Mining and Metals Coverage of China, Vice Chairman and Head of Mining and Metals Coverage Asia of Standard Bank Plc, Hong Kong Branch, and Vice Chairman and Head of Mining and Metals Coverage Asia of Standard Advisory Asia. From May 2015 to December 2019, Dr. Fang worked with Zijin Mining Group Co., Ltd. as its Director and Vice President. He joined the Company in January 2020 and is currently a Director, Deputy Chairman and Vice President of the Company.
Wang Jun	Mr. Wang Jun, male, was born in October 1970. With a MBA degree from Tsinghua University, he is now a senior accountant, a national leading high-end talent in accounting, a member of the China Enterprise Standard Advisory Committee, a member of the Chartered Institute of Management Accountants (CIMA) and a Fellow of The Hong Kong Chartered Governance Institute (HKFCG). Having worked in the non-ferrous metals industry for more than 30 years, Mr. Wang has obtained extensive experience in financial management, capital operation and on-site management of large overseas mining companies. He had served as CFO and Board Secretary of Chalco International, Deputy Chief Accountant and Head of Finance and Capital Operation Department of Chalco Group, and CFO and Board Secretary of Chalco China. Mr. Wang Jun joined the Company in February 2023, and currently serves as Director, Vice President and Chief Financial Officer of the

	Company.
Li Hailong	Mr. Li Hailong, male, born in May 1980, is of Chinese nationality. He is a Deputy Dean of Law School, Zhejiang University of Finance and Economics, professor, doctor of laws, director of China Securities Law Research Institute, Vice President of Zhejiang Provincial Commercial Law Society, executive director of Zhejiang Financial Law Research Institute, and member of Hangzhou Compliance Expert Database. Currently, he serves as a part-time lawyer of Tiantai Law Firm (Hangzhou Office), independent director of MaoGeping Cosmetics Co., Ltd. and Zhejiang Dali Technology Co., Ltd. He has been an independent director of the Company since December 2024.
Dong Xiuliang	Mr. Dong Xiuliang, male, born in 1966, is of Chinese nationality. He has a PhD in quantitative economics and a postdoctoral degree in business administration. Dr. Dong was formerly a faculty member of the Finance Department of the Business School of Jilin University, and a professor and doctoral supervisor at the School of Management of Jilin University, serving successively as Deputy Director, Secretary and Director of Finance and Management Department. Currently, he is a professor and doctoral supervisor at the School of Business and Management of Jilin University. Dr. Dong has served as an independent director of the Company since May 2022.
Qian Bolin	Mr. Qian Bolin, male, born in November 1960, is a member of the CPC. With a bachelor's degree, Mr. Qian is a certified tax agent and senior accountant. From August 1981 to October 1997, Mr. Qian worked with Hangzhou Material Recycling Corporation, serving successively as Deputy Chief and Chief of Finance Section, Deputy General Manager and Chief of Finance Section of the Corporation; from November 1997 to December 2013, he worked with Zhonghui (Zhejiang) CTA Firm, serving successively as Deputy Director and Director, Manager of Finance Department and Chief Financial Officer; from December 2013 to present, he has been working with Zhonghui CPA LLP. Mr. Qian has served as an independent director of the Company since April 2020.
Tao Yiwen	Ms. Tao Yiwen, female, born in 1978, is of Chinese nationality. She holds a postgraduate degree. Ms. Tao joined the Company in March 2005, and has since served as Deputy Director of the Office of the President of the Group, Deputy Director of the Enterprise Management Department, Deputy General Manager and General Manager of the Operation Center of the New Material Industry Group. She is currently the General Manager of the Enterprise Management Center of the New Material Industry Group. She has served as Employee Representative Director of the Company since September 2025.
Xu Wei	Mr. Xu Wei, male, born in 1983, is of Chinese nationality. He has a bachelor's degree. Mr. Xu joined the Company in June 2007 and has since served as Deputy Director and Director of Manufacturing Department 3, Production Director, General Manager of Tongxiang Metallurgical Business Unit, Deputy General Manager of Quzhou Huayou Cobalt New Materials Co., Ltd., Plant Manager of Product Subplant, General Manager of Product Business Unit, General Manager and other positions. Mr. Xu currently is Vice President of the Company and General Manager of Huayou Quzhou.
Chen Yaozhong	Mr. Chen Yaozhong, male, born in 1970, is of Chinese nationality. Professor-Senior Engineer. He has a master's degree. Mr. Chen once worked in the Futures Department of Liaoning Huaxi Group and the Securities Department of Tianjin Lantian Hi-Tech Co., Ltd. He also served as Assistant General Manager and Deputy General Manager of Tianjin B&M Science and Technology Co., Ltd. Joined in the Company in June 2013, Mr. Chen is now Vice President of the Company and Chairman of Tianjin B&M, Puhua Company and Leyou Company respectively.
Gao Baojun	Mr. Gao Baojun, male, born in December 1969, is of Chinese nationality. He holds a bachelor's degree in nonferrous metal smelting, a master's degree in project management, and is a professor-level senior engineer. Mr. Gao started his career in 1992, working in design, R&D and engineering management of non-ferrous metal smelting projects. He previously served as an engineer in China General Research

	Institute for Nonferrous Metals, department head and Deputy General Manager of China ENFI Engineering Co., Ltd., and as Chairman and General Manager of Tangshan Tenglong Regeneration Technology Co., Ltd. He joined the Company in May 2018 and currently serves as Vice President of the Company.
Qian Xiaoping	Mr. Qian Xiaoping, male, born in 1972, is of Chinese nationality. He holds a master's degree. Mr. Qian had served in the People's Liberation Army (PLA) 53508 troop. Later, he worked with Bank of Communications as a clerk in the security section, account manager and deputy chief of a sub-branch, then with CITIC Bank as chief of a sub-branch, assistant president of a branch and deputy president of a branch. He also served as president of Jiaxing branch of China Merchants Bank. Mr. Qian Xiaoping joined the Company in October 2018 and now serves as the Vice President of the Company.
Fang Yuan	Mr. Fang Yuan, male, born in 1972, is of Chinese nationality. He has a bachelor's degree. Mr. Fang started his first job in 1993 and engaged in environmental protection and secretarial work at Kecheng District Bureau of Urban Construction and Environmental Protection. Later, he became deputy chief and chief of Kecheng District Environmental Monitoring (Supervision) Station, deputy chief and chief of Development and Construction Management Division and director of Chengnan Sub-bureau of Quzhou Municipal Environmental Protection Bureau. He also once served as a member of the CPC Working Committee and deputy director of the management committee of Quzhou Green Industry Cluster. Mr. Fang joined the Company in January 2017 and is currently the Vice President of the Company.
Lu Feng	Mr. Lu Feng, male, born in 1983, is of Chinese nationality. He has received a bachelor's degree. Mr. Lu joined the Company in March 2007. He has since served as the head of the Supply Department and director of the Logistics Department of the Group, General Manager of the Huayou Import & Export, General Manager of the Procurement Center of the Group, and General Manager of the Construction Project Center of the Group. Currently, Mr. Lu is the Vice President of the Company, in charge of the Logistics Center, the Civil Engineering Center and the Construction Management Center. He is also the General Manager of the Procurement Center.
Zhang Bing	Mr. Zhang Bing, male, born in October 1974, graduated from Dalian University of Technology with a major in polymer chemistry. He received his master's degree from Institute of Chemistry, Chinese Academy of Sciences, and his doctor's degree in Chemistry from University of Missouri-Rolla, USA. He also holds a Six Sigma Black Belt certification in project management. He has served as Vice President of Technology of Smoore, Vice President of National Institute of Clean-and-Low-Carbon Energy, General Manager of GE Central Research Institute in China, Director of GE China High-tech and Director of Strategic Innovation and Cooperation Department. He joined the company in September 2024 and is currently Vice President of the Company.
Wu Mengtao	Mr. Wu Mengtao, male, born in August 1963, Chinese nationality, is a professor-level senior engineer and expert with special government allowance of the State Council. Mr. Wu worked with the 18th Research Institute of Electronics of the Ministry of Information Industry from July 1985 to August 2002, serving as an engineer, senior engineer, director of the research laboratory (equivalent to division chief), etc. From August 2002 to present, he has served in Tianjin B&M Science and Technology Co., Ltd. as Deputy General Manager and Chief Engineer, General Manager, Managing Director and other positions. Mr. Wu currently also serves as vice president of China Industrial Association of Power Sources, expert of National Science and Technology Award Review Expert Pool, expert of Patent Examination Committee of the Patent Office of CNIPA, technical consultant of Tianjin High People's Court for IP trials, 2016 national leading talent of high-level innovation and entrepreneurship in Chengdu, expert of Technology Expert Committee of China Electronic Materials Industry Association, part-time professor of Nankai University, chair professor of Henan University, president of Tianjin New Materials Industry Alliance, and president of Chengdu Green Energy Industry Association.

Li Rui	Mr. Li Rui, male, born in 1982, is of Chinese nationality. He holds a postgraduate degree. Mr. Li joined Zhejiang Huayou Cobalt Co., Ltd. in January 2007, and has since served as Commissioner of the Listing Office, Deputy Director of the Securities and Investment Department, Director of the Securities and Investment Department, and Representative of the Securities Affairs successively. Currently, Mr. Li serves as Secretary of the Board of Directors of the Company.
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Other relevant information

Applicable  Not applicable

Tao Yiwen has been elected as an Employee Representative Director since September 2025.

**(II) Positions held by current and departing directors and senior officers during the reporting period**
**1. Positions held in shareholder entities**

✓Applicable □Not applicable

Name	Entity	Position	Term start	Term end
Chen Xuehua	Huayou Holding	Chairman	December 2006	
Chen Hongliang	Huaxing Trading	Chairman, Executive Director, Manager	April 2007	
Notes on the positions held in shareholder entities	The directors and senior officers of the Company do not hold any position other than that of director in the controlling shareholder entities.			

**2. Positions held in other entities**

✓Applicable □Not applicable

Name	Entity	Position	Term start	Term end
Chen Xuehua	Zhejiang Huayou New Energy Technology Co., Ltd.	Executive Director	2020-06	
	Zhejiang Huayou Recycling Technology Co., Ltd.	Executive Director, Manager	2017-03	
	Quzhou Huayou Cobalt New Materials Co., Ltd.	Director	2016-06	
	HUAYOU RESOURCES PTE. LTD.	Director	2022-09	
	Tongxiang Huajin Construction Management Service Co., Ltd.	Executive Director, Manager	2020-09	
	Huayou Holding Group Co., Ltd.	Chairman, Manager	2006-12	
	HUAYOU HONGKONG HOLDING LIMITED	Executive Director	2019-02	
	RUBY MINING HONGKONG LIMITED	Executive Director	2019-03	
	TMA HONGKONG CONSULTING COMPANY LIMITED	Executive Director	2020-10	
	TMA INTERNATIONAL PTE. LTD.	Director	2019-08	
	HUAYOU RESOURCES PTE. LTD.	Director	2022-09	
	Zhejiang Youshan New Materials Technology Co., Ltd.	Executive Director, Manager	2018-06	
	Huayou Holding (Singapore) Pte. Ltd.	Director	2021-10	
CCM INTERNATIONAL INVESTMENT PTE.LTD.	Director	2023-02		
Chen Hongliang	Quzhou Huayou Cobalt New Materials Co., Ltd.	Chairman	2016-12	
	Shanghai Feicheng Metal Materials Co., Ltd.	Executive Director	2018-11	
	Huayou International Recycling Resources Co., Limited	Executive Director	2017-04	
	HUAYOU INTERNATIONAL MINING (HONGKONG) LIMITED	Director	2013-10	
	HUANENG ASIA INTERNATIONAL CO., LIMITED	Director	2021-04	
	HUAYOU RESOURCES PTE. LTD.	Director	2018-04	
	LA MINIERE DE KASOMBO SAS	Chairman	2014-08	
	CONGO DONGFANG INTERNATIONAL MINING SAS	Chairman	2008-02	
	FEZA MINING SAS	Chairman	2016-12	
	HUAYOU INTERNATIONAL MINING HOLDING LIMITED	Director	2013-10	
	Huayuan Copper Company Limited	Director	2019-08	
	ORIENT INTERNATIONAL MINERALS & RESOURCE (PROPRIETARY) LIMITED	Executive Director	2006-09	
	PEACEFRIEND INVESTMENT LIMITED	Director	2017-10	
Huatuo Cobalt Company Limited	Director	2017-10		

	Huayou International Cobalt (Hong Kong) Company Limited	Director	2020-11	
	Huayou International Resources (Hong Kong) Limited	Director	2022-07	
	Hua Jin International (Hong Kong) Limited	Director	2022-09	
	Hua Ming (Hong Kong) Limited	Director	2022-09	
	Hua Qun (Hong Kong) Limited	Director	2022-09	
	Hua Bin (Hong Kong) Limited	Director	2022-09	
	Shanghai Huayou Jintian Enterprise Management Co., Ltd.	Director	2023-06	
	Huayou New Energy Technology (Quzhou) Co., Ltd.	Director	2023-03	
	Hua Wu (Hong Kong) Limited	Director	2022-09	
	Hua Qi (Hong Kong) Limited	Director	2022-08	
	Huasheng Nickel (Hong Kong) Limited	Director	2022-01	
	Huaxing Nickel (Hong Kong) Limited	Director	2022-01	
	Huacai (Hong Kong) Limited	Director	2021-09	
	Huayong International (Hong Kong) Limited	Director	2021-09	
	Shanghai Huayou Xinsheng Metal Co., Ltd.	Executive Director	2022-11	
	Huaqi (Singapore) Pte. Ltd.	Director	2022-11	
	HUAZE INTERNATIONAL INVESTMENT PTE. LTD.	Director	2022-12	
	HUAYAO INTERNATIONAL INVESTMENT PTE. LTD.	Director	2022-12	
	HUAJUN INTERNATIONAL INVESTMENT PTE. LTD.	Director	2022-12	
	Huayou International Lithium (Hong Kong) Limited	Director	2025-12	
	Huayou Nickel Resources Holding (Hong Kong) Limited	Director	2022-10	
	Huayou International Investment Co., Ltd.	Director	2023-03	
	Zhejiang Huayou Supply Chain Co., Ltd.	Executive Director and General Manager	2024-01	
	Huajing Mining Investment (Hong Kong) Limited	Director	2023-04	
	Huapo (Hong Kong) Limited	Director	2023-11	
	Huayou Danjiang Buli (Hong Kong) Limited	Director	2025-12	
Fang Qixue	HUAYOU INTERNATIONAL MINING (HONGKONG) LIMITED	Director	2020-12	
	Huatu Cobalt Company Limited	Director	2020-11	
	Huayou International Cobalt (Hong Kong) Company Limited	Director	2020-11	
	HUATUO INTERNATIONAL DEVELOPMENT PTE. LTD.	Director	2021-09	
	Huasheng Nickel (Hong Kong) Limited	Director	2022-01	
	Huaxing Nickel (Hong Kong) Limited	Director	2022-01	
	Huacai (Hong Kong) Limited	Director	2021-09	
	Huayong International (Hong Kong) Limited	Director	2021-09	
	Hua Jin International (Hong Kong) Limited	Director	2022-09	
	Hua Ming (Hong Kong) Limited	Director	2022-09	
	Hua Qun (Hong Kong) Limited	Director	2022-09	
	Hua Bin (Hong Kong) Limited	Director	2022-09	
	Hua Wu (Hong Kong) Limited	Director	2022-09	
	Huaqi (Singapore) Pte. Ltd.	Director	2022-11	
	HUAZE INTERNATIONAL INVESTMENT PTE. LTD.	Director	2022-12	
	HUAYAO INTERNATIONAL INVESTMENT PTE. LTD.	Director	2022-12	
	HUAJUN INTERNATIONAL INVESTMENT PTE. LTD.	Director	2022-12	
Huayou International Lithium (Hong Kong) Limited	Director	2022-04		

	Huayou International Resources (Hong Kong) Limited	Director	2022-07	
	PROSPECT LITHIUM ZIMBABWE (PVT) LTD	Chairman		
	Huashun Resources Pte. Ltd.	Director		
	PT. Sulawesi Manganese Recycle	Chief Supervisor		
	Huayou New Energy Lithium Material (Singapore) Pte. Ltd.	Director	2022-12	
	Huayou Nickel Resources Holding (Hong Kong) Limited	Director	2022-10	
	Bevor Mining Pte. Ltd.	Director		
	KNI Company	Chief Supervisor		
	PT. Huaxiang Refining Indonesia	Supervisor		
	PT. Indonesia Dahuaxing Industry Park	Chairman		
	PT. Indonesia Hongda Industry Park	Chairman		
	PT. Indonesia Kerui Industry Park	Chairman		
	Huacheng International Investment Co., Ltd.	Director	2023-07	
	Huasong International Investment Co., Ltd.	Director	2023-07	
	Huazhang (Singapore) Pte. Ltd.	Director	2023-11	
	Huabo (Singapore) Pte. Ltd.	Director	2023-12	
	Huatu (Singapore) Pte. Ltd.	Director	2023-12	
	Huate (Singapore) Pte. Ltd.	Director	2023-11	
	Huayuan Investment (Singapore) Pte. Ltd.	Director	2023-12	
	Huasen International Investment Co., Ltd.	Director	2023-12	
	Huating Investment (Singapore) Pte. Ltd.	Director	2023-12	
	Huamei International Investment Co., Ltd.	Director	2023-11	
	Huaqin (Hong Kong) Limited	Director	2025-10	
	Huayi (Hong Kong) Limited	Director	2025-10	
	Huazi (Hong Kong) Limited	Director	2025-12	
	Huasu (Hong Kong) Limited	Director	2025-12	
	PT Central Abadi Nusantara	Chairman	2024-06	
	Huapo (Hong Kong) Limited	Director	2023-11	
Li Hailong	MaoGeping Cosmetics Co., Ltd.	Independent non-executive director	2022-05	
	Zhejiang Dali Technology Co., Ltd.	Independent Director	2025-07	
Chen Yaozhong	Zhejiang Huayou New Energy Technology Co., Ltd.	Manager	2018-04	
	Guangxi B&M Technology Co., Ltd.	Executive Director	2021-04	
	Zhejiang Puhua New Energy Materials Co., Ltd.	Chairman	2019-01	
	Tianjin B&M Science Technology Co., Ltd.	Chairman	2018-06	
	Zhejiang B&M Science and Technology Co., Ltd.	Director	2021-11	
	Leyou New Energy Materials (Wuxi) Co., Ltd.	Chairman, Executive Director	2018-06	
	Bamo Technology Hungary Kft	Director	2024-05	
Xu Wei	Quzhou Huayou Cobalt New Materials Co., Ltd.	Director, General Manager	2016-06	
	Quzhou Huayou Resource Recycling Technology Company Limited	Director	2016-12	
	Guangxi Huayou New Materials Co., Ltd.	Director	2021-04	
	Huayou New Energy Technology (Quzhou) Co., Ltd.	Chairman, Manager	2023-03	
	Huajin New Energy Materials (Quzhou) Co., Ltd.	Director	2022-11	
	Quzhou Huayou Environmental Protection Technology Co., Ltd.	Chairman	2022-09	
	Guangxi Huayou New Energy Technology Co., Ltd.	Executive Director and General Manager	2022-12	
	Quzhou Huayou Resource Recycling Technology	Executive Director	2023-09	

	Company Limited			
	Zhejiang Huayou Puxiang New Energy Materials Co., Ltd.	Director	2023-01	
	Huayou Battery Material Technology Japan Corporation	Director	2024-08	
Gao Baojun	PT. HUAYUE NICKEL COBALT	Director	2021-02	
	PT. Indonesia Pomalaa Industry Park	Director	2026-03	
	PT. HUASHAN NICKEL COBALT	Director	2022-02	
Qian Xiaoping	Huayou (Hong Kong) Co., Limited	Director	2024-06	
Wu Mengtao	Chengdu B&M Technology Co., Ltd	Executive Director, General Manager	2016-03	
	Tianjin B&M Science Technology Co., Ltd.	Director, General Manager	2011-12	
Lu Feng	Zhejiang Huayou Import & Export Co., Ltd.	Director	2013-11	
	Zhejiang Youqing Trading Co., Ltd.	Chairman, General Manager	2019-05	
	Tongxiang Hua'ang Trading Co., Ltd.	General Manager	2020-08	
	Huashan Import & Export (Tongxiang) Co., Ltd.	Chairman	2021-08	
	Tongxiang Huashi Import & Export Co., Ltd.	Director, Manager	2020-11	
	Huaxun Import & Export (Tongxiang) Co., Ltd.	Chairman	2021-05	
	Huawang Import & Export (Tongxiang) Co., Ltd.	Chairman	2021-05	
	Hualing Import & Export (Tongxiang) Co., Ltd.	Chairman	2021-05	
	Beijing Youhong Yongsheng Technology Co., Ltd.	Manager	2020-08	
	Beijing Huashan Yongsheng Technology Co., Ltd.	Chairman	2021-08	
	Huashan Import & Export (Wenzhou) Co., Ltd.	Chairman	2021-05	
Huake Import & Export (Wenzhou) Co., Ltd.	Chairman	2021-05		
Li Rui	LM Mining (Hong Kong) Limited	Director	2025-08	
Notes on the positions held in other entities	None			

### (III) Compensation of directors and senior officers

√Applicable □Not applicable

Decision-making procedures for the compensation	Compensation of directors is deliberated and approved at the shareholders' meeting, while compensation of senior officers is deliberated and approved at the meeting of the Board of Directors.
Whether a director recuses himself/herself from the Board of Directors' discussion of his/her compensation	Yes
Details of the recommendations made by the Remuneration and Appraisal Committee or the special meeting of independent directors on the compensation matters	The compensation of directors and senior officers for the year 2025 is in line with the current situation of the Company's operation and management as well as the Company's performance, and it does not harm the interests of the Company and its shareholders.
Determination basis for the compensation	The Company has implemented a base salary and performance appraisal system for its directors and senior officers, whereby compensation is determined on the basis of the Company's production and operation and performance results and under the principle of compensation being tied to performance. The

	independent director is compensated by annual allowances.
Actual payment of the compensation	For details of actual payments, please refer to the table entitled “Changes in shareholding and compensation of directors and senior officers” in Section IV, Item III (I).
Total amount of compensation received as at the end of the reporting period	RMB 65,976,300
Basis and completion of the assessment of compensation received as at the end of the reporting period	During the reporting period, the compensation received by all directors and senior officers truly reflected the Company’s operating results and their individual contributions in performing their duties, and the decision-making procedures for compensation payment, assessment basis and amount calculation were all legal, compliant, true and valid
Arrangement for deferred payment of compensation received as at the end of the reporting period	None
Recourse for stop payment of compensation received as at the end of the reporting period	None

**(IV) Changes of directors and senior officers of the Company**
Applicable Not applicable

Name	Position	Description of change	Reasons for change
Tao Yiwen	Employee Representative Director	Election	

**(V) Description of penalties imposed by securities regulatory authorities in the last three years**
Applicable Not applicable

**(VI) Other information**
Applicable Not applicable

**IV. Directors’ performance of duties**
**(I) Attendance of directors at the meeting of the Board of Directors and the shareholders’ meeting**

Name	Independent director or not	Attendance at the meeting of the Board of Directors						Attendance at the shareholders’ meeting
		Number of meetings required to attend during the year	Number of meetings attended in person	Number of meetings attended by way of telecommunication	Number of meetings attended by proxy	Number of meetings absent	Failure to attend in person two consecutive meetings or not	Number of shareholders’ meetings attended
Chen Xuehua	No	11	11	10	0	0	No	0
Chen Hongliang	No	11	11	11	0	0	No	4
Fang Qixue	No	11	11	10	0	0	No	0

Wang Jun	No	11	11	10	0	0	No	5
Li Hailong	Yes	11	11	10	0	0	No	5
Dong Xiuliang	Yes	11	11	10	0	0	No	5
Qian Bolin	Yes	11	11	10	0	0	No	5
Tao Yiwen	No	4	4	4	0	0	No	1

Explanation for failure to attend in person two consecutive meetings of the Board of Directors.

Applicable Not applicable

Number of meetings of the Board of Directors held during the year	11
Of which: Number of on-site meetings	1
Number of meetings held by means of telecommunication	10
Number of meetings held on-site with option of access via telecommunication	1

### (II) Objections raised by directors on matters related to the Company

Applicable Not applicable

### (III) Other information

Applicable Not applicable

## V. Special committees under the Board of Directors

Applicable Not applicable

### (I) Member of the special committees under the Board of Directors

Special committees	Members
Audit Committee	Qian Bolin (convener), Chen Xuehua, Li Hailong
Nomination Committee	Li Hailong (convener), Chen Xuehua, Qian Bolin
Remuneration and Appraisal Committee	Dong Xiuliang (convener), Chen Hongliang, Qian Bolin
Strategy Committee	Chen Xuehua (convener), Chen Hongliang, Fang Qixue, Li Hailong, Dong Xiuliang

### (II) The Audit Committee held 5 meetings during the reporting period

Date of the meeting	Contents of the meeting	Key opinions and recommendations	Other information about the performance of duties
March 12, 2025	1. Deliberated and approved the <i>Proposal on the 2024 Audit Communications</i>	Deliberated and approved	
April 17, 2025	1. Deliberated and approved the <i>Proposal on the 2024 Annual Report and Its Summary</i> 2. Deliberated and approved the <i>2024 Auditor's Report of the Company</i> 3. Deliberated and approved the <i>Proposal on the 2024 Final Account Report</i> 4. Deliberated and approved the <i>Proposal on the 2025 Budget Report</i> 5. Deliberated and approved the <i>Proposal on the Review of Related-party Transactions in 2024</i> 6. Deliberated and approved the <i>Proposal on Estimated</i>	Deliberated and approved	

	<i>Daily Related-party Transactions for Year 2025</i> 7. Deliberated and approved the <i>Proposal on the 2024 Internal Control Evaluation Report</i> 8. Deliberated and approved the <i>Proposal on the 2024 Internal Control Audit Report of the Company</i> 9. Deliberated and approved the <i>Proposal on the Retaining the Audit Institution for Year 2025</i> 10. Deliberated and approved the <i>Proposal on Changes in Accounting Policies</i> 11. Deliberated and approved the <i>Proposal on the Provision for Asset Impairment</i> 12. Deliberated and approved the <i>Proposal on the First Quarter Report of 2025</i>		
August 16, 2025	1. Deliberated and approved the <i>Proposal on the 2025 Semi-annual Report and Its Summary</i> 2. Deliberated and approved the <i>Proposal on Estimated Daily Related-party Transactions for Year 2025</i>	Deliberated and approved	
October 17, 2025	1. Deliberated and approved the <i>Proposal on the Third Quarter Report of 2025</i>	Deliberated and approved	
October 22, 2025	1. Deliberated and approved the <i>Proposal on the Completion of the Public Offering of Convertible Corporate Bonds and the Permanent Use of the Remaining Raised Funds to Supplement Working Capital</i>	Deliberated and approved	

## (III) The Nomination Committee held 1 meeting during the reporting period

Date of the meeting	Contents of the meeting	Key opinions and recommendations	Other information about the performance of duties
April 17, 2025	1. Deliberated and approved the <i>2024 Work Report of the Nomination Committee under the Board of Directors</i>	Deliberated and approved	

## (IV) The Remuneration and Appraisal Committee held 4 meetings during the reporting period

Date of the meeting	Contents of the meeting	Key opinions and recommendations	Other information about the performance of duties
January 23, 2025	1. Deliberated and approved the <i>Proposal on the Adjustment of Matters Related to the First Grant under the 2024 Restricted Stock Incentive Plan</i> 2. Deliberated and approved the <i>Proposal on the First Grant of Restricted Shares to Incentive Recipients</i>	Deliberated and approved	
April 17, 2025	1. Deliberated and approved the <i>Proposal on the Remuneration Assessment of Directors and Senior Officers for Year 2024 and the Compensation Plan for Year 2025</i>	Deliberated and approved	
June 11, 2025	1. Deliberated and approved the <i>Proposal on the Adjustment of the Repurchase Price of Restricted Shares</i> 2. Deliberated and approved the <i>Proposal on the Proposed Repurchase and Cancellation of Some Restricted Shares</i>	Deliberated and approved	
October 29,	1. Deliberated and approved the <i>Proposal on</i>	Deliberated and	

2025	<i>the Grant of the Reserved Restricted Shares to Incentive Recipients</i>	approved	
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(V) The Strategy Committee held 1 meeting during the reporting period

Date of the meeting	Contents of the meeting	Key opinions and recommendations	Other information about the performance of duties
April 17, 2025	1. Deliberated and approved the <i>Proposal on the 2024 Annual Report and Its Summary</i> 2. Deliberated and approved the <i>Proposal on the 2024 Final Account Report</i> 3. Deliberated and approved the <i>Proposal on the 2025 Budget Report</i> 4. Deliberated and approved the <i>Proposal on the 2024 Sustainable Development Report</i>	Deliberated and approved	

**(VI) Particulars of the matter on which objection is raised**

Applicable Not applicable

**VI. Description of the risks to the Company identified by the Audit Committee**

Applicable Not applicable

During the reporting period, the Audit Committee has no objections to the matters under supervision.

**VII. Employees of the parent company and major subsidiaries at the end of the reporting period**

**(I) Employees**

Number of in-service employees of the parent company	2,064
Number of in-service employees of the major subsidiaries	24,402
Total number of in-service employees	26,466
Number of retirees requiring costs to be borne by the parent company and major subsidiaries	20
<b>Functions</b>	
Function	Number of Employees
Production	19,139
Sales	262
Technical	4,642
Financial	405
Administrative	2,018
Total	26,466
<b>Educational background</b>	
Educational background	Number of Employees
PhD	73
Master	1,093
Bachelor's degree	6,240
Junior college	3,883
High school and below	15,177
Total	26,466

**(II) Employee compensation policy**

Applicable Not applicable

Compensation and benefits serve as an important material foundation for safeguarding employees' right to existence and right to development. The Company has always been committed to building a competitive compensation system in the market, ensuring that the compensation of its employees remains leading in the same industry and in various regional markets, and continuously optimizing and improving the compensation of its employees.

In terms of working hour management, the Company strictly adheres to the requirements of national laws and regulations. It implements a comprehensive working hour system for primary level employees and a standard working hour system for managerial and technical staff. The Company controls overtime work strictly to effectively protect the employees' right to have rest. Overtime pay is provided for employees who work on holidays in accordance with the law. The Company takes into account both efficiency and humanistic care in its operation and management.

The Company has devised a scientific and reasonable salary structure, which includes job level salary, monthly performance salary, skill allowance, management allowance, overtime pay, post allowance, night shift allowance, annual performance salary/bonus, incentive bonus and other allowances and subsidies, fully reflecting the value contribution of employees. The Company adheres to the value distribution concept of "striver-oriented", and implements the distribution principles of "results oriented performance heroes" and "favoring the strivers". This does not only ensure a reasonable reward to employees for their work, but also motivates them to keep improving their professional competence, reflecting the cultural concept of "high performance, high income; enhanced performance of the enterprise, increased income of its employees".

To further activate the potential of talents and drive the implementation of strategies, in 2025, the Company kept the bonus for instant incentive and enhanced the performance appraisal, with the aim of guiding employees to pursue growth together with the Company. In 2025, the Company continued to implement a restricted stock incentive plan and achieved shared benefits and risks between the Company and its employees through equity binding to improve the long-term incentive mechanism, with a view to attracting and retaining talents and fully mobilizing the enthusiasm of core management personnel and key personnel.

### **(III) Employee training plans**

Applicable Not applicable

The Company continues to adhere to the core principle of "people-oriented", deeply implements the talent concept of "maximizing the skills of talents", closely follows the business development strategy, continuously optimizes the talent development system, and accelerates the refinement of organizational capabilities and the construction of talent teams. Throughout the year, with "system deepening, precise empowerment, and value creation" as the main concern, the Company has pushed the learning organization to a new stage, laying a more solid foundation for building a craftsman team, an engineer team and a management team who are loyal, reliable and can win battles.

In 2025, the Company continued to deepen the blended learning model that integrates online and offline, promoting the accumulation and sharing of organizational knowledge. It delivered 682,100 hours of internal training in the year, with a total of 520,000 trainees and a per capita training duration of 25.7 hours. It synchronously optimized the application of E-learning online learning platform, and accumulated organizational experience, with a total of 945 endogenous courses and 406 new courses, more than 6,000 course resources on the platform, 60,000 hours of online learning time in the year, more than 630,000 students, an average learning time of 6 hours, and a total investment of about RMB 2 million.

For management talents, the Company has established a systematic management training project matrix to promote management' leadership training by layers and classifications, and embed management's leadership training from multiple management's life cycle management points such as new entry, reserve, turn-around and on-post.

For experts and skilled talents, the Company has taken the qualification development system as the growth blueprint for professional talents, which provides clear evaluation criteria and training direction, and completed the qualification promotion evaluation of 742 people throughout the year. Meanwhile, the

Company has formulated and implemented targeted empowerment plans around key expert teams, such as R&D engineers, R&D project managers, safety and environmental protection grassroots managers, compliance liaison officers, and employee relations coordinators, etc., to enhance the professional qualities and job performance capabilities of employees.

For skilled workers at the production line, the Company has promoted the implementation of position establishment and skills implementation work and competitions at home and abroad at the production line, provided growth resources for the skills improvement in positions at the production line, provided development channels for the growth of employees at the production line, produced one set of general ability standards for team leaders, and completed skills implementation assessments of 5,698 people throughout the year.

#### **(IV) Outsourcing of labor services**

Applicable Not applicable

### **VIII. Proposals for profit distribution or converting capital reserve to share capital**

#### **(I) Formation, implementation or adjustment of cash dividend policy**

Applicable Not applicable

In order to further enhance the transparency of the profit distribution policy, improve the Company's profit distribution decision-making and supervision mechanism, maintain the continuity and stability of the profit distribution policy, protect the legitimate rights and interests of investors, facilitate investors to form stable return expectations, and guide investors to establish long-term and rational investment concepts, in accordance with the *Company Law of the People's Republic of China*, the *Regulatory Guidelines for Listed Companies No. 3 - Cash Dividends of Listed Companies*, the *Self-Regulatory Guidelines for Listed Companies on Shanghai Stock Exchange No. 1 - Standardized Operations* and other laws, regulations and normative documents, and on the basis of fully considering the actual situation of the Company, the Company formulated a shareholder dividend return plan for the next three years (2025 -2027): The Board of Directors of the Company should take into account a comprehensive consideration of factors such as the Company's industry characteristics, development stage, business model, profit level, and whether there are significant capital expenditure arrangements, differentiate situations and, in accordance with the procedures stipulated in the Articles of Association, propose differentiated cash dividend policies. Under the premise of conforming to the principles of profit distribution and ensuring the Company's policy operation and long-term development, when the conditions for cash dividend distribution are met, the Company will, in principle, distribute cash dividends once a year. The Board of Directors may also propose that the Company distribute interim cash dividends based on the Company's profit situation and capital requirements. However, it is necessary to ensure that the proportion of cash dividends in the profit distribution meets the following requirements: 1. The Company's cumulative cash distribution of profits over three consecutive years shall be no less than 30% of the average distributable profits realized in those three years. 2. If the Company is in the mature stage of development and has no significant capital expenditure arrangements, when distributing profits, the proportion of cash dividends in the profit distribution should be at least 80%. 3. If the Company is in the mature stage of development and has significant capital expenditure arrangements, when distributing profits, the proportion of cash dividends in the profit distribution should be at least 40%. 4. If the Company is in the growth stage of development and has significant capital expenditure arrangements, when distributing profits, the proportion of cash dividends in the profit distribution should be at least 20%. 5. Where it is difficult to distinguish the development stage of the Company but there are significant capital expenditure arrangements, when distributing profits, the proportion of cash dividends in the profit distribution should be at least 20%.

Proposal for profit distribution in 2025: Based on the total share capital registered on the equity registration date for the implementation of the equity distribution, a cash dividend of RMB 5.00 (tax included) per 10 shares will be paid to all shareholders, and no distribution of bonus share and conversion of capital reserve fund into share capital will be implemented. Where there is any change in the Company's total share capital during the period from the date of disclosure of this announcement to the equity registration date for the implementation of the equity distribution, the Company intends to

maintain the distribution ratio for each share unchanged and adjust the total distribution amount accordingly, and the detailed adjustment shall be announced separately.

## (II) Special notes on cash dividend policy

Applicable Not applicable

Whether it complies with the requirements of the Company's Articles of Association or the resolutions of the shareholders' meeting	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the criteria and proportion of cash dividends are definite and well defined	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the relevant decision-making procedures and mechanisms are complete	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the independent directors have duly performed their duties and played their due roles	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether minority shareholders have full opportunities to express their opinions and claims, and whether their legitimate rights and interests are adequately protected	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**(III) If during the reporting period, the Company makes profit and the parent company's profit available for distribution to shareholders is positive, but no cash dividend distribution plan has been proposed, the Company shall disclose in detail the reasons for this, as well as the use purpose of and use plan for the undistributed profit**

Applicable Not applicable

## (IV) Proposals for profit distribution or converting capital reserve to share capital

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Bonus shares/10 shares (shares)	0
Dividends/10 shares (RMB) (incl. tax)	5.00
Capital conversion/10 shares (shares)	0
Cash dividend (incl. tax)	948,363,748.50
Net profit attributable to ordinary shareholders of the listed company in the consolidated statement	6,110,378,757.84
Ratio of cash dividend amount to net profit attributable to ordinary shareholders of the listed company in the consolidated statement (%)	15.52
Amount for repurchase of shares in cash and included in cash dividends	0
Total dividend amount (incl. tax)	948,363,748.50
Ratio of total dividend amount to net profit attributable to ordinary shareholders of the listed company in the consolidated statement (%)	15.52

## (V) Cash dividend in the last three fiscal years

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Cumulative cash dividend amount in the last three fiscal years (incl. tax) (1)	3,463,146,934.50
Cumulative repurchase and cancellation amount in the last three fiscal years (2)	0
Cumulative amount of cash dividend and repurchase and cancellation in the last three fiscal years (3)=(1)+(2)	3,463,146,934.50
Average annual net profit for the last three fiscal years (4)	4,538,698,430.55

Cash dividend ratio for the last three fiscal years (%) (5)=(3)/(4)	76.30
Net profit attributable to ordinary shareholders of the listed company in the consolidated statement for the most recent fiscal year	6,110,378,757.84
Undistributed profit at the end of the reporting year of the parent company for the most recent fiscal year	1,121,012,101.49

### IX. Equity incentive plans, employee stock ownership plans or other employee incentives of the Company and their impacts

#### (I) Equity incentive matters that have been disclosed in ad hoc announcements and there is no progress or change in subsequent implementation thereof

Applicable Not applicable

Description of the matter	Query index
On January 23, 2025, the Company completed the repurchase and cancellation procedures for the restricted shares first granted under the 2023 restricted stock incentive plan. The repurchase and cancellation involved a total of 5,033,840 restricted shares that had been granted but not yet released from restrictions to 1,440 incentive recipients.	For more information, please refer to the <i>Announcement of Huayou Cobalt on the Repurchase and Cancellation of Restricted Shares under the Equity Incentive Plan (2025-008)</i> disclosed on January 21, 2025.
On January 23, 2025, the Company held the 26th meeting of the sixth Board of Directors, deliberated and approved the <i>Proposal on the First Grant of Restricted Shares to Incentive Recipients</i> . The Board of Directors believed that the conditions for the first grant of restricted shares stipulated in the <i>2024 Restricted Stock Incentive Plan (Draft)</i> had been met, and agreed to set January 23, 2025 as the initial grant date and grant 10,419,300 restricted shares to 1,298 incentive recipients.	For more information, please refer to the <i>Announcement of Huayou Cobalt on the Adjustment of Matters Related to the First Grant under the 2024 Restricted Stock Incentive Plan (2025-014)</i> and the <i>Announcement of Huayou Cobalt on the First Grant of Restricted Shares to Incentive Recipients (2025-015)</i> disclosed on January 24, 2025.
On March 7, 2025, the Company completed the registration procedures for the first grant under the 2024 restricted stock incentive plan, granting a total of 9,349,300 restricted shares to 1,161 incentive recipients.	For more information, please refer to the <i>Announcement of Huayou Cobalt on the Results of the First Grant of Restricted Shares to the Incentive recipients (2025-028)</i> disclosed on March 11, 2025.
On June 11, 2025, the Company held the 30th meeting of the sixth Board of Directors, deliberated and approved the <i>Proposal on the Proposed Repurchase and Cancellation of Some Restricted Shares</i> , agreeing to repurchase and cancel a total of 3,174,980 restricted shares held by incentive recipients who did not meet the incentive conditions and the conditions for lifting restrictions under the 2023 and 2024 restricted stock incentive plans.	For more information, please refer to the <i>Announcement of Huayou Cobalt on the Proposed Repurchase and Cancellation of Some Restricted Shares (2025-064)</i> disclosed on June 12, 2025.
On October 31, 2025, the Company completed the repurchase and cancellation procedures for the first grant under the 2023 restricted stock incentive plan and the first grant under the 2024 restricted stock incentive plan. The repurchase and cancellation involved 3,174,980 restricted shares that had been granted but not yet released from restrictions.	For more information, please refer to the <i>Announcement of Huayou Cobalt on the Repurchase and Cancellation of Restricted Shares under the Equity Incentive Plan (2025-120)</i> disclosed on October 29, 2025.
On October 29, 2025, the Company held the 36th meeting of the sixth Board of Directors, deliberated and approved the <i>Proposal on the Grant of the Reserved Restricted Shares to Incentive Recipients</i> . The Board of Directors believed that the conditions for the reserved grant of restricted shares stipulated in the <i>2024 Restricted Stock Incentive Plan (Draft)</i> had been	For more information, please refer to the <i>Announcement of Huayou Cobalt on the Grant of the Reserved Restricted Shares to Incentive Recipients (2025-122)</i> disclosed on October 30, 2025.

met, and agreed to set October 29, 2025 as the reserved grant date and grant 1,111,000 restricted shares to 302 incentive recipients.	
On December 25, 2025, the Company completed the registration procedures for the reserved grant under the 2024 restricted stock incentive plan, granting a total of 630,200 restricted shares to 176 incentive recipients.	For more information, please refer to the <i>Announcement of Huayou Cobalt on the Results of the Reserved Grant under the 2024 Restricted Stock Incentive Plan (2025-136)</i> disclosed on December 27, 2025.

**(II) Incentives matters which are not disclosed in ad hoc announcements or with subsequent progress**

Equity incentives

Applicable Not applicable

Other information:

Applicable Not applicable

Employee stock ownership plan

Applicable Not applicable

Other incentive measures

Applicable Not applicable

**(III) Equity incentives granted to directors and senior officers during the reporting period**

Applicable Not applicable

Applicable Not applicable

Unit: Share

Name	Position	Number of restricted shares held at the beginning of year	Number of restricted shares newly granted during the reporting period	Grant price of restricted shares (RMB)	Shares unlocked	Shares in lock-up	Number of restricted shares held at the end of the period	Market price at the end of the reporting period (RMB)
Chen Hongliang	Director, President	150,000	150,000	15.06	0	195,000	195,000	68.26
Fang Qixue	Vice Chairman, Vice President	100,000	100,000	15.06	0	130,000	130,000	68.26
Chen Yaozhong	Vice President	100,000	100,000	15.06	0	130,000	130,000	68.26
Xu Wei	Vice President	100,000	-	-	0	30,000	30,000	68.26
Wang Jun	Director, Vice President, Chief Financial Officer	100,000	100,000	15.06	0	130,000	130,000	68.26
Qian	Vice	0	53,000	15.06	0	53,000	53,000	68.26

Xiaoping	President							
Fang Yuan	Vice President	50,000	-	-	0	15,000	15,000	68.26
Zhang Bing	Vice President	0	53,000	15.06	0	53,000	53,000	68.26
Wu Mengtao	Vice President	50,000	53,000	15.06	0	68,000	68,000	68.26
Li Rui	Secretary of the Board of Directors	22,000	22,000	15.06	0	28,600	28,600	68.26
Total	/	672,000	631,000	/	0	832,600	832,600	/

#### (IV) Appraisal mechanism for senior officers and the establishment and implementation of incentive mechanisms during the reporting period

Applicable Not applicable

During the reporting period, the Remuneration and Appraisal Committee of the Board of Directors performed appraisals and formulated compensation plans for the senior officers based on indicators such as the performance results achieved during the reporting period. Following the Company's philosophy of "results oriented performance heroes", the compensation plan takes into account the average compensation standards of the industry and region in which the Company operates in light of the actual situation of the Company, and links the compensation of senior officers to the Company's profitability, results of the annual business objectives as well as the individual performance capacity of the senior officer. While focusing on the scientific nature and balancing the incentive effect of the appraisal, the plan further improves the Company's mechanism of performance appraisal of senior officers and enhances the enterprising spirit and sense of responsibility of the Company's senior officers constantly.

#### X. Development and implementation of internal control systems during the reporting period

Applicable Not applicable

For more information, please refer to the *2025 Annual Internal Control Evaluation Report* disclosed by the Company on April 9, 2026 on the website of Shanghai Stock Exchange (<http://www.sse.com.cn>). The Company did not detect any significant defects in internal control during the year.

Description of significant defects in internal control during the reporting period

Applicable Not applicable

#### XI. Management control of subsidiaries during the reporting period

Applicable Not applicable

During the reporting period, the Company has implemented management control over its subsidiaries in strict accordance with the *Company Law*, the *Articles of Association* and other applicable laws, regulations and rules. First, the Company has guided its subsidiaries to improve their corporate governance structure, and modern enterprise system, and revised and improved their articles of association and other relevant systems in accordance with relevant laws and regulations; Second, the Company has supervised its subsidiaries to submit advance reports on major matters, such as related-party transactions, external guarantees, and external investments; Third, the Company has applied classified control to each subsidiary by business under the principle of combination of management, empowerment and goal orientation and aiming at the development objectives of improving quality, efficiency, transformation and upgrading.

Risk warning indicating abnormal management control of subsidiaries

Applicable Not applicable

**XII. Internal control audit reports**

 ✓Applicable Not applicable

The Company prepared and disclosed the *2025 Annual Internal Control Evaluation Report*, and Pan-China Certified Public Accountants LLP audited the Company's internal control and issued a standard unmodified *Internal Control Audit Report*. The *Internal Control Audit Report* is available on the website of Shanghai Stock Exchange (<http://www.sse.com.cn>).

Whether internal control audit report is disclosed: Yes

Type of internal control audit report: Standard unmodified report

Was there a non-standard audit opinion on internal control issued during the reporting period or the previous year

Yes ✓No

**XIII. Rectification of issues identified in the self-examination of the special action on governance of listed companies**

To implement the spirit of *Opinions of the State Council on Further Improving the Quality of Listed Companies* (Guofa (2020) No.14), the Company has made active efforts to conduct special self-examination of corporate governance strictly against the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Self-Regulatory Guidelines for Listed Companies on Shanghai Stock Exchange No. 1 - Standardized Operations* and other relevant laws and regulations as well as its internal rules and policies in accordance with the requirements of the CSRC's special action on governance of listed companies. Based on the list of special self-examination on governance of listed companies, the Company made careful and thorough review to identify existing problems and summarize lessons learned in corporate governance and completed the special self-examination on time.

During the reporting period, the Company generally operated in a standardized and well-governed manner, and no major problems were identified during the self-examination. The Company will make continuous efforts to implement the spirit of further improving the quality of listed companies, to constantly enhance the level of corporate governance, and to promote high-quality development.

XIV. Environmental information of listed companies and their major subsidiaries included in the list of enterprises subject to environmental information disclosure in accordance with the law

 ✓Applicable Not applicable

Number of enterprises included in the list of enterprises subject to environmental information disclosure in accordance with the law		8
No.	Name	Query index for environmental information disclosure reports in accordance with the law
1	Zhejiang Huayou Cobalt Co., Ltd.	<a href="https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-more?code=913300007368873961&amp;uniqueCode=7c490410729d02cd&amp;date=2025&amp;type=true&amp;isSearch=true">https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-more?code=913300007368873961&amp;uniqueCode=7c490410729d02cd&amp;date=2025&amp;type=true&amp;isSearch=true</a>
2	Zhejiang Huayou Puxiang New Energy Materials Co., Ltd.	<a href="https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-more?code=91330483MA2BA0Q86C&amp;uniqueCode=3d9f1432e9432031&amp;date=2025&amp;type=true&amp;isSearch=true">https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-more?code=91330483MA2BA0Q86C&amp;uniqueCode=3d9f1432e9432031&amp;date=2025&amp;type=true&amp;isSearch=true</a>
3	Huayou New Energy Technology (Quzhou) Co., Ltd.	<a href="https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-more?code=91330800MA28F4L393&amp;uniqueCode=2142c465a735270f&amp;date=2025&amp;type=true&amp;isSearch=true">https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-more?code=91330800MA28F4L393&amp;uniqueCode=2142c465a735270f&amp;date=2025&amp;type=true&amp;isSearch=true</a>
4	Huajin New Energy Materials (Quzhou) Co., Ltd.	<a href="https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-more?code=91330800MA29UNE71X&amp;uniqueCode=18f540e">https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-more?code=91330800MA29UNE71X&amp;uniqueCode=18f540e</a>

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5	Quzhou Huayou Resource Recycling Technology Co., Ltd.	<a href="https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-more?code=91330800MA28FWG5XR&amp;uniqueCode=d46b70535f05c7a0&amp;date=2025&amp;type=true&amp;isSearch=true">https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-more?code=91330800MA28FWG5XR&amp;uniqueCode=d46b70535f05c7a0&amp;date=2025&amp;type=true&amp;isSearch=true</a>
6	Quzhou Huayou Cobalt New Materials Co., Ltd.	<a href="https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-more?code=91330800575349959F&amp;uniqueCode=eaba8a802a832ba6&amp;date=2025&amp;type=true&amp;isSearch=true">https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-more?code=91330800575349959F&amp;uniqueCode=eaba8a802a832ba6&amp;date=2025&amp;type=true&amp;isSearch=true</a>
7	Guangxi Huayou Lithium Industry Co., Ltd.	<a href="https://bqfq.sthjt.gxzf.gov.cn/GXHJXXPLQYD/frontal/index.html#/home/enterpriseInfo?XTXH=4488563d-eb9d-4423-9b18-936a33795eaa&amp;XH=171496396980027787264&amp;year=2025">https://bqfq.sthjt.gxzf.gov.cn/GXHJXXPLQYD/frontal/index.html#/home/enterpriseInfo?XTXH=4488563d-eb9d-4423-9b18-936a33795eaa&amp;XH=171496396980027787264&amp;year=2025</a>
8	Guangxi B&M Technology Co., Ltd.	<a href="https://bqfq.sthjt.gxzf.gov.cn/GXHJXXPLQYD/frontal/index.html#/home/enterpriseInfo?XTXH=7417be2b-9f77-4f8f-a0e8-710f3d1d61c0&amp;XH=1714963969775027787264&amp;year=2025">https://bqfq.sthjt.gxzf.gov.cn/GXHJXXPLQYD/frontal/index.html#/home/enterpriseInfo?XTXH=7417be2b-9f77-4f8f-a0e8-710f3d1d61c0&amp;XH=1714963969775027787264&amp;year=2025</a>

Other information

Applicable Not applicable

## XV. Social responsibility

**(I) Whether a social responsibility report, sustainability report or ESG report is disclosed separately**

Applicable Not applicable

During the reporting period, the Company has given high priority to the fulfillment of its corporate social responsibility and disclosed the *2025 Sustainable Development Report of Huayou Cobalt*. For more information, please refer to the relevant announcements published by the Company on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the Company's official website.

**(II) Specifics of social responsibility work**

Applicable Not applicable

External donations and public welfare projects	Amount/Description	Notes
Total input (RMB'0,000)	4,283	
Including: Funds (RMB'0,000)	4,283	
Materials converted into cash (RMB'0,000)	0	
Number of people benefited (persons)	606,584	

Describe the specifics

Applicable Not applicable

**XVI. Consolidating and expanding the achievements of poverty alleviation, rural revitalization and other specific efforts**

Applicable Not applicable

Poverty alleviation and rural revitalization projects	Amount/Description	Notes
Total input (RMB'0,000)	237.09	
Including: Funds (RMB'0,000)	237.09	
Materials converted into	0	

cash (RMB'0,000)		
Number of people benefited (persons)	56,464	
Forms of assistance (e.g. poverty alleviation through industry, employment, education, etc.)	Poverty alleviation through industry and education	

Describe the specifics

Applicable Not applicable

### Community building

Taking an active role in responding to the national strategy of rural revitalization, the Company has practiced social responsibility with practical actions, and helped the high-quality development and the construction of common wealth demonstration zone. Adhering to Huayou's investment concept of "making contributions to the local economy and society wherever it invests", the Company continuously gives back to the local community through various forms. During the reporting period, the Company invested a total of RMB 2.3709 million in assistance and care activities for disadvantaged families in Jiedui Village, sponsored RMB 30,000 for community construction funds to Tongqing Community in Tongxiang City, organized and carried out volunteer activities and the improvement project of the VIP room environment in Quzhou, donated RMB 1 million to Quzhou Charity Federation, committed to promoting social equality and development as well as improvement of people's livelihood.

### Education construction

Taking an active role in responding to the national strategy of rejuvenating the country through science and education, through projects such as the "Huayou Chongxue Award", "Huayou Building Dreams Award" and "Campus Football Development", the Company comprehensively supported local education. During the reporting period, the "Huayou Chongxue Award" scholarship of RMB 400,800 was awarded to outstanding students in primary and secondary schools, benefiting 451 students; the "Huayou Building Dreams Award" scholarship of RMB 370,000 was awarded to the freshmen admitted to C9 universities in Tongxiang City, benefiting 37 students; a total of RMB 342,400 was invested in the "Campus Football Development" project, covering 500 students. In addition, the Company also distributed RMB 52,300 in consolation money to primary school students in rural areas, benefiting 3,700 students.

### XVII. Others

Applicable Not applicable

## Section V Major Matters

### I. Performance of commitments

**(I) Commitments made by the Company's actual controller, shareholder, related party, acquirer, the Company, and other related parties during the reporting period or continuing into the reporting period**

√Applicable □Not applicable

Background of commitment	Type of commitment	Party making the commitment	Details of commitment	Date of commitment	Whether there is performance period	Period of commitment	Whether commitments are performed in a strict and timely manner	Reasons for failure to make timely performance	Next steps to be taken in case of failure to make timely performance
Commitments related to initial public offerings	About horizontal competition	Note 1	Note 1	Note 1	Yes	Note 1	Yes	N/A	N/A
Commitments related to refinancing	About horizontal competition	Note 2	Note 2	Note 2	Yes	Note 2	Yes	N/A	N/A
	About related-party transactions	Note 3	Note 3	Note 3	Yes	Note 3	Yes	N/A	N/A
	Others	Note 4	Note 4	Note 4	Yes	Note 4	Yes	N/A	N/A
Commitments related to equity incentives	Others	Note 5	Note 5	Note 5	Yes	Note 5	Yes	N/A	N/A

Note 1: Commitments related to initial public offerings - About horizontal competition

For the purpose of avoiding possible horizontal competition with the Company in the future, safeguarding the interests of all shareholders of the Company and ensuring the Company's long-term and stable development, Huayou Holding, the controlling shareholder of the Company, and Mr. Chen Xuehua, the person acting in concert (collectively, the "Commitment Makers"), have respectively issued a Letter of Commitment on Avoiding Horizontal Competition (hereinafter "Letter of Commitment") to the Company. The main contents of the Letter of Commitment are as follows:

1. As of the date of the Letter of Commitment, neither the Commitment Makers nor any entity under their control has engaged in or participated in any business or activity that competes directly or indirectly in any manner with the Company's principal business;
2. As of the date of the Letter of Commitment, neither the Commitment Makers nor any entity under their control will engage in or participate in any business or activity that competes directly or indirectly in any manner with the Company's principal business;
3. Neither the Commitment Makers nor any entity under their control shall engage in the same or similar business as the Company's principal business, including: (1) directly or indirectly engaging in or participating in, or assisting in engaging in or participating in, any business or activity that competes with, or may compete with, the Company's main businesses, whether within or outside the territory of China, by themselves or in conjunction with Other, in any form; and (2) supporting Other in any way, whether within or outside the territory of China, to engage in any business or activity that competes or may compete with the principal business of the Company; and (3) otherwise engaging (whether directly or indirectly) in any business or activity that competes or may compete with the principal business of the Company.
4. As of the date of the Letter of Commitment, if the Company further expands its business scope, neither the Commitment Makers nor any entity under their control will compete in any way with the expanded business of the Company; If competition arises after the business expansion, the Commitment Makers and any entity under their control will avoid such horizontal competition by discontinuing the operation of the competing business, or by incorporating the competing business into the Company, or by transferring the competing business to an unrelated third party.
5. The foregoing commitment shall take effect from the date of issuance of the Letter of Commitment to the date when the Commitment Makers cease to be the controlling shareholders of the Company or the date when the Company ceases to be listed in domestic or foreign securities exchange institutions.

Note 2: Commitments related to refinancing - About horizontal competition

Huayou Holding (the controlling shareholder of the Company) and Chen Xuehua (the actual controller) make the following commitments:

1. I/the Company undertakes that as long as I/the Company is the controlling shareholder/actual controller of Huayou Cobalt, the Company/Other enterprises under my control will not engage, directly or indirectly, in any production or operation that competes or may compete with the principal business of Huayou Cobalt and its subsidiaries, nor will we invest in any other business that competes or may compete with the principal business of Huayou Cobalt and its subsidiaries.
2. During the foregoing period, I/the Company and other enterprises controlled by me/the Company will promptly notify Huayou Cobalt of any business opportunity that competes or may compete with the principal business of Huayou Cobalt and its subsidiaries and will use our best efforts to pass the business opportunity to Huayou Cobalt in order to avoid competition or potential competition with Huayou Cobalt and its subsidiaries and to ensure that the interests of Huayou Cobalt and other shareholders of Huayou Cobalt are not harmed.
3. The operating profits obtained by me/the Company as a result of non-performance or improper performance of the above commitments shall be owned by Huayou Cobalt. If I/the Company causes any loss to Huayou Cobalt and its relevant shareholders as a result of failure to perform or improper performance of the above commitments, I/the Company shall bear such loss in full in cash and be held jointly and severally liable.

Note 3: Commitments related to refinancing - About related-party transactions

Huayou Holding (the controlling shareholder of the Company) and Chen Xuehua (the actual controller) make the following commitments:

1. After the completion of the transaction, the Company/I and other holding enterprises will try our best to avoid any related-party transactions with Huayou Cobalt and its holding and shareholding companies; Inevitable related business dealings or transactions shall be conducted on an equal and voluntary basis in accordance with the principles of justice, fairness and compensation for equal value, and the transaction price shall be determined based on a reasonable price recognized by the market.

2. The Company/I will strictly abide by the avoidance provisions on related-party transactions in the Articles of Association of Huayou Cobalt and other normative documents, and all related-party transactions involved will be conducted in accordance with the prescribed decision-making procedures. We will also disclose information on related-party transactions in a timely manner in accordance with the legal procedures; We will not use related-party transactions to transfer profits or harm the legitimate rights and interests of Huayou Cobalt and other shareholders. 3. If the Commitment Makers cause any loss to Huayou Cobalt and its relevant shareholders as a result of failure to perform or improper performance of the above commitments, they shall bear such loss in full in cash and be held jointly and severally liable.

Note 4: Commitments related to refinancing – Others

I. Huayou Holding (the controlling shareholder of the Company) and Chen Xuehua (the actual controller) make the following commitments:

1. After the completion of the transaction, I/the Company will ensure that Huayou Cobalt and its subsidiaries will continue to maintain their independence in terms of assets, business, finance, institutions, and personnel in accordance with the requirements of normative documents including but not limited to the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange.

2. If I/the Company causes any loss to Huayou Cobalt and its relevant shareholders as a result of failure to perform or improper performance of the above commitments, I/the Company shall bear such loss in full in cash.

II. Upon completion of the non-public offering, the directors and senior officers of the Company will continue to faithfully and diligently perform their duties, safeguard the legitimate rights and interests of the Company and all shareholders, and make the following commitments to the effective performance of the Company's measures to make up the gap in accordance with the relevant regulations of the China Securities Regulatory Commission:

1. I undertake to perform my duties faithfully and diligently and to protect the legitimate rights and interests of the Company and all shareholders;

2. I undertake not to give benefits to other entities or individuals free of charge or on unfair terms, and not to harm the interests of the Company in any other way;

3. I undertake to restrict my job-related consumption behavior;

4. I undertake not to use the Company's assets to engage in investment and consumption activities unrelated to the performance of duties;

5. I undertake that the remuneration system established by the Board of Directors or the Nomination and Remuneration Committee is linked to the implementation of the Company's measures to make up the gap;

6. I undertake that the vesting conditions of any equity incentive plans announced will be linked to the implementation of the Company's measures to make up the gap;

7. I undertake to effectively implement the Company's measures to make up the gap and fulfill any commitments I have made regarding the measures to make up the gap. If I violate any of these commitments and cause losses to the Company or its investors, I am willing to bear the liability for compensation to the Company or its investors in accordance with the law;

8. From the date of issuance of the commitments to the completion of the Company's non-public offering of the shares, if the China Securities Regulatory Commission formulates any other new regulatory requirements regarding the measures to make up the gap and their commitments and the above commitments cannot satisfy such provisions of the China Securities Regulatory Commission, I undertake to issue a supplementary commitment in accordance with the latest regulations of the China Securities Regulatory Commission at that time.

III. In order to reduce the impact of the shares issued in this non-public offering diluting the return for the current period and ensure that the measures taken by the issuer to make up the gap can be effectively implemented, Huayou Holding, the controlling shareholder of the Company, and Chen Xuehua, the actual controller, have made the following commitments to the effective implementation of the Company's measures to make up the gap in accordance with the relevant regulations of the China Securities Regulatory Commission:

1. The Company/I undertake to exercise the shareholders' rights in accordance with the relevant laws, regulations, and the relevant provisions of the Articles of Association, and undertake not to interfere in the operation and management of the Company beyond our authority and not to harm the interests of the Company;
2. The Company/I undertake to effectively implement the Company's relevant measures to make up the gap and fulfill any commitments I have made in this regard. If I violate any of these commitments and cause losses to the Company or its investors, I am willing to bear the liability for compensation to the Company or its investors in accordance with the law;
3. From the date of issuance of the commitments to the completion of the Company's non-public offering of the shares, if the China Securities Regulatory Commission formulates any other new regulatory requirements regarding the measures to make up the gap and their commitments, and the above commitments cannot satisfy such provisions of the China Securities Regulatory Commission, The Company/I undertake to issue a supplementary commitment in accordance with the latest regulations of the China Securities Regulatory Commission at that time.

IV. Upon completion of the issuance of the convertible corporate bonds, the directors and senior officers of the Company will continue to faithfully and diligently perform their duties, safeguard the legitimate rights and interests of the Company and all shareholders, and make the following commitments to the effective performance of the Company's measures to make up the gap in accordance with the relevant regulations of the China Securities Regulatory Commission:

1. I undertake to perform my duties faithfully and diligently and to protect the legitimate rights and interests of the Company and all shareholders;
2. I undertake not to give benefits to other entities or individuals free of charge or on unfair terms, and not to harm the interests of the Company in any other way;
3. I undertake to restrict my job-related consumption behavior;
4. I undertake not to use the Company's assets to engage in investment and consumption activities unrelated to the performance of duties;
5. I undertake that the remuneration system established by the Board of Directors or the Nomination and Remuneration Committee is linked to the implementation of the Company's measures to make up the gap;
6. I undertake that the vesting conditions of any equity incentive plans announced will be linked to the implementation of the Company's measures to make up the gap;
7. I undertake to effectively implement the Company's measures to make up the gap and fulfill any commitments I have made regarding the measures to make up the gap. If I violate any of these commitments and cause losses to the Company or its investors, I am willing to bear the liability for compensation to the Company or its investors in accordance with the law;
8. From the date of issuance of the commitments to the completion of the Company's issuance of the convertible corporate bonds, if the China Securities Regulatory Commission formulates any other new regulatory requirements regarding the measures to make up the gap and their commitments and the above commitments cannot satisfy such provisions of the China Securities Regulatory Commission, I undertake to issue a supplementary commitment in accordance with the latest regulations of the China Securities Regulatory Commission at that time.

V. In order to reduce the impact of the convertible corporate bonds diluting the return for the current period and ensure that the Company's measures to make up the gap can be effectively implemented, Huayou Holding, the controlling shareholder of the Company, and Chen Xuehua, the actual controller, have made the following commitments to the effective implementation of the Company's measures to make up the gap in accordance with the relevant regulations of the China Securities Regulatory Commission:

1. The Company/I undertake to exercise the shareholders' rights in accordance with the relevant laws, regulations, and the relevant provisions of the Articles of Association, and undertake not to interfere in the operation and management of the Company beyond our authority and not to harm the interests of the Company;
2. The Company/I undertake to effectively implement the Company's relevant measures to make up the gap and fulfill any commitments I have made in this regard. If I violate any of these commitments and cause losses to the Company or its investors, I am willing to bear the liability for compensation to the Company or its investors in accordance with the law;
3. From the date of issuance of the commitments to the completion of the Company's public issuance of convertible corporate bonds, if the China Securities Regulatory Commission formulates any other new regulatory requirements regarding the measures to make up the gap and their commitments, and the above commitments cannot satisfy such provisions of the China Securities Regulatory Commission, The Company/I undertake to issue a supplementary commitment in accordance with the latest regulations of the China Securities Regulatory Commission at that time.

Note 5: Commitments related to equity incentives - Others

I. The Company undertakes not to provide loans or any other form of financial assistance, including guarantees for its loans, to the incentive recipients for the purpose of obtaining the restricted stock under the 2023 and 2024 incentive plans.

II. The incentive recipients of the Company in 2023 and 2024 undertake that if the Company fails to meet the conditions for the grant or exercise of rights due to false records, misleading statements or material omissions in the information disclosure documents, the incentive recipients will return all the benefits obtained from the equity incentive plan to the Company after the false records, misleading statements or material omissions in the relevant information disclosure documents have been confirmed.

**(II) Where earnings forecasts exist for the Company's assets or projects and the reporting period is still within the forecasting period, indicate whether the Company has met the original earnings forecasts for the assets or projects and the reasons therefor**

Achieved  Not Achieved  Not Applicable

**(III) Performance commitments**

Applicable  Not applicable

Changes in performance commitments

Applicable  Not applicable

Other information

Applicable  Not applicable

**II. Controlling shareholder's and other related parties' occupation of the Company's funds for non-operation purpose during the reporting period**

Applicable  Not applicable

**III. Granting guarantee in violation of laws and regulations**

Applicable  Not applicable

**IV. Explanation given by the Board of Directors on “non-standard opinion audit report” from the accounting firm**
Applicable Not applicable

**V. The Company’s analysis of the reasons for and impact of changes in accounting policies, accounting estimates or corrections of material accounting errors**
**(I) The Company’s analysis of the reasons for and impact of changes in accounting policies and accounting estimates**
Applicable Not applicable

**(II) The Company’s analysis of the reasons for and impact of changes in corrections of material accounting errors**
Applicable Not applicable

**(III) Communication with the former accounting firm**
Applicable Not applicable

**(IV) Approval procedures and others**
Applicable Not applicable

**VI. Appointment and dismissal of accounting firms**

Monetary unit: Yuan Currency: RMB

	Current appointment
Name of the domestic accounting firm	Pan-China Certified Public Accountants LLP
Compensation of the domestic accounting firm	4,280,000
Audit period of the domestic accounting firm	19 Years
Names of CPAs from the domestic accounting firm	Zhang Jingjing, Lu Yanli
Cumulative years of audit service provided by the CPAs from the domestic accounting firm	Zhang Jingjing (5 years), Lu Yanli (2 years)

	Name	Compensation
Accounting firm for internal control audits	Pan-China Certified Public Accountants LLP	800,000

**Notes on the appointment and dismissal of accounting firms**
Applicable Not applicable

Upon deliberation and approval at the 29th meeting of the Sixth Board of Directors and the 2024 Annual General Meeting of Shareholders of the Company, the Company agreed to continue to appoint Pan-China Certified Public Accountants LLP as the Company’s auditor for the year 2025, with the term of appointment of one year.

**Change of accounting firm during the audit period**
Applicable Not applicable

Notes on reductions in audit fees by 20% or more (including 20%) from the previous year

Applicable Not applicable

## VII. Exposure to the risk of delisting

### (I) Reasons leading to the delisting risk warning

Applicable Not applicable

### (II) Response actions proposed by the Company

Applicable Not applicable

### (III) Circumstances and reasons for exposure to termination of listing

Applicable Not applicable

## VIII. Matters relating to bankruptcy and reorganization

Applicable Not applicable

## IX. Major litigation and arbitration

The Company has major litigation and arbitration matters during the current year.

The Company has no major litigation and arbitration matters during the current year.

## X. Suspected violations of laws and regulations by the Company, its directors, senior officers, controlling shareholders and actual controllers, punishments imposed and rectifications

Applicable Not applicable

## XI. Credit status of the Company and its controlling shareholder and actual controller during the reporting period

Applicable Not applicable

## XII. Major related-party transactions

### (I) Related-party transactions related to daily operation

#### 1. Matters that have been disclosed in ad hoc announcements and there is no progress or change in subsequent implementation thereof

Applicable Not applicable

Description of matter	Query index
On April 17, 2025, the <i>Proposal on Estimations of Continuing Related-party Transactions in 2025</i> was deliberated and approved at the 29th meeting of the Sixth Board of Directors of the Company and it was then deliberated and approved at the 2024 annual general meeting of shareholders.	<i>Announcement of Huayou Cobalt on Review of Continuing Related-party Transactions in 2024 and Estimations of Continuing Related-party Transactions in 2025</i> (2025-043)
On August 16, 2025, the <i>Proposal on the New Related-party Transactions and Adjustment of Continuing Related-party Transactions in 2025</i> was deliberated and approved at the 31st meeting of the Sixth Board of Directors of the Company.	<i>Announcement of Huayou Cobalt on the New Related-party Transactions and Adjustment of Estimations of Continuing Related-party Transactions in 2025</i> (2025-083)

#### 2. Matters that have been disclosed in ad hoc announcements with progress or changes in

**subsequent implementation**Applicable Not applicable**3. Matters that have not been disclosed in ad hoc announcements**Applicable Not applicable**(II) Related-party transactions arising from the acquisition or sales of assets or equity****1. Matters that have been disclosed in ad hoc announcements and there is no progress or change in subsequent implementation thereof**Applicable Not applicable**2. Matters that have been disclosed in ad hoc announcements with progress or changes in subsequent implementation**Applicable Not applicable**3. Matters that have not been disclosed in ad hoc announcements**Applicable Not applicable**4. Where performance agreements are involved, performance results for the reporting period shall be disclosed.**Applicable Not applicable**(III) Major related-party transactions regarding joint investments to third parties****1. Matters that have been disclosed in ad hoc announcements and there is no progress or change in subsequent implementation thereof**Applicable Not applicable**2. Matters that have been disclosed in ad hoc announcements with progress or changes in subsequent implementation**Applicable Not applicable**3. Matters that have not been disclosed in ad hoc announcements**Applicable Not applicable**(IV) Debt and credit with related parties****1. Matters that have been disclosed in ad hoc announcements and there is no progress or change in subsequent implementation thereof**Applicable Not applicable**2. Matters that have been disclosed in ad hoc announcements with progress or changes in subsequent implementation**Applicable Not applicable

**3. Matters that have not been disclosed in ad hoc announcements**

Applicable Not applicable

**(V) Financial business between the Company and related financial companies, or between the financial companies controlled by the Company and related parties**

Applicable Not applicable

**(VI) Others**

Applicable Not applicable

**XIII. Major contracts and performance****(I) Entrustment, contracting and leases****1. Entrustment**

Applicable Not applicable

**2. Contracting**

Applicable Not applicable

**3. Leases**

Applicable Not applicable

**(II) Guarantees**

√Applicable □ Not applicable

Monetary unit: Yuan Currency: RMB

Guarantee provided by the Company (excluding those provided for its subsidiaries)														
Guarantor	Relationship between the guarantor and the Company	Guaranteed party	Guarantee amount	Guarantee occurrence date (date of signing agreement)	Guarantee start date	Guarantee expiry date	Guarantee category	Collateral (if any) Collateral (if any)	Fulfilled or not	Overdue or not	Overdue amount	Counter guarantee	Related party guarantee or not	relationship
Total amount of guarantees incurred during the reporting period (excluding those provided for subsidiaries)										0				
Total balance of guarantee at the end of the reporting period (A) (excluding those provided for subsidiaries)										0				
Guarantees provided by the Company and its subsidiaries for subsidiaries														
Total amount of guarantee provided for subsidiaries during the reporting period										39,343,907,096.90				
Total balance of guarantee provided for subsidiaries at the end of the reporting period (B)										46,371,484,160.60				
Total amount of guarantees provided by the Company (including those provided for subsidiaries)														
Total amount of guarantee (A+B)										46,371,484,160.60				
Proportion of the total amount of guarantee in the Company's net assets (%)										76.24%				
Including:														
Amount of guarantee provided for shareholders, actual controller and their related parties (C)										0				
Amount of debt guarantee provided directly or indirectly for guaranteed parties with an asset liability ratio exceeding 70% (D)										32,414,252,362.59				
Amount of the part where the total amount of guarantee exceeds 50% of net assets (E)										15,961,098,935.72				

Total amount of the above three guarantees (C+D+E)	48,375,351,298.31
Description of any possible joint and several liabilities for repayment of unexpired guarantees	
Notes on guarantees	

### (III) Entrusting others to manage cash assets

#### 1. Entrusted wealth management

##### (1) Overall information about entrusted wealth management

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Type	Risk feature	Undue amount	Unrecovered overdue amount
Financial products	Principal-guaranteed floating income	80,000,000.00	

Other information

Applicable Not applicable

##### (2) Individual entrusted wealth management

Applicable  Not applicable

Monetary unit: Yuan Currency: RMB

Trustee	Type	Risk feature	Amount	Starting date	Ending date	Investment direction	Whether there are any restrictions	Actual gain or loss	Undue amount	Unrecovered overdue amount
Bank of Communications Co., Ltd. Wenzhou High-tech Zone Sub-branch	Bank financial products	Principal-guaranteed floating income	190,000,000.00	2025/1/9	2025/2/6	Structural deposits	No	240,493.15		
Bank of Communications Co., Ltd. Wenzhou	Bank financial	Principal-guarantee	90,000,000.00	2025/2/17	2025/3/10	Structural deposits	No	85,438.36		

High-tech Zone Sub-branch	products	d floating income								
Bank of Communications Co., Ltd. Wenzhou High-tech Zone Sub-branch	Bank financial products	Principal-guaranteed floating income	100,000,000.00	2025/2/19	2025/8/20	Structural deposits	No	598,356.16		
Bank of Communications Co., Ltd. Wenzhou High-tech Zone Sub-branch	Bank financial products	Principal-guaranteed floating income	50,000,000.00	2025/8/25	2025/12/1	Structural deposits	No	214,794.52		
Bank of Communications Co., Ltd. Wenzhou High-tech Zone Sub-branch	Bank financial products	Principal-guaranteed floating income	90,000,000.00	2025/8/27	2025/9/17	Structural deposits	No	77,671.23		
Bank of Communications Co., Ltd. Wenzhou High-tech Zone Sub-branch	Bank financial products	Principal-guaranteed floating income	90,000,000.00	2025/3/17	2025/4/7	Structural deposits	No	85,438.36		
Bank of Communications Co., Ltd. Wenzhou High-tech Zone Sub-branch	Bank financial products	Principal-guaranteed floating income	90,000,000.00	2025/4/14	2025/6/16	Structural deposits	No	264,082.19		
Bank of Communications Co., Ltd. Wenzhou High-tech Zone Sub-branch	Bank financial products	Principal-guaranteed floating income	85,000,000.00	2025/6/30	2025/7/21	Structural deposits	No	66,020.55		
Bank of Communications Co., Ltd. Wenzhou High-tech Zone Sub-branch	Bank financial products	Principal-guaranteed floating income	50,000,000.00	2025/12/4	2025/12/25	Structural deposits	No	38,835.62		
Bank of Communications Co., Ltd. Wenzhou High-tech Zone Sub-branch	Bank financial products	Principal-guaranteed floating income	80,000,000.00	2025/12/29	2026/1/19	Structural deposits	No	62,136.99	80,000,000.00	
Industrial and Commercial	Bank	Principal-	100,000,000.00	2025/3/5	2025/9/5	Structural	No	641,176.99		

Bank of China Limited Jintang Sub-branch	financial products	guaranteed floating income				deposits				
Huaxia Bank Co., Ltd. Chengdu Qingbaijiang Sub-branch	Bank financial products	Principal-guaranteed minimum return	200,000,000.00	2025/4/11	2025/4/25	Structural deposits	No	166,465.75		
Bohai Bank Co., Ltd. Tianjin Branch	Bank financial products	Principal-guaranteed floating income	20,000,000.00	2025/9/17	2025/10/17	Structural deposits	No	30,410.96		
Bank of Communications Co., Ltd. Quzhou Branch	Bank financial products	Principal-guaranteed floating income	100,000,000.00	2024/2/28	2025/2/24	Structural deposits	Yes	1,735,616.44		
Bank of Communications Co., Ltd. Wenzhou High-tech Zone Sub-branch	Bank financial products	Principal-guaranteed floating income	200,000,000.00	2024/12/12	2025/1/2	Structural deposits	No	189,863.01		

Other information

Applicable Not applicable

### (3) Provision for impairment of entrusted wealth management

Applicable Not applicable

## 2. Entrusted loans

### (1) Overall information about entrusted loans

Applicable Not applicable

Other information

Applicable Not applicable

**(2) Individual entrusted loan**

Applicable Not applicable

Other information

Applicable Not applicable

**(3) Provision for impairment of entrusted loans**

Applicable Not applicable

**3. Others**

Applicable Not applicable

**(IV) Other major contracts**

Applicable Not applicable

1. On September 30, 2025, the Company disclosed the *Announcement of Huayou Cobalt on Signing Major Sales Contracts* (Announcement No.: 2025-112): Quzhou New Energy, a subsidiary of the Company, signed the *Ternary Precursor Supply Agreement* with LG Energy Solution, Ltd. (“LGES”). The agreement stipulates that from 2026 to 2030, Quzhou New Energy is expected to supply a total of approximately 76,000 tons of ternary precursor products to LGES and its designated purchasers. Meanwhile, the Company’s subsidiaries Chengdu B&M and Hungarian B&M signed the *Basic Purchase Contract* for ternary cathode materials with LGES and its subsidiary LG Energy Solution Wroclaw Sp.Z.o.o. (“LGES Poland Factory”). The contract stipulates that from 2026 to 2030, Hungary B&M is expected to sell a total of approximately 88,000 tons of ternary cathode materials for batteries to LGES and its subsidiary LGES Poland Factory.

2. On November 26, 2025, the Company disclosed the *Announcement of Huayou Cobalt on Signing Major Sales Contracts* (Announcement No. : 2025-131): Chengdu B&M, a subsidiary of the Xompany, signed the *Product Supply Framework Agreement* with EVE. The agreement stipulates that from 2026 to 2035, the Hungarian factory of Chengdu B&M is expected to supply a total of approximately 127,800 tons of ultra-high nickel ternary cathode materials to the Hungarian factory of EVE, among which about 126,500 tons will be supplied from 2027 to 2031.

3. On December 17, 2025, the Company disclosed the *Announcement of Huayou Cobalt on Signing a Memorandum of Understanding* (Announcement No.: 2025-135): The Company signed a binding *Memorandum of Understanding* with an internationally renowned client, stipulating that during the agreement period, a subsidiary of the Company would supply 79,600 tons of ternary precursor products to the buyer designated by the client.

**XIV. Progress in the use of funds raised**
Applicable Not applicable

**(I) Overall information about the use of funds raised**
Applicable Not applicable

Unit: Ten thousand yuan Currency: RMB

Source of raised funds	Time of payment of raised funds	Total amount of raised funds	Net amount of raised funds (1)	Committed total investment amount of raised funds in the prospectus (2)	Total amount of over-raised funds (3) = (1) – (2)	Total investment amount of raised funds as of the end of the reporting period (4)	Including: total investment amount of over-raised funds as of the end of the reporting period (5)	Cumulative investment progress of raised funds as of the end of the reporting period (%) (6)=(4)/(1)	Cumulative investment progress of over-raised funds as of the end of the reporting period (%) (7)=(5)/(3)	Investment amount in the current year (8)	Proportion of investment amount in the current year (%) (9)=(8)/(1)	Total amount of raised funds with use changed
Offering shares to specified parties	2021/2/1	601,800.00	595,500.37	595,500.37	0	540,518.48	0	90.77%	N/A	741.81	0.12%	0
Issuance of convertible bonds	2022/3/2	760,000.00	755,383.96	755,383.96	0	735,081.3	0	97.31%	N/A	68,670.96	9.09%	171,000.00
Total	/	1,361,800.00	1,350,884.33	1,350,884.33	0	1,275,599.78	0	/	/	69,412.77	/	171,000.00

Other information

Applicable Not applicable

**(II) Details of the investment projects by the funds raised**
Applicable Not applicable

1. Detailed use of raised funds

Applicable Not applicable

Unit: Ten thousand yuan Currency: RMB

Source of raised funds	Project name	Project nature	Committed investment project in the prospectus or not	Investment orientation change involved or not	Total planned investment amount of raised funds (1)	Investment amount in the current year	Total investment amount of raised funds as of the end of the reporting period (2)	Cumulative investment progress as of the end of the reporting period (%) (3)=(2)/(1)	Date on which the project is ready for use	Project settlement completed or not	Investment progress in line with planned progress or not	Specific reason for failure of the investment progress to go as planned	Benefits realized in the current year	Realized benefits or R&D results of the project	Project feasibility has changed significantly or not; if yes, please give more details	Balance
Offering shares to specified parties	Nickel matte project with an annual output of 45,000 tons of nickel metal	Production	Yes	No	295,604.91	3.71	245,798.65	83.15%	Converted to be fixed assets in November 2022	Yes	Yes		-28,053.39		No	49,899.48
Offering shares to specified parties	Project with an annual output of 50,000 tons of high-nickel ternary precursor materials for power batteries	Production	Yes	No	128,095.46	738.1	122,805.75	95.87%	The plant has been converted into fixed assets, with its production lines being converted into fixed assets in installments from May 2022 to May 2023.	Yes	Yes		42,157.15		No	5,610.20
Offering shares to specified parties	Construction project of the Research Institute of Huayou Headquarters	R&D	Yes	No	30,000.00	-	30,114.08	100.38%	The project in Quzhou was converted into fixed assets from June to August 2022; the project in Tongxiang was converted into fixed assets from July to December 2022	Yes	Yes		N/A		No	3,045.63
Offering shares to specified parties	Replenishment of working capital	Loan repayment	Yes	No	141,800.00	-	141,800.00	100.00%	Not applicable	Yes	Yes		N/A		No	0.00
Issuing convertible bonds	Integration project for high-nickel ternary cathode materials for power batteries	Production	Yes	Yes. This project has not been cancelled; the total investment	285,695.32	21,514.3	265,786.28	93.03%	The plant has been converted into fixed assets, with its production line for sulfate nickel sub-project being	Yes	Yes		9,326.65		No	21,548.36

	with an annual output of 50,000 tons and ternary precursor materials with an annual output of 100,000 tons			of raised funds has been adjusted					converted into fixed assets in March 2024 and June 2025, and its production line for precursors being converted into fixed assets in June 2025						
Issuing convertible bonds	Project with an annual output of 50,000 tons of high-performance ternary cathode material precursors for power batteries	Production	Yes	No	100,000.00	0	100,055.2	100.06%	The plant has been converted into fixed assets, with its production lines being converted into fixed assets from November 2022 to May 2023	Yes	Yes		-5,462.48	No	0.00
Issuing convertible bonds	Battery-grade nickel sulfate project with an annual output of 50,000 tons of nickel metal	Production	No	Yes, this project is a new one	113,369.95	12,718.38	114,226.2	100.76%	The plant has been converted into fixed assets, with its production lines being converted into fixed assets in April 2025	Yes	Yes		-8,510.33	No	192.79
Issuing convertible bonds	Construction project of high-purity battery nickel prepared with crude nickel-cobalt hydroxide raw materials	Production	No	Yes, this project is a new one	56,318.69	34,438.28	55,013.62	97.68%	The plant has been converted into fixed assets, with its production lines being converted into fixed assets in December 2024 and December 2025	Yes	Yes		82,437.23	No	1,318.69
Issuing convertible bonds	Replenishment of working capital	Loan repayment	Yes	No	200,000.00	0	200,000	100.00%	Not applicable	Yes	Yes		N/A	No	0.00
Total	/	/	/	/	1,350,884.33	69,412.77	1,275,599.78	/	/	/	/	/	91,894.83	/	81,615.15

## 2. Detailed use of over-raised funds

 Applicable  Not applicable

## 3. Details of re-examination of the investment projects by the funds raised during the reporting period

 Applicable  Not applicable

**(III) Changes in or termination of investment projects during the reporting period**

Applicable Not applicable

**(IV) Other information about the use of proceeds during the reporting period**

1. Upfront investment in and replacement of investment projects with funds raised

Applicable Not applicable

2. Temporary supplementation of working capital with idle proceeds

Applicable Not applicable

(1) On March 18, 2024, the Company held the 17th meeting of the sixth Board of Directors and the 10th meeting of the sixth Board of Supervisors, which reviewed and approved the *Proposal on Using Idle Raised Funds to Temporarily Supplement Working Capital*, agreeing that the Company may, under the premise of ensuring the capital demand for the construction of the raising funds project, use no more than RMB 1,500 million of idle raised funds to temporarily supplement working capital. The term shall not exceed 12 months from the date of approval of this proposal at the 17th meeting of the sixth Board of Directors of the Company. Upon expiration, the funds shall be returned to the Company's special account for raised funds. As of March 5, 2025, the Company has returned all the raised funds used for temporarily supplementing working capital to the special account for raised funds, and has informed the sponsor institution and the sponsor representative of the return of the raised funds. For specific details, please refer to the *Announcement on the Return of Part of Idle Raised Funds Used to Supplement Working Capital* (Announcement No.: 2025-024) disclosed by the Company on March 6, 2025.

(2) On April 3, 2024, the Company held the 18th meeting of the sixth Board of Directors and the 11th meeting of the sixth Board of Supervisors, which reviewed and approved the *Proposal on Using Idle Raised Funds to Temporarily Supplement Working Capital*, agreeing that the Company may, under the premise of ensuring the capital demand for the construction of the raising funds project, use no more than RMB 600 million of idle raised funds to temporarily supplement working capital. The term shall not exceed 12 months from the date of approval by the Board of Directors. Upon expiration, the funds shall be returned to the Company's special account for raised funds. As of April 1, 2024, the Company has returned all the raised funds used for temporarily supplementing working capital to the special account for raised funds, and has informed the sponsor institution and the sponsor representative of the return of the raised funds. For specific details, please refer to the *Announcement on the Return of Part of Idle Raised Funds Used to Supplement Working Capital* (Announcement No.: 2025-034) disclosed by the Company on April 3, 2025.

(3) On March 10, 2025, the Company held the 27th meeting of the sixth Board of Directors and the 18th meeting of the sixth Board of Supervisors, which reviewed and approved the *Proposal on Using Idle Raised Funds to Temporarily Supplement Working Capital*, agreeing that the Company may use no more than RMB 550 million of idle raised funds to temporarily supplement working capital. The term shall not exceed 12 months from the date of approval by the Board of Directors. Upon expiration, the funds shall be returned to the Company's special account for raised funds. As of October 17, 2025, the Company has returned all the raised funds used for temporarily supplementing working capital to the special account for raised funds, and has informed the sponsor institution and the sponsor representative of the return of the raised funds. For specific details, please refer to the *Announcement on the Return of Part of Idle Raised Funds Used to Supplement Working Capital* (Announcement No.: 2025-116) disclosed by the Company on October 21, 2025.

## 3. Cash management of idle proceeds and investment in related products

Applicable Not applicable

Monetary unit: Ten Thousand Yuan Currency: RMB

Date of deliberation at the meeting of the Board of Directors	Effective deliberation amount of proceeds for cash management	Starting date	Ending date	Cash management balance at the end of the reporting period	Whether the maximum balance exceeds the authorized amount during the period
November 25, 2024	40,000	November 25, 2024	November 25, 2025	0	No

## Other information

According to the resolution of the 24th meeting of the sixth Board of Directors of the Company on November 25, 2024, it is agreed that the Company may use no more than RMB 400,000,000 of idle raised funds for cash management, and the usage period shall not exceed 12 months from the date of approval by the Board of Directors. The Company did not actually use the raised funds for cash management.

## 4. Others

Applicable Not applicable

**(V) Conclusive opinion of the intermediary agency on the special verification of the storage and use of the raised funds**
Applicable Not applicable

Pan-China Certified Public Accountants LLP believed that the *Special Report on the Annual Storage, Management and Actual Use of Raised Funds* compiled by the management of Huayou Cobalt Co., Ltd. for the year 2025 complies with the *Regulatory Rules for Raised Funds of Listed Companies* (CSRC Announcement [2025] No. 10) and the *Self-Regulatory Guidelines for Companies Listed on Shanghai Stock Exchange No. 1 - Standardized Operations (Revised in May 2025)* (S. Z. F. [2025] No. 68), and truthfully reflects the storage, management and actual use of the raised funds of Huayou Cobalt Co., Ltd. in 2025.

The sponsor institution CITIC Securities Co., Ltd. believed that In 2025, the deposit and use of proceeds raised by Huayou Cobalt were in compliance with the Regulations on the Supervision of Raised Funds of Listed Companies, the Stock Listing Rules of the Shanghai Stock Exchange, and other relevant rules governing the management of raised funds issued by the China Securities Regulatory Commission and the Shanghai Stock Exchange. The Company has placed the raised funds in special accounts and used them for specified purposes. There has been no disguised change in the intended use of the raised funds, no impairment to the interests of shareholders, and no violation of regulations in the use of the raised funds.

Explanation of the relevant circumstances found abnormal during verification

Applicable Not applicable

**(VI) Follow-up rectification regarding the unauthorized change of the purpose of raised funds and the illegal occupation of raised funds**

Applicable  Not applicable

**XV. Description of other significant matters that have a material impact on investors' value judgments and investment decisions**

Applicable  Not applicable

## Section VI Change in Shares and Information about Shareholders

### I. Change in share capital

#### (I) Table of change in shares

##### 1. Table of change in shares

Unit: Share

	Before the change		Increase/decrease in the change (+, -)					After the change	
	Number of shares	Proportion (%)	New issues	Bonus shares	Shares converted from capital reserve	Others	Subtotal	Number of shares	Proportion (%)
I. Restricted shares	10,877,900	0.64				1,770,680	1,770,680	12,648,580	0.67
1. Shares held by the state									
2. Shares held by state-owned legal persons									
3. Shares held by other domestic subjects	10,877,900	0.64				1,770,680	1,770,680	12,648,580	0.67
Including: shares held by domestic non-state legal persons									
Shares held by domestic natural persons	10,877,900	0.64				1,770,680	1,770,680	12,648,580	0.67
4. Shares held by overseas subjects									

Including: shares held by overseas legal persons									
Shares held by overseas natural persons									
II. Unrestricted shares	1,686,337,028	99.36				197,741,889	197,741,889	1,884,078,917	99.33
1. RMB ordinary shares	1,686,337,028	99.36				197,741,889	197,741,889	1,884,078,917	99.33
2. Shares listed at home and held by foreign subjects									
3. Shares listed overseas and held by foreign subjects									
4. Others									
III. Total number of shares	1,697,214,928	100.00				199,512,569	199,512,569	1,896,727,497	100.00

## 2. Description of changes in shares

Applicable Not applicable

1. It is deliberated at the 23rd meeting of the sixth Board of Directors and the 14th meeting of the sixth Board of Supervisors of the Company that, given that some incentive recipients involved in the first grant under the 2023 Restricted Stock Incentive Plan were no longer eligible for incentives, and the company-level performance assessment for the first grant during the first period of release from restrictions failed to meet the standards, the Company repurchased and cancelled 5,033,840 restricted shares granted to the above-mentioned 1,440 incentive recipients but not unlocked. For more details, please see the *Announcement of Huayou Cobalt on the Repurchase and Cancellation of Restricted Shares under the Equity Incentive Plan* (Announcement No. 2025-008);

2. It is deliberated at the 26th meeting of the sixth Board of Directors of the Company that, in accordance with the relevant provisions of the Company's *2024 Restricted Stock Incentive Plan (Draft)* and the authorization of the first extraordinary general meeting of shareholders in 2025, the Company has completed the registration of the first grant of restricted shares for 2024 and granted 9,349,300 restricted shares to 1,161 incentive recipients. For more details, please see the *Announcement of Huayou Cobalt on the Results of the First Grant of Restricted Shares to the Incentive recipients* (Announcement No.: 2025-028);

3. The cumulative number of shares converted from convertible bonds by Huayou from January 1, 2025 to March 31, 2025 was 17,343. For more details, please see the *Announcement of Huayou Cobalt on the Result of Conversion of Convertible Bonds into Shares and Share Change* (Announcement No. 2025-033);

4. On June 23, 2025, the Company disclosed the *Announcement of Huayou Cobalt on Changing the Source of Shares for Conversion of "Huayou Convertible Bonds"* (Announcement No.: 2025-069). The conversion source of "Huayou Convertible Bonds" was changed from "newly added shares" to "priority use of repurchased shares, and use of newly added shares if sufficient". The use of repurchased shares as conversion source took effect on June 23, 2025;

5. The cumulative number of shares converted from convertible bonds by Huayou from April 1, 2025 to June 30, 2025 was 430 (where 58 shares converted from convertible bonds were from the Company's dedicated securities account for share repurchase. For more details, please see the *Announcement of Huayou Cobalt on the Result of Conversion of Convertible Bonds into Shares and Share Change* (Announcement No. 2025-072);

6. The cumulative number of shares converted from convertible bonds by Huayou from July 1, 2025 to September 12, 2025 was 166,550,859. For more details, please see the *Announcement of Huayou Cobalt on the Cumulative Conversion Quantity of "Huayou Convertible Bonds" Reaching 10% of the Total Issued Shares of the Company before Conversion and Share Change* (Announcement No. 2025-101);

7. The cumulative number of shares converted from convertible bonds by Huayou from September 13, 2025 to September 29, 2025 was 53,876,317. For more details, please see the *Announcement of Huayou Cobalt on the Redemption Results of "Huayou Convertible Bonds" and Share Change* (Announcement No. 2025-110);

8. It is deliberated at the 30th meeting of the sixth Board of Directors and the 21st meeting of the sixth Board of Supervisors of the Company that, given that some incentive recipients under the 2023 Restricted Stock Incentive Plan and the 2024 Restricted Stock Incentive Plan were no longer eligible for incentives, and the company-level performance assessment for the restricted shares involved in the first grant under the 2023 Restricted Stock Incentive Plan during the second period of release from restrictions failed to meet the standards, the Company repurchased and cancelled a total of 3,174, 980 restricted shares granted to the above-mentioned incentive recipients but not unlocked. For more details, please see the *Announcement of Huayou Cobalt on the Repurchase and Cancellation of Restricted Shares under the Equity Incentive Plan* (Announcement No. 2025-120);

9. It is deliberated at the 36th meeting of the sixth Board of Directors of the Company that, in accordance with the relevant provisions of the Company's *2024 Restricted Stock Incentive Plan (Draft)* and the authorization of the first extraordinary general meeting of shareholders in 2025, the Company

has completed the registration of the 630,200 restricted shares involved in the reserved grant under the 2024 Restricted Stock Incentive Plan. For more details, please see the *Announcement of Huayou Cobalt on the Results of the Reserved Grant under the 2024 Restricted Stock Incentive Plan* (Announcement No.: 2025-136).

### 3. Impact of the change in shares on financial indicators (if any), such as earnings per share and net assets per share, for the last year and the last period

Applicable  Not applicable

The total number of shares (paid-up capital) of the Company increased from 1,697,214,928 shares at the beginning of the period to 1,896,727,497 shares at the end of the period. If the total share capital before the change is 1,697,214,928 shares, the basic earnings per share and net asset value per share for 2025 are RMB 3.60 and RMB 28.46 respectively. If the total share capital after the change is 1,896,727,497 shares, the weighted basic earnings per share and net asset value per share for 2025 are RMB 3.22 and RMB 25.46 respectively.

### 4. Other information deemed necessary by the Company or required by the securities regulatory authorities to be disclosed

Applicable  Not applicable

#### (II) Change in restricted shares

Applicable  Not applicable

Unit: Share						
Name of shareholder	Number of restricted shares at the beginning of the year	Number of restricted shares unlocked during the year	Number of restricted shares added during the year	Number of restricted shares at the end of the year	Reason for sales restriction	Date of unlocking
Incentive recipients of the grant of the reserved part of the restricted shares in 2022	3,000	0	0	3,000	Restricted shares incentive plan	/
Incentive recipients of the first grant of the restricted shares in 2023	10,874,900	0	-8,090,120	2,784,780	Restricted shares incentive plan	Note 1
Incentive recipients of the first grant of the restricted shares in 2024	0	0	9,230,600	9,230,600	Restricted shares incentive plan	Note 2
Incentive recipients of the grant of the reserved part of the restricted shares in 2024	0	0	630,200	630,200	Restricted shares incentive plan	Note 3
Total	10,877,900	0	1,770,680	12,648,580	/	/

Note 1: For more information of the unlocking time of the restricted shares for the first grant in 2023, please refer to the *Announcement of Huayou Cobalt on the Results of the First Grant of Restricted Shares to the Incentive recipients* (Announcement No.: 2023-142) published by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on September 29, 2023;

Note 2: For more information of the unlocking time of the restricted shares for the first grant in 2024, please refer to the *Announcement of Huayou Cobalt on the Results of the First Grant of Restricted Shares to Incentive Recipients* (Announcement No.: 2025-028) disclosed by the Company on March 11, 2025 on the website of Shanghai Stock Exchange (www.sse.com.cn);

Note 3: For more information of the unlocking time of the restricted shares for the grant of the reserved part in 2024, please refer to the *Announcement of Huayou Cobalt on the Results of the Reserved Grant under the 2024 Restricted Stock Incentive Plan* (Announcement No.: 2025-136) disclosed by the Company on December 27, 2025 on the website of Shanghai Stock Exchange (<http://www.sse.com.cn>).

## II. Issuance and listing of securities

### (I) Issuance of securities as of the reporting period

Applicable Not applicable

Notes on the issuance of securities as of the reporting period (for bonds with different interest rates during the term to maturity, please indicate separately):

Applicable Not applicable

### (II) Changes in the total number of shares, shareholder structure and structure of assets and liabilities

Applicable Not applicable

1. During the reporting period, the Company had such matters affecting the total number of shares of the Company as grant of restricted shares, repurchase of restricted shares that did not meet the incentive conditions, conversion of convertible bonds into shares, etc. The total number of shares (paid-up capital) increased from 1,697,214,928 shares at the beginning of the period to 1,896,727,497 shares at the end of the period.

2. At the end of 2024, the total assets of the Company were RMB 136,591,394,324.44, the total liabilities were RMB 8,793,0768,807.29, and the asset-liability ratio was 64.38%. At the end of the reporting period, the total assets of the Company were RMB 159,437,759,775.50, the total liabilities were RMB 98,616,989,325.74, and the asset-liability ratio was 61.85%.

### (III) Existing employee stocks

Applicable Not applicable

## III. Shareholders and actual controller

### (I) Total number of shareholders

Total number of ordinary shareholders at the end of the reporting period	211,295
Total number of ordinary shareholders at the end of the previous month before the annual report disclosure date	265,434
Total number of preferred shareholders with resumed voting rights at the end of the reporting period	0
Total number of preferred shareholders with resumed voting rights at the end of the previous month before the annual report disclosure date	0

### (II) Shareholdings of top 10 shareholders and top 10 holders of marketable shares (or shareholders without trading restrictions) at the end of the reporting period

Unit: Share

Shareholding status of top 10 shareholders (excl. shares lent out via refinancing business)							
Full name of shareholder	Increase / decrease of shares during the reporting period	Number of shares held at the end of the period	Proportion (%)	Number of shares with trading restrictions held	Pledge, mark or freezing		Nature of shareholder
					Share status	Number of shares	

Huayou Holding Group Co., Ltd.	20,849,219	308,664,701	16.27	0	Pledge	135,866,994	Domestic non-state-owned legal person
Hong Kong Securities Clearing Co., Ltd.	112,321,213	176,365,040	9.30	0	None	0	Other
Chen Xuehua	200	82,505,146	4.35	0	Pledge	26,520,000	Domestic natural person
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI300 Exchange-Traded Open-End Index Securities Investment Fund	1,405,999	24,902,280	1.31	0	None	0	Unknown
China Construction Bank Corporation – E Fund CSI300 Exchange-Traded Open-End Index Securities Investment Fund	1,689,040	17,867,998	0.94	0	None	0	Unknown
Industrial and Commercial Bank of China Limited – China Southern CSI SW Nonferrous Metals Exchange-Traded Open-End Index Securities Investment Fund	8,936,706	14,605,269	0.77	0	None	0	Unknown
Industrial and Commercial Bank of China Limited – GF SZSE New Energy Vehicle & Battery Exchange-Traded Open-End Index Securities Investment Fund	9,114,292	14,478,590	0.76	0	None	0	Unknown
Industrial and Commercial Bank of China Limited – Huaxia CSI300 Exchange-Traded Open-End Index Securities Investment Fund	2,892,672	13,635,942	0.72	0	None	0	Unknown
Bank of China Limited – Jiashi CSI300 Exchange-Traded Open-End Index Securities Investment Fund	1,585,400	11,769,187	0.62	0	None	0	Unknown
UBS AG	9,157,945	9,899,802	0.52	0	None	0	Unknown
Shareholding of top 10 shareholders without trading restrictions (excluding shares lent through refinancing or shares locked in by senior officers)							
Name of shareholder		Number of shares without trading		Class and number of shares			

	restrictions held	Class	Number
Huayou Holding Group Co., Ltd.	308,664,701	RMB ordinary shares	308,664,701
Hong Kong Securities Clearing Co., Ltd.	176,365,040	RMB ordinary shares	176,365,040
Chen Xuehua	82,505,146	RMB ordinary shares	82,505,146
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI300 Exchange-Traded Open-End Index Securities Investment Fund	24,902,280	RMB ordinary shares	24,902,280
China Construction Bank Corporation – E Fund CSI300 Exchange-Traded Open-End Index Securities Investment Fund	17,867,998	RMB ordinary shares	17,867,998
Industrial and Commercial Bank of China Limited – China Southern CSI SW Nonferrous Metals Exchange-Traded Open-End Index Securities Investment Fund	14,605,269	RMB ordinary shares	14,605,269
Industrial and Commercial Bank of China Limited – GF SZSE New Energy Vehicle & Battery Exchange-Traded Open-End Index Securities Investment Fund	14,478,590	RMB ordinary shares	14,478,590
Industrial and Commercial Bank of China Limited – Huaxia CSI300 Exchange-Traded Open-End Index Securities Investment Fund	13,635,942	RMB ordinary shares	13,635,942
Bank of China Limited – Jiashi CSI300 Exchange-Traded Open-End Index Securities Investment Fund	11,769,187	RMB ordinary shares	11,769,187
UBS AG	9,899,802	RMB ordinary shares	9,899,802
Special repurchase account among the top 10 shareholders	None		
The above shareholders' entrustment of voting rights, being entrusted with voting rights, or waiver of voting rights	None		
Related relationship or concerted action of the above shareholders	Among the shareholders mentioned above, Huayou Holding Group Co., Ltd. and Chen Xuehua are persons acting in concert. Except for this, the Company is not aware of whether the above shareholders are related to each other.		
Preferred shareholders with resumed voting rights and the number of shares held by them	None		

Lending of shares through refinancing by shareholders holding more than 5%, top 10 shareholders and top 10 shareholders holding tradable shares without sales restrictions

Applicable Not applicable

Change compared with last period caused by lending through refinancing/return by top 10 shareholders and top 10 shareholders holding tradable shares without sales restrictions

Applicable Not applicable

Number of shares held by the top 10 shareholders subject to sales restrictions and details of the sales restrictions

Applicable Not applicable

Unit: Share

S/N	Name of shareholder subject to sales restrictions	Number of shares with sales restrictions held	Trading of shares with sales restrictions		Sales restrictions
			Tradable date	Number of tradable shares newly added	
1	Chen Hongliang	195,000			Restrictions on equity incentives
2	Fang Qixue	130,000			Restrictions on equity incentives
3	Chen Yaozhong	130,000			Restrictions on equity incentives
4	Wang Jun	130,000			Restrictions on equity incentives
5	Zhang Binghai	121,000			Restrictions on equity incentives
6	Wu Mengtao	68,000			Restrictions on equity incentives
7	ZHANG DAHUI	68,000			Restrictions on equity incentives
8	Li Tiancheng	68,000			Restrictions on equity incentives
9	Liu Xiuqing	65,000			Restrictions on equity incentives
10	Sun Qi	64,400			Restrictions on equity incentives
Related relationship or concerted action of the above shareholders		It is unknown whether the above shareholders are related to each other or whether they are acting in concert.			

### (III) Top 10 shareholders of strategic investors or general legal persons as a result of placement of new shares

Applicable Not applicable

## IV. Controlling shareholder and actual controller

### (I) Information about controlling shareholder

#### 1. Legal persons

Applicable Not applicable

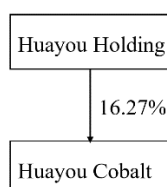
Name	Huayou Holding Group Co., Ltd.
Person in charge or legal representative	Chen Xuehua
Date of incorporation	December 19, 2006
Primary business	Investment in industry, asset management of controlling subsidiaries, M&A of companies
Equity in other domestic and overseas listed companies controlled and participated in during the reporting period	As of December 31, 2025, Huayou Holding holds 12,500,000 shares of REPT (00666.HK); 230,000 shares of COSMX (688772.SH); 4,199,579 shares of Sunwoda (300207.SZ); 54,700 shares of Easpring (300073.SZ).

Other information	None
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**2. Natural persons**
Applicable Not applicable

**3. Special explanation for the absence of controlling shareholder of the Company**
Applicable Not applicable

**4. Description of changes in controlling shareholders during the reporting period**
Applicable Not applicable

**5. Diagram of ownership and control relationship between the Company and its controlling shareholder**
Applicable Not applicable

**(II) Information about actual controller**
**1. Legal person**
Applicable Not applicable

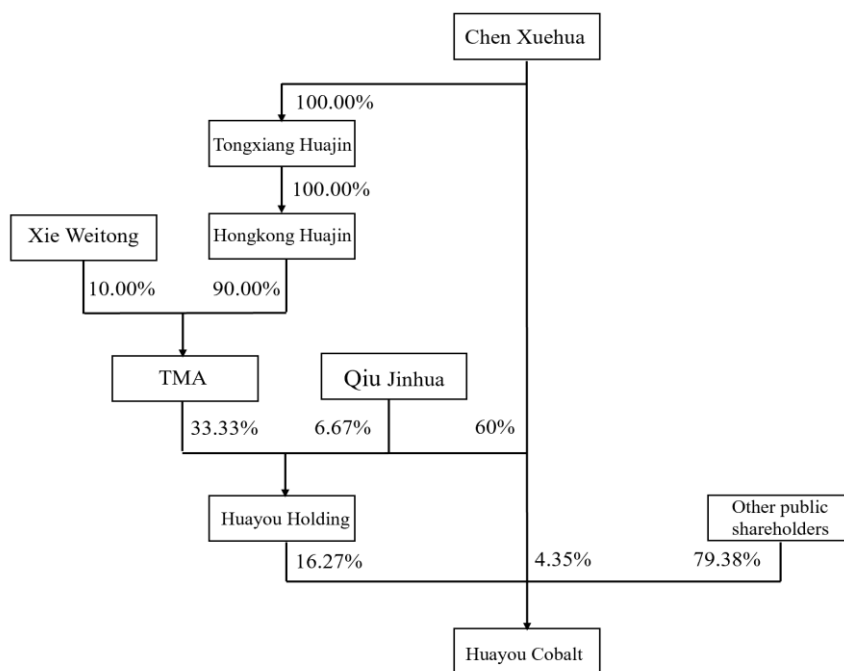
**2. Natural person**
Applicable Not applicable

Name	Chen Xuehua
Nationality	Chinese
Right of abode in other countries or regions	No
Major occupation and position	June 2002 - present Chairman
Listed companies (domestic or overseas) in which the actual controller had a controlling interest in the past 10 years	Had no controlling interest in any domestic or overseas listed companies in the past 10 years, except for the Company.

**3. There exists no special notes on actual controller of the Company**
Applicable Not applicable

**4. Description of changes in control of changes of the Company during the reporting period**
Applicable Not applicable

**5. Diagram of ownership and control relationship between the Company and its actual controller**
Applicable Not applicable



**6. Control of the Company by the actual controller through trust or other asset management methods**

Applicable Not applicable

**(III) Other information about controlling shareholder and actual controller**

Applicable Not applicable

**V. The cumulative number of shares pledged by the controlling shareholder or the first largest shareholder of the Company and its concert parties accounted for more than 80% of the number of shares held by them**

Applicable Not applicable

**VI. Other legal person shareholders holding more than 10% of shares**

Applicable Not applicable

**VII. Description of restrictions on the reduction of shareholdings**

Applicable Not applicable

**VIII. Specific implementation of share repurchases during the reporting period**

Applicable Not applicable

**IX. Preferred shares**

Applicable Not applicable

## Section VII Bonds

### I. Corporate bonds (including enterprise bonds) and non-financial corporate debt financing instruments

Applicable Not applicable

#### (I) Corporate bonds (including enterprise bonds)

Applicable Not applicable

#### (II) Funds raised with corporate bonds

Corporate bonds of the Company are involved in the use of raised funds or rectification during the reporting period

No corporate bonds of the Company are involved in the use of raised funds or rectification during the reporting period

(1) Raised funds used for specific projects

Applicable Not applicable

#### (III) Other matters to be disclosed for special variety bonds

Applicable Not applicable

#### (IV) Important matters related to corporate bonds during the reporting period

Applicable Not applicable

**(V) Debt financing instruments for non-financial enterprises in the interbank bond market**

√Applicable □Not applicable

**1. Basic information of debt financing instruments for non-financial enterprises**

Monetary unit: Yuan Currency: RMB

Bond name	Name abbreviation	Bond Code	Issue date	Value date	Maturity date	Bond Balance	Interest Rate (%)	Method of repayment of principal and payment of interest	Place of trading	Investor suitability arrangement (if any)	Trading mechanism	Whether there is a risk of termination of trading
Ultra-short Term Financing Bonds (Phase II) of Zhejiang Huayou Cobalt Co., Ltd. in 2025 (Science and Technology Innovation Notes)	25 Huayou Cobalt SCP002 (Science and Technology Innovation Notes)	012580892.IB	2025/4/14	2025/4/15	2026/1/9	600,000,000	3.24	Repayment of principal and interest in one lump sum at maturity	Interbank market	Institutional investors in the interbank market	Dialogue quotation, anonymous quotation, inquiry	No
Science and Technology Innovation Bonds (Phase III) of Zhejiang Huayou Cobalt Co., Ltd. in 2025	25 Huayou Cobalt SCP003 (Science and Technology Innovation Bonds)	012581208.IB	2025/5/22	2025/5/23	2026/2/6	700,000,000	2.90	Repayment of principal and interest in one lump sum at maturity	Interbank market	Institutional investors in the interbank market	Dialogue quotation, anonymous quotation, inquiry	No
Science and Technology Innovation Bonds (Phase IV) of Zhejiang Huayou Cobalt Co., Ltd. in 2025	25 Huayou Cobalt SCP004 (Science and Technology Innovation Bonds)	012581318.IB	2025/6/9	2025/6/10	2026/3/6	700,000,000	2.70	Repayment of principal and interest in one lump sum at maturity	Interbank market	Institutional investors in the interbank market	Dialogue quotation, anonymous quotation, inquiry	No

Science and Technology Innovation Bonds (Phase V) of Zhejiang Huayou Cobalt Co., Ltd. in 2025	25 Huayou Cobalt SCP005 (Science and Technology Innovation Bonds)	012581628. IB	2025/7/9	2025/7/10	2026/4/6	600,000,000	2.50	Repayment of principal and interest in one lump sum at maturity	Interbank market	Institutional investors in the interbank market	Dialogue quotation, anonymous quotation, inquiry	No
Science and Technology Innovation Bonds (Phase VII) of Zhejiang Huayou Cobalt Co., Ltd. in 2025	25 Huayou Cobalt SCP007 (Science and Technology Innovation Bonds)	012582161. IB	2025/9/4	2025/9/5	2026/6/2	700,000,000	2.41	Repayment of principal and interest in one lump sum at maturity	Interbank market	Institutional investors in the interbank market	Dialogue quotation, anonymous quotation, inquiry	No
Green Science and Technology Innovation Bonds (Phase I) of Zhejiang Huayou Cobalt Co., Ltd. in 2025	25 Huayou Cobalt MTN001 (Science and Technology Innovation Bonds)	102584389. IB	2025/10/22	2025/10/23	2027/10/23	500,000,000	2.89	Payment of interest annually and repayment of principal in one lump sum at maturity	Interbank market	Institutional investors in the interbank market	Dialogue quotation, anonymous quotation, inquiry	No
Science and Technology Innovation Bonds (Phase VIII) of Zhejiang Huayou Cobalt Co., Ltd. in 2025	25 Huayou Cobalt SCP008 (Science and Technology Innovation Bonds)	012582993. IB	2025/12/8	2025/12/9	2026/9/4	700,000,000	2.40	Repayment of principal and interest in one lump sum at maturity	Interbank market	Institutional investors in the interbank market	Dialogue quotation, anonymous quotation, inquiry	No

Countermeasures to the risk of termination of trading

Applicable Not applicable

Overdue bonds

Applicable Not applicable

Bond interest payment and encashment during the reporting period

Applicable Not applicable

Bond name	Interest payment and encashment
Ultra-short Term Financing Bonds (Phase III) of Zhejiang Huayou Cobalt Co., Ltd. in 2024 (Science and Technology Innovation Notes)	Normal interest payment and encashment upon maturity
Ultra-short Term Financing Bonds (Phase IV) of Zhejiang Huayou Cobalt Co., Ltd. in 2024 (Science and Technology Innovation Notes)	Normal interest payment and encashment upon maturity
Ultra-short Term Financing Bonds (Phase V) of Zhejiang Huayou Cobalt Co., Ltd. in 2024 (Science and Technology Innovation Notes)	Normal interest payment and encashment upon maturity
Ultra-short Term Financing Bonds (Phase VI) of Zhejiang Huayou Cobalt Co., Ltd. in 2024 (Science and Technology Innovation Notes)	Normal interest payment and encashment upon maturity
Ultra-short Term Financing Bonds (Phase I) of Zhejiang Huayou Cobalt Co., Ltd. in 2025 (Science and Technology Innovation Notes)	Normal interest payment and encashment upon maturity

## 2. Trigger and enforcement of the Company or investor option clauses and investor protection clauses

Applicable Not applicable

## 3. Intermediaries providing services for bond issuance and the business during the duration thereof

Name of intermediary	Office address	Signing accountant	Contact person	Contact number
China CITIC Bank Co., Ltd	Building 1, No. 10 Guanghua Road, Chaoyang District, Beijing	-	Zhang Tianyi	010-66635908
Ping An Bank Co., Ltd	No. 5047 Shennan East Road, Luohu District, Shenzhen	-	Zhang Xue	0755-81945281
CHINA ZHESHANG BANK CO., LTD.	No. 1788 Hongning Road, Yingfeng Subdistrict, Xiaoshan District, Hangzhou	-	Xu Yuhao	0573-82038213
China Minsheng Banking Corp., Ltd.	No. 2 Fuxingmen Nei Avenue, Xicheng District, Beijing	-	Zhang Xingwang	010-56368035
Grandall Law Firm (Hangzhou)	Building 15 (Grandall Building), Block B, Baita Park, Laofuxing Road, Shangcheng District, Hangzhou City	-	Qian Xiaobo	0571-85775888
China Lianhe Credit Rating Co., Ltd	17/F, PICC Building, No. 2 Jianguomenwai Street, Chaoyang District, Beijing (100022)	-	Niu Wenjing and Wang Jiachenzi	010-85679696
Lianhe Equator Environmental Impact Assessment Co.,Ltd	Room 503, No. 80 Qufu Road, Xiaobailou Street, Heping District, Tianjin	-	Jia Ruichan	158212592841

Change in the intermediaries listed above

Applicable Not applicable

Name of intermediary	Reason for change	Procedures performed	Impact on the rights and interests of bond investors
Lianhe Equator Environmental Impact Assessment Co.,Ltd	Required by certification of green medium-term notes	The corresponding appointment procedures have been completed in accordance with the requirements of the Trading Association and the Company	No impact
CHINA ZHESHANG BANK CO., LTD.	Addition of a new lead underwriter	The corresponding appointment procedures have been completed in accordance with the requirements of the Trading Association and the Company	No impact

China Minsheng Banking Corp., Ltd.	Addition of a new lead underwriter	The corresponding appointment procedures have been completed in accordance with the requirements of the Trading Association and the Company	No impact
Shanghai Pudong Development Bank	Withdrawal of the lead underwriter	The corresponding appointment procedures have been completed in accordance with the requirements of the Trading Association and the Company	No impact

#### 4. Use of raised funds as at the end of the reporting period

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Bond name	Total amount of raised funds	Amount used	Amount unused	Operation of the special account for raised funds (if any)	Rectification of illegal use of raised funds (if any)	Consistent with the purpose, use plan, and other provisions of the prospectus or not
Ultra-short Term Financing Bonds (Phase II) of Zhejiang Huayou Cobalt Co., Ltd. in 2025 (Science and Technology Innovation Notes)	600,000,000	600,000,000	0	None	None	Yes
Science and Technology Innovation Bonds (Phase III) of Zhejiang Huayou Cobalt Co., Ltd. in 2025	700,000,000	700,000,000	0	None	None	Yes
Science and Technology Innovation Bonds (Phase IV) of Zhejiang Huayou Cobalt Co., Ltd. in 2025	700,000,000	700,000,000	0	None	None	Yes
Science and Technology Innovation Bonds (Phase V) of Zhejiang Huayou Cobalt Co., Ltd. in 2025	600,000,000	600,000,000	0	None	None	Yes
Science and Technology Innovation Bonds (Phase VII) of Zhejiang Huayou Cobalt Co., Ltd. in 2025	700,000,000	700,000,000	0	None	None	Yes
Green Science and Technology Innovation Bonds (Phase I) of Zhejiang Huayou Cobalt Co., Ltd. in 2025	500,000,000	500,000,000	0	None	None	Yes
Science and Technology Innovation Bonds (Phase VIII) of Zhejiang Huayou Cobalt Co., Ltd. in 2025	700,000,000	700,000,000	0	None	None	Yes

Progress and operational benefits of the construction projects invested by the raised funds

Applicable Not applicable

Change in the use of the raised funds during the reporting period

Applicable Not applicable

Other information

Applicable Not applicable

**1. Adjustment of credit rating result**

Applicable Not applicable

Other information

Applicable Not applicable

**6. Implementation and change of guarantees, debt repayment plans, and other debt repayment guarantee measures during the reporting period and their impact**

Applicable Not applicable

**7. Other information of debt financing instruments for non-financial enterprises**

Applicable Not applicable

**(VI) Situation where the Company's losses in the consolidated statements exceeded 10% of its net assets at the end of the previous year during the reporting period**

Applicable Not applicable

**(VII) Overdue interest-bearing debts other than bonds as at the end of the reporting period**

Applicable Not applicable

**(VIII) Impact of any violation of laws and regulations, articles of association, information disclosure management regulations, and agreements or commitments in the bond prospectus during the reporting period on the rights and interests of bond investors**

Applicable Not applicable

**(IX) Accounting data and financial indicators of the Company for the recent two years as of the end of the reporting period**

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Key indicators	Year 2025	Year 2024	Increase/decrease compared with the same period last year (%)	Reason for the change
Net profit attributable to shareholders of the Company after deducting non-recurring profit and loss	5,792,932,025.41	3,795,092,102.46	52.64	
Current ratio	0.95	1.03	-8.57%	
Quick ratio	0.59	0.70	-16.72%	
Asset-liability ratio (%)	61.85%	64.38%	-4.01%	
EBITDA to total debt ratio	0.25	0.21	21.68%	
Interest coverage ratio	4.28	2.91	48.62%	
Cash interest coverage ratio	1.58	4.26	-57.23%	
EBITDA interest coverage ratio	6.25	4.48	40.82%	
Loan repayment rate (%)	100.00%	100.00%	-	
Interest coverage ratio (%)	100.00%	100.00%	-	

**II. Convertible corporate bonds**

Applicable Not applicable

**(I) Issuance of convertible bonds**

Applicable Not applicable

On February 24, 2022, with the approval of the document numbered “ZJXK [2022] No. 209” issued by the China Securities Regulatory Commission, the Company publicly issued 76 million convertible corporate bonds with a face value of RMB 100 each and a total issue amount of RMB 7.6 billion. With the approval of the Shanghai Stock Exchange Self-Regulation Decision [2022] No. 71, the Company’s convertible bonds of RMB 7.6 billion have been listed and traded on the Shanghai Stock Exchange since March 23, 2022, with the bond abbreviation “Huayou Convertible Bonds” and the bond code “113641”.

On August 29, 2025, the Company held the 32nd meeting of the sixth Board of Directors, at which the *Proposal on the Early Redemption of “Huayou Convertible Bonds”* was deliberated and approved. On September 8, 2025, the Company issued the *Announcement on the Redemption and Delisting of “Huayou Convertible Bonds”*, setting the redemption price at RMB 100.8918 per bond, the redemption registration date on September 26, 2025, and the redemption price payment date on September 29, 2025. According to the redemption schedule, as of the close of trading on September 26, 2025, “Huayou Convertible Bonds” with a total value of RMB 7,591,532,000 have been converted into the Company’s A-share ordinary stocks or repurchased. The cumulative repurchase amount is RMB 8,000 (excluding interest), the cumulative conversion amount is RMB 7,591,524,000, and the cumulative number of shares converted is 220,464,064. After the redemption was completed, “Huayou Convertible Bond” was delisted from the Shanghai Stock Exchange on September 29, 2025.

### (II) Convertible bond holders and guarantors during the reporting period

Applicable Not applicable

Note: “Huayou Convertible Bond” was delisted from the Shanghai Stock Exchange on September 29, 2025. As of the end of the reporting period, Huayou Convertible Bonds had no holders.

### (III) Change in convertible corporate bonds during the reporting period

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Name of convertible corporate bonds	Before the change	Increase/decrease in the change			After the change
		Conversion into shares	Redemption	Resale	
Huayou Convertible Bonds	7,598,486,000	7,590,018,000	8,468,000	0	0

### (IV) Cumulative amount of convertible corporate bonds converted into shares during the reporting period

Applicable Not applicable

Name of convertible corporate bonds	Huayou Convertible Bonds
Amount of convertible corporate bonds converted into shares during the reporting period (Yuan)	7,590,018,000
Number of shares converted from convertible corporate bonds during the reporting period	220,444,949
Cumulative number of shares converted from convertible corporate bonds	220,464,064
Proportion of the cumulative number of shares converted in the total number of issued shares of the Company before the conversion (%)	13.80
Amount of convertible corporate bonds that are not converted into shares (Yuan)	0
Proportion of convertible corporate bonds that are not converted into shares in the total issued	0

convertible bonds (%)	
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**(IV) Previous adjustments in conversion prices**

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Name of convertible corporate bonds				
Date of conversion price adjustment	Adjusted conversion price	Disclosure date	Disclosure media	Description of conversion price adjustment
2025/2/5	35.03	2025/1/25	<a href="http://www.sse.com.cn">www.sse.com.cn</a> Shanghai Securities News, China Securities Journal, Securities Times, Securities Daily	Due to the completion of the repurchase and cancellation procedures for the restricted shares that have been granted but not yet released from restrictions held by the incentive recipients who do not meet the conditions for release from restrictions, the conversion price of Huayou Convertible Bonds has been adjusted from RMB 35.00 per share to RMB 35.03 per share as of February 5, 2025. For more information, please see the <i>Announcement of Huayou Cobalt on the Completion of Repurchase and Cancellation of Some Restricted Shares, the Adjustment of Conversion Price of Convertible Bonds and the Suspension and Resumption of Trading of Conversion</i> (Announcement No.: 2025-016) disclosed by the Company on January 25, 2025.
2025/3/12	34.92	2025/3/11	<a href="http://www.sse.com.cn">www.sse.com.cn</a> Shanghai Securities News, China Securities Journal, Securities Times, Securities Daily	Due to the implementation of the 2024 Restricted Stock Incentive Plan by the Company and the completion of the registration of first grant, the conversion price of Huayou Convertible Bonds has been adjusted from RMB 35.03 per share to RMB 34.92 per share as of March 12, 2025. For more information, please see the <i>Announcement of Huayou Cobalt on the Adjustment of Conversion Price of Convertible Bonds and the Suspension and Resumption of Trading of Conversion</i> (Announcement No.: 2025-029) disclosed by the Company on March 11, 2025.
2025/6/11	34.43	2025/6/4	<a href="http://www.sse.com.cn">www.sse.com.cn</a> Shanghai Securities News, China Securities Journal,	Due to the Company's implementation of the 2024 annual equity distribution plan, the conversion price of Huayou Convertible Bonds has been adjusted

			Securities Times, Securities Daily	from RMB 34.92 per share to RMB 34.43 per share as of June 11, 2025. For more information, please see the <i>Announcement of Huayou Cobalt on Adjusting the Conversion Price of Convertible Bonds for Implementing the 2024 Annual Equity Distribution</i> (Announcement No.: 2025-059) disclosed by the Company on June 4, 2025.
Latest conversion price as of the end of the reporting period		N/A		

**(V) The Company's liabilities, credit changes, and cash arrangements for debt repayment in future years**

Applicable Not applicable

**(VI) Other information of convertible bonds**

Applicable Not applicable

1. From July 25, 2025 to August 29, 2025, the closing price of the Company's stock was no less than 130% of the current conversion price of RMB 34.43 per share (i.e., RMB 44.759 per share) for 15 trading days, triggering the conditional redemption of "Huayou Convertible Bonds". After deliberation and approval at the 32nd meeting of the sixth Board of Directors of the Company, the Company decided to exercise the early redemption right of "Huayou Convertible Bonds" and redeem all the "Huayou Convertible Bonds" registered on the redemption registration date at the bond face value plus the accrued interest for the current period. For more information, please see the *Announcement of Huayou Cobalt on the Early Redemption of "Huayou Convertible Bonds"* (Announcement No.: 2025-087);

2. On September 8, 2025, the Company disclosed the *Announcement of Huayou Cobalt on the Redemption and Delisting of "Huayou Convertible Bonds"* (Announcement No.: 2025-088), clearly defining specific matters such as the redemption procedures, price, payment methods and time, and from September 9, 2025 to September 26, 2025, the Company disclosed 14 reminder announcements regarding the redemption and delisting of "Huayou Convertible Bonds";

3. As of the close of trading on September 26, 2025 (the redemption registration date), "Huayou Convertible Bonds" with a total value of RMB 7,591,532,000 have been converted into the Company's A-share ordinary stocks or repurchased. The cumulative repurchase amount is RMB 8,000 (excluding interest), the cumulative conversion amount is RMB 7,591,524,000, and the cumulative number of shares converted is 220,464,064. The number of "Huayou Convertible Bonds" redeemed is 84,680, with a total redemption amount of RMB 8,543,522.93 (including current interest), and the redemption price payment date is September 29, 2025. The "Huayou Convertible Bond" has been delisted from the Shanghai Stock Exchange since September 29, 2025. For more information, please see the *Announcement of Huayou Cobalt on the Redemption Results of "Huayou Convertible Bonds" and Share Change* (Announcement No.: 2025-110).

## Section VIII Financial Report

### I. Auditor's Report

Applicable  Not Applicable

### Auditor's Report

PCCPAAR [2026] No.

To the Shareholders of Zhejiang Huayou Cobalt Co., Ltd.:

#### I. Audit Opinion

We have audited the financial statements of Zhejiang Huayou Cobalt Co., Ltd. (the "Company"), which comprise the consolidated and parent company balance sheets as at December 31, 2025, the consolidated and parent company income statements, consolidated and parent company cash flow statements, and consolidated and parent company statements of changes in equity for the year then ended, as well as notes to financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with China Accounting Standards for Business Enterprises.

#### II. Basis for Audit Opinion

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the Certified Public Accountant's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the *Independence Standard for Certified Public Accountants of China No. 1 - Requirements for Independence in Financial Statement Audit and Review Services* and the China Code of Ethics for Certified Public Accountants, and we have fulfilled other ethical responsibilities. We have adhered to the independence requirements for auditing public interest entities in our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### III. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not express a separate opinion on these matters.

##### (I) Revenue recognition

##### 1. Key audit matters

Please refer to item III 24 and V 2 (1) of this section for details.

The Company is mainly engaged in sales of cobalt products, copper products, nickel products, lithium products, ternary precursors, cathode materials and nickel intermediates. The operating revenue in 2025 amounted to RMB 81,018.6741million.

As operating revenue is one of the key performance indicators of the Company, there might be inherent risks that the Company's management (the "Management") adopts inappropriate revenue recognition to achieve specific goals or expectations, we have identified revenue recognition as a key audit matter.

## 2. Responsive audit procedures

Our main audit procedures for revenue recognition are as follows:

- (1) We obtained understandings of key internal controls related to revenue recognition, assessed the design of these controls, determined whether they had been executed, and tested the effectiveness of the operation;
- (2) We checked main sales contracts, identified terms related to transfer of control over goods, and assessed whether the revenue recognition policies were in compliance with regulations of China Accounting Standards for Business Enterprises;
- (3) We performed analysis procedure on operating revenue and gross margin by month, product, etc., so as to identify whether there are significant or abnormal fluctuations and find out the reason;
- (4) For revenue from domestic sales, we checked supporting documents related to revenue recognition by sampling method, including sales contracts, sales invoices, client acceptance receipts, etc.; for revenue from overseas sales, we obtained information from Electron Port and checked it with accounting records, and checked supporting documents including sales contracts, bills of clearance, waybills, sales invoices, etc. by sampling method;
- (5) We performed confirmation procedures on current sales amount of major customers by sampling method in combination with confirmation procedure of accounts receivable;
- (6) We checked the operating revenue recognized around the balance sheet date with supporting documents including client acceptance receipts, waybills, etc. by sampling method, and assessed whether the operating revenue was recognized in the appropriate period; and
- (7) We checked whether information related to operating revenue had been presented appropriately in the financial statements.

## (II) Net realizable value of inventories

### 1. Key audit matters

Please refer to item III 13 and V 1 (8) of this section for details.

As of December 31, 2025, the book balance of inventories amounted to RMB 25,658.7399 million, with provision for inventory write-down of RMB 34.5823 million, and the carrying amount amounted to RMB 25,624.1576 million.

At the balance sheet date, inventories are measured at the lower of cost and net realizable value, with provisions for inventory write-down made on the excess of its cost over the net realizable value on an individual basis. Based on the Management's consideration over purposes that the inventories were held for, the estimated selling price is determined based on actual selling price, contractual selling price, etc., and the net realizable value of these inventories is determined based on the amount of the estimated selling price less the cost to be incurred upon completion, estimated selling expenses and relevant taxes and surcharges.

As the amount of inventories is significant and determination of net realizable value involves significant judgment of the Management, we have identified net realizable value of inventories as a key audit matter.

## 2. Responsive audit procedures

Our main audit procedures for net realizable value of inventories are as follows:

- (1) We obtained understandings of key internal controls related to net realizable value of inventories, assessed the design of these controls, determined whether they had been executed, and tested the effectiveness of the operation;
- (2) We reviewed the net realizable value estimated by the Management in previous years and the actual operating results, and assessed the accuracy of the Management's historical estimations;
- (3) We assessed the reasonableness of estimation on cost to be incurred upon completion, selling expenses and relevant taxes and surcharges made by the Management;
- (4) We tested whether the calculation of net realizable value of inventories made by the Management was accurate;
- (5) We checked whether there existed situations such as inventories with long stock age, fluctuation of production cost or selling price, and assessed whether the net realizable value of inventories was reasonably estimated by the Management; and
- (6) We checked whether information related to net realizable value of inventories had been presented appropriately in the financial statements.

## IV. Other Information

The Management is responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the

financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

#### **V. Responsibilities of the Management and Those Charged with Governance for the Financial Statements**

The Management is responsible for preparing and presenting fairly the financial statements in accordance with China Accounting Standards for Business Enterprises, as well as designing, implementing and maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### **VI. Certified Public Accountant's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with China Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We exercise professional judgment and maintain professional skepticism throughout the audit performed in accordance with China Standards on Auditing. We also:

(I) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(II) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

(III) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

(IV) Conclude on the appropriateness of the Management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(V) Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(VI) Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain sole responsibility for our audit opinion.

We communicate with those charged with governance regarding the planned audit scope, time schedule and significant audit findings, including any deficiencies in internal control of concern that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Pan-China Certified Public Accountants LLP

Hangzhou · China

Chinese Certified Public Accountant:  
(Engagement Partner)

Chinese Certified Public Accountant:

Date of Report: April 6, 2026

**II. Financial Statements**
**Consolidated balance sheet**

As at December 31, 2025

Prepared by: Zhejiang Huayou Cobalt Co., Ltd.

Monetary unit: Yuan Currency: RMB

Items	Note No.	December 31, 2025	December 31, 2024
<b>Current assets:</b>			
Cash and bank balances	7(1)	17,625,647,271.67	19,451,501,604.66
Settlement funds			
Loans to other banks			
Held-for-trading financial assets	7(2)	80,000,000.00	381,711,806.17
Derivative financial assets	7(3)	1,403,497,706.80	1,001,393,320.42
Notes receivable			
Accounts receivable	7(5)	9,342,046,846.38	6,802,217,530.22
Receivables financing	7(7)	1,647,571,042.81	1,428,306,241.20
Advances paid	7(8)	5,906,325,334.63	2,950,454,862.65
Premiums receivable			
Reinsurance accounts receivable			
Reinsurance reserve receivable			
Other receivables	7(9)	420,695,664.15	274,707,951.55
Including: Interest receivable			
Dividend receivable			2,587,982.40
Financial assets under reverse repo			
Inventories	7(10)	25,624,157,550.87	17,296,771,331.50
Including: Data resources			
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets	7(13)	6,004,282,129.30	4,512,122,865.97
Total current assets		68,054,223,546.61	54,099,187,514.34
<b>Non-current assets:</b>			
Loans and advances			
Debt investments			
Other debt investments			
Long-term receivables	7(16)	1,362,754,137.45	454,704,734.21
Long-term equity investments	7(17)	11,924,720,105.31	12,357,864,730.75
Other equity instrument investments	7(18)	393,906,682.81	176,379,882.81
Other non-current financial assets	7(19)	6,573,600.00	6,573,600.00
Investment property			
Fixed assets	7(21)	53,416,454,130.68	51,098,211,511.40
Construction in progress	7(22)	12,998,862,681.11	9,902,246,502.50
Productive biological assets			
Oil & gas assets			
Right-of-use assets	7(25)	44,703,312.68	58,138,602.83
Intangible assets	7(26)	4,573,099,491.95	4,918,247,132.08
Including: Data resources			
Development expenditures			
Including: Data resources			
Goodwill	7(27)	595,590,622.29	597,655,163.70
Long-term prepayments	7(28)	47,715,159.84	58,106,612.25

Items	Note No.	December 31, 2025	December 31, 2024
Deferred tax assets	7(29)	1,071,667,753.02	604,898,289.27
Other non-current assets	7(30)	4,947,488,551.75	2,259,180,048.30
Total non-current assets		91,383,536,228.89	82,492,206,810.10
Total assets		159,437,759,775.50	136,591,394,324.44
<b>Current liabilities:</b>			
Short-term borrowings	7(32)	25,049,841,189.68	20,753,855,937.28
Central bank loans			
Loans from other banks			
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable	7(35)	7,196,242,617.28	4,209,819,518.55
Accounts payable	7(36)	18,208,994,873.11	12,041,543,179.65
Advances received		852,479,726.74	
Contract liabilities	7(38)	1,274,805,334.45	867,721,977.01
Financial liabilities under repo			
Absorbing deposit and interbank deposit			
Deposits for agency security transaction			
Deposits for agency security underwriting			
Employee benefits payable	7(39)	781,246,476.16	701,787,373.59
Taxes and rates payable	7(40)	1,110,349,313.42	623,927,519.98
Other payables	7(41)	1,241,610,600.62	1,805,454,346.03
Including: Interest payable			
Dividend payable		2,956,333.52	2,984,644.38
Handling fees and commissions payable			
Reinsurance accounts payable			
Liabilities held for sale			
Non-current liabilities due within one year	7(43)	11,522,509,636.99	9,000,168,165.52
Other current liabilities	7(44)	4,120,599,011.83	2,338,401,435.83
Total current liabilities		71,358,678,780.28	52,342,679,453.44
<b>Non-current liabilities:</b>			
Insurance policy reserve			
Long-term borrowings	7(45)	18,054,618,081.94	19,502,224,004.04
Bonds payable	7(46)	500,920,684.94	6,940,139,194.75
Including: Preferred shares			
Perpetual bonds			
Lease liabilities	7(47)	28,930,679.17	25,510,181.33
Long-term payables	7(48)	4,145,263,634.65	4,666,378,463.88
Long-term employee benefits payable			
Provisions	7(50)	90,293,434.73	69,467,625.52
Deferred income	7(51)	772,174,047.21	714,907,735.45
Deferred tax liabilities	7(29)	71,909,982.82	75,262,148.88
Other non-current liabilities	7(52)	3,594,200,000.00	3,594,200,000.00
Total non-current liabilities		27,258,310,545.46	35,588,089,353.85
Total liabilities		98,616,989,325.74	87,930,768,807.29
<b>Equity:</b>			
Share capital	7(53)	1,896,724,497.00	1,692,178,088.00
Other equity instruments	7(54)		1,490,043,939.84

Items	Note No.	December 31, 2025	December 31, 2024
Including: Preferred shares			
Perpetual bonds			
Capital reserve	7(55)	22,818,030,515.23	15,394,817,790.36
Less: Treasury shares	7(56)	220,377,564.40	892,829,631.62
Other comprehensive income	7(57)	719,128,955.45	1,461,436,658.05
Special reserve	7(58)	57,236,574.72	50,835,475.00
Surplus reserve	7(59)	555,022,999.30	440,135,820.74
General risk reserve			
Undistributed profit	7(60)	22,469,702,243.27	17,308,989,342.99
Total equity attributable to the parent company		48,295,468,220.57	36,945,607,483.36
Non-controlling interest		12,525,302,229.19	11,715,018,033.79
Total equity		60,820,770,449.76	48,660,625,517.15
Total liabilities & equity		159,437,759,775.50	136,591,394,324.44

Legal representative: Chen Xuehua Officer in charge of accounting: Wang Jun Head of accounting department: Ma Xiao

### Parent company balance sheet

As at December 31, 2025

Prepared by: Zhejiang Huayou Cobalt Co., Ltd.

Monetary unit: Yuan Currency: RMB

Items	Note No.	December 31, 2025	December 31, 2024
<b>Current assets:</b>			
Cash and bank balances		1,627,632,004.88	1,825,879,045.58
Held-for-trading financial assets			
Derivative financial assets		23,316,228.41	31,633,811.11
Notes receivable		300,000,000.00	1,085,000,000.00
Accounts receivable	19(1)	560,552,075.03	1,317,762,733.77
Receivables financing		317,739,748.11	94,961,274.12
Advances paid		2,796,827,674.60	2,907,931,840.43
Other receivables	19(2)	5,046,887,464.77	2,965,619,857.86
Including: Interest receivable			
Dividend receivable			752,587,982.40
Inventories		263,949,623.93	170,978,703.51
Including: Data resources			
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets		788,313.45	62,052,302.90
Total current assets		10,937,693,133.18	10,461,819,569.28
<b>Non-current assets:</b>			
Debt investments			
Other debt investments			
Long-term receivables		357,294,287.52	365,407,218.36
Long-term equity investments	19(3)	37,418,035,734.43	33,265,737,144.89
Other equity instrument investments		189,904,237.00	172,377,437.00
Other non-current financial assets		6,573,600.00	6,573,600.00
Investment property			

Items	Note No.	December 31, 2025	December 31, 2024
Fixed assets		714,745,197.84	743,771,118.61
Construction in progress		69,206,642.33	55,695,721.22
Productive biological assets			
Oil & gas assets			
Right-of-use assets		29,251,592.31	22,473,994.87
Intangible assets		195,678,497.08	57,212,154.88
Including: Data resources			
Development expenditures			
Including: Data resources			
Goodwill			
Long-term prepayments		45,736,819.82	54,907,097.79
Deferred tax assets		198,642,973.87	61,970,319.52
Other non-current assets		1,246,695.44	2,847,805.72
Total non-current assets		39,226,316,277.64	34,808,973,612.86
Total assets		50,164,009,410.82	45,270,793,182.14
<b>Current liabilities:</b>			
Short-term borrowings		5,197,831,608.41	5,863,452,856.10
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable		1,642,814.99	1,986,837.30
Accounts payable		1,025,373,393.77	1,508,828,272.40
Advances received		852,320,705.33	
Contract liabilities		386,143,870.44	1,192,733,724.24
Employee benefits payable		137,741,497.55	118,822,331.36
Taxes and rates payable		19,177,626.47	5,631,078.32
Other payables		9,805,161,919.35	6,194,075,443.49
Including: Interest payable			
Dividend payable			
Liabilities held for sale			
Non-current liabilities due within one year		606,803,368.34	1,029,094,867.59
Other current liabilities		4,097,388,706.40	2,473,699,011.98
Total current liabilities		22,129,585,511.05	18,388,324,422.78
<b>Non-current liabilities:</b>			
Long-term borrowings		1,841,843,849.85	1,721,104,117.79
Bonds payable		500,920,684.94	6,940,139,194.75
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		18,721,123.07	13,571,522.76
Long-term payables		66,666,666.64	133,333,333.32
Long-term employee benefits payable			
Provisions			
Deferred income		8,447,007.56	7,009,425.36
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities		2,436,599,332.06	8,815,157,593.98
Total liabilities		24,566,184,843.11	27,203,482,016.76
<b>Equity:</b>			
Share capital		1,896,724,497.00	1,692,178,088.00
Other equity instruments			1,490,043,939.84
Including: Preferred shares			
Perpetual bonds			

Items	Note No.	December 31, 2025	December 31, 2024
Capital reserve		22,348,026,907.71	14,524,587,372.13
Less: Treasury shares		220,377,564.40	892,829,631.62
Other comprehensive income		-102,584,373.39	-108,610,597.16
Special reserve			
Surplus reserve		555,022,999.30	440,135,820.74
Undistributed profit		1,121,012,101.49	921,806,173.45
Total equity		25,597,824,567.71	18,067,311,165.38
Total liabilities & equity		50,164,009,410.82	45,270,793,182.14

Legal representative: Chen Xuehua

Officer in charge of accounting: Wang Jun

Head of accounting department: Ma Xiao

**Consolidated income statement**

For the year ended December 31, 2025

Monetary unit: Yuan Currency: RMB

Items	Note No.	Year 2025	Year 2024
I. Total operating revenue		81,018,674,069.68	60,945,563,720.14
Including: Operating revenue	7(61)	81,018,674,069.68	60,945,563,720.14
Interest income			
Premiums earned			
Revenue from handling fees and commissions			
II. Total operating cost		73,592,887,420.24	56,312,319,616.64
Including: Operating cost	7(61)	66,865,106,789.80	50,445,676,975.22
Interest expenses			
Handling fees and commissions			
Surrender value			
Net payment of insurance claims			
Net provision of insurance policy reserve			
Premium bonus expenditures			
Reinsurance expenses			
Taxes and surcharges	7(62)	466,688,461.05	442,789,921.10
Selling expenses	7(63)	170,286,312.78	159,228,602.56
Administrative expenses	7(64)	2,009,449,160.61	1,894,646,185.31
R&D expenses	7(65)	1,682,172,318.86	1,300,157,406.08
Financial expenses	7(66)	2,399,184,377.14	2,069,820,526.37
Including: Interest expenses		2,271,478,731.52	2,512,552,872.16
Interest income		339,345,529.95	389,705,965.90
Add: Other income	7(67)	272,979,540.37	225,341,474.61
Investment income (or less: losses)	7(68)	934,113,030.42	1,361,818,568.31
Including: Investment income from associates and joint ventures		518,419,792.01	743,026,913.81
Gains from derecognition of financial assets at amortized cost		-12,092,145.25	-14,976,147.27
Gains on foreign exchange (or less: losses)			
Gains on net exposure to hedging risk (or less: losses)			
Gains on changes in fair value (or less: losses)	7(70)	12,453,980.86	-61,513,862.54
Credit impairment loss	7(71)	-198,700,015.39	13,684,695.47
Assets impairment loss	7(72)	-44,621,235.05	-508,567,491.02
Gains on asset disposal (or less: losses)	7(73)	-18,416,053.59	-5,461,288.50
III. Operating profit (or less: losses)		8,383,595,897.06	5,658,546,199.83
Add: Non-operating revenue	7(74)	19,976,088.81	15,336,791.10
Less: Non-operating expenditures	7(75)	73,796,269.71	89,254,444.39
IV. Profit before tax (or less: total loss)		8,329,775,716.16	5,584,628,546.54
Less: Income tax expenses	7(76)	809,519,768.94	426,168,163.43
V. Net profit (or less: net loss)		7,520,255,947.22	5,158,460,383.11
(I) Categorized by the continuity of operations			
1. Net profit from continuing operations (or less: net loss)		7,520,255,947.22	5,158,460,383.11
2. Net profit from discontinued operations (or less: net loss)			

Items	Note No.	Year 2025	Year 2024
<b>(II) Categorized by the portion of equity ownership</b>			
1. Net profit attributable to owners of parent company (or less: net loss)		6,110,378,757.84	4,154,825,193.75
2. Net profit attributable to non-controlling shareholders (or less: net loss)		1,409,877,189.38	1,003,635,189.36
<b>VI. Other comprehensive income after tax</b>	7(77)	-918,255,795.94	495,607,377.64
<b>(I) Items attributable to the owners of the parent company</b>		-742,307,702.60	420,627,759.21
1. Not to be reclassified subsequently to profit or loss			1,210,000.00
(1) Remeasurements of the net defined benefit plan			
(2) Items under equity method that will not be reclassified to profit or loss			
(3) Changes in fair value of other equity instrument investments			1,210,000.00
(4) Changes in fair value of own credit risk			
2. To be reclassified subsequently to profit or loss		-742,307,702.60	419,417,759.21
(1) Items under equity method that may be reclassified to profit or loss		-127,078,445.11	34,999,578.71
(2) Changes in fair value of other debt investments			
(3) Profit or loss from reclassification of financial assets into other comprehensive income			
(4) Provision for credit impairment of other debt investments			
(5) Cash flow hedging reserve			
(6) Translation reserve		-615,229,257.49	384,418,180.50
(7) Others			
<b>(II) Items attributable to non-controlling shareholders</b>		-175,948,093.34	74,979,618.43
<b>VII. Total comprehensive income</b>		6,602,000,151.28	5,654,067,760.75
<b>(I) Items attributable to the owners of the parent company</b>		5,368,071,055.24	4,575,452,952.96
<b>(II) Items attributable to non-controlling shareholders</b>		1,233,929,096.04	1,078,614,807.79
<b>VIII. Earnings per share (EPS):</b>			
<b>(I) Basic EPS (yuan per share)</b>		3.34	2.50
<b>(II) Diluted EPS (yuan per share)</b>		3.33	2.39

For business combination under common control in the current period, the net profit generated by the combined party before the combination was RMB 0, and the net profit generated by the combined party in the previous year was RMB 0.

Legal representative: Chen Xuehua

Officer in charge of accounting: Wang Jun

Head of accounting department: Ma Xiao

### Parent company income statement

For the year ended December 31, 2025

Monetary unit: Yuan Currency: RMB

Items	Note No.	Year 2025	Year 2024
I. Operating revenue	19(4)	5,148,298,933.76	5,509,863,273.83
Less: Operating cost	19(4)	4,331,192,138.86	4,801,674,295.85
Taxes and surcharges		13,460,747.47	6,736,794.47
Selling expenses		5,290,257.31	6,230,442.74
Administrative expenses		472,521,019.07	446,725,722.38
R&D expenses		197,805,480.49	204,865,750.98
Financial expenses		889,673,068.27	893,122,397.79
Including: Interest expenses		903,486,251.47	948,634,887.25
Interest income		52,795,162.93	64,402,477.25
Add: Other income		55,865,712.84	37,902,501.07
Investment income (or less: losses)	19(5)	1,806,925,549.08	1,382,517,025.12
Including: Investment income from associates and joint ventures		7,801,687.76	37,483,804.76
Gains from derecognition of financial assets at amortized cost		-13,669,840.28	-4,382,260.00
Gains on net exposure to hedging risk (or less: losses)			
Gains on changes in fair value (or less: losses)		-8,317,582.70	-1,759,788.89
Credit impairment loss		-3,899,425.61	-12,391,000.94
Assets impairment loss			-149,613.29
Gains on asset disposal (or less: losses)		1,713,830.45	476,244.93
II. Operating profit (or less: losses)		1,090,644,306.35	557,103,237.62
Add: Non-operating revenue		11,209,997.94	4,657,186.62
Less: Non-operating expenditures		19,592,968.61	13,980,343.04
III. Profit before tax (or less: total loss)		1,082,261,335.68	547,780,081.20
Less: Income tax expenses		-66,610,449.92	18,677,456.67
IV. Net profit (or less: net loss)		1,148,871,785.60	529,102,624.53
(I) Net profit from continuing operations (or less: net loss)		1,148,871,785.60	529,102,624.53
(II) Net profit from discontinued operations (or less: net loss)			
V. Other comprehensive income after tax		6,026,223.77	-68,677,299.90
(I) Not to be reclassified subsequently to profit or loss			
1. Remeasurements of the net defined benefit plan			
2. Items under equity method that will not be reclassified to profit or loss			
3. Changes in fair value of other equity instrument investments			
4. Changes in fair value of own credit risk			
(II) To be reclassified subsequently to profit or loss		6,026,223.77	-68,677,299.90
1. Items under equity method that may be reclassified to profit or loss		6,121,620.78	-67,787,214.87
2. Changes in fair value of other debt investments			
3. Profit or loss from reclassification of financial assets into other comprehensive income			
4. Provision for credit impairment of			

Items	Note No.	Year 2025	Year 2024
other debt investments			
5. Cash flow hedging reserve			
6. Translation reserve		-95,397.01	-890,085.03
7. Others			
VI. Total comprehensive income		1,154,898,009.37	460,425,324.63
VII. Earnings per share (EPS):			
(I) Basic EPS (yuan per share)			
(II) Diluted EPS (yuan per share)			

Legal representative: Chen Xuehua

Officer in charge of accounting: Wang Jun

Head of accounting department: Ma Xiao

### Consolidated cash flow statement

For the year ended December 31, 2025

Monetary unit: Yuan Currency: RMB

Items	Note No.	Year 2025	Year 2024
<b>I. Cash flows from operating activities:</b>			
Cash receipts from sale of goods or rendering of services		78,921,771,547.26	65,530,764,459.68
Net increase of client deposit and interbank deposit			
Net increase of central bank loans			
Net increase of loans from other financial institutions			
Cash receipts from original insurance contract premium			
Net cash receipts from reinsurance			
Net increase of policy-holder deposit and investment			
Cash receipts from interest, handling fees and commissions			
Net increase of loans from others			
Net increase of repurchase			
Net cash receipts from agency security transaction			
Receipts of tax refund		1,617,690,608.71	2,132,778,363.06
Other cash receipts related to operating activities	7(78)	2,508,979,536.51	4,763,194,468.69
Subtotal of cash inflows from operating activities		83,048,441,692.48	72,426,737,291.43
Cash payments for goods purchased and services received		65,755,150,920.71	51,261,085,967.29
Net increase of loans and advances to clients			
Net increase of central bank deposit and interbank deposit			
Cash payments for insurance indemnities of original insurance contracts			
Net increase of loans to others			
Cash payments for interest, handling fees and commissions			
Cash payments for policy bonus			

Items	Note No.	Year 2025	Year 2024
Cash paid to and on behalf of employees		4,752,136,169.00	4,466,914,210.21
Cash payments for taxes and rates		2,110,278,721.85	1,059,895,560.00
Other cash payments related to operating activities	7(78)	6,418,913,883.44	3,207,730,671.23
Subtotal of cash outflows from operating activities		79,036,479,695.00	59,995,626,408.73
Net cash flows from operating activities		4,011,961,997.48	12,431,110,882.70
<b>II. Cash flows from investing activities:</b>			
Cash receipts from withdrawal of investments		2,613,247,356.44	1,350,210,049.49
Cash receipts from investment income		1,203,950,216.29	972,970,919.15
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets		98,438,220.85	33,979,588.46
Net cash receipts from the disposal of subsidiaries & other business units			
Other cash receipts related to investing activities	7(78)	339,579,403.40	1,085,337,640.94
Subtotal of cash inflows from investing activities		4,255,215,196.98	3,442,498,198.04
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets		10,757,625,082.43	6,721,574,787.22
Cash payments for investments		2,456,125,065.67	3,952,908,714.58
Net increase of pledged borrowings			
Net cash payments for the acquisition of subsidiaries & other business units		289,995,974.70	
Other cash payments related to investing activities	7(78)	670,105,902.95	436,466,847.08
Subtotal of cash outflows from investing activities		14,173,852,025.75	11,110,950,348.88
Net cash flows from investing activities		-9,918,636,828.77	-7,668,452,150.84
<b>III. Cash flows from financing activities:</b>			
Cash receipts from absorbing investments		165,971,616.03	310,211,423.66
Including: Cash received by subsidiaries from non-controlling shareholders as investments		5,691,676.03	310,211,423.66
Cash receipts from borrowings		46,425,696,691.95	40,381,276,925.06
Other cash receipts related to financing activities	7(78)	7,513,748,090.58	5,225,024,560.98
Subtotal of cash inflows from financing activities		54,105,416,398.56	45,916,512,909.70
Cash payments for the repayment of borrowings		40,046,107,409.69	32,185,476,870.70
Cash payments for distribution of dividends or profits and for interest expenses		2,775,721,620.41	4,275,984,797.79
Including: Cash paid by subsidiaries to non-controlling shareholders as dividend or profit		108,942,172.00	428,216,385.90
Other cash payments related to financing activities	7(78)	9,333,512,881.91	9,429,867,385.14
Subtotal of cash outflows from financing activities		52,155,341,912.01	45,891,329,053.63
Net cash flows from financing activities		1,950,074,486.55	25,183,856.07
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>			
		-330,987,577.72	202,323,435.89
<b>V. Net increase in cash and cash equivalents</b>			
		-4,287,587,922.46	4,990,166,023.82

Items	Note No.	Year 2025	Year 2024
Add: Opening balance of cash and cash equivalents		15,516,940,793.04	10,526,774,769.22
<b>VI. Closing balance of cash and cash equivalents</b>		11,229,352,870.58	15,516,940,793.04

Legal representative: Chen Xuehua

Officer in charge of accounting: Wang Jun

Head of accounting department: Ma Xiao

**Parent company cash flow statement**

For the year ended December 31, 2025

Monetary unit: Yuan Currency: RMB

Items	Note No.	Year 2025	Year 2024
<b>I. Cash flows from operating activities:</b>			
Cash receipts from sale of goods and rendering of services		4,726,811,575.40	3,391,012,082.55
Receipts of tax refund		121,006,014.19	34,124,036.13
Other cash receipts related to operating activities		91,440,205.40	99,530,523.37
Subtotal of cash inflows from operating activities		4,939,257,794.99	3,524,666,642.05
Cash payments for goods purchased and services received		3,184,499,959.13	2,642,486,420.21
Cash paid to and on behalf of employees		398,091,031.70	348,162,794.88
Cash payments for taxes and rates		136,586,402.10	43,635,665.98
Other cash payments related to operating activities		294,268,611.46	164,284,176.62
Subtotal of cash outflows from operating activities		4,013,446,004.39	3,198,569,057.69
Net cash flows from operating activities		925,811,790.60	326,097,584.36
<b>II. Cash flows from investing activities:</b>			
Cash receipts from withdrawal of investments		59,850,000.00	20,000,000.00
Cash receipts from investment income		2,512,648,693.84	508,091,789.32
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets		3,428,931.15	10,301,046.24
Net cash receipts from the disposal of subsidiaries & other business units			
Other cash receipts related to investing activities		1,071,198,113.91	4,682,920,639.65
Subtotal of cash inflows from investing activities		3,647,125,738.90	5,221,313,475.21
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets		177,402,339.79	55,019,342.93
Cash payments for investments		4,215,752,081.00	5,023,076,955.81
Net cash payments for the acquisition of subsidiaries & other business units			
Other cash payments related to investing activities		3,055,440,284.59	323,975,516.95
Subtotal of cash outflows from investing activities		7,448,594,705.38	5,402,071,815.69
Net cash flows from investing activities		-3,801,468,966.48	-180,758,340.48
<b>III. Cash flows from financing activities:</b>			
Cash receipts from absorbing investments		160,279,940.00	
Cash receipts from borrowings		13,386,965,977.15	16,523,614,818.19
Other cash receipts related to financing activities		6,250,910,356.71	4,064,499,060.98
Subtotal of cash inflows from financing activities		19,798,156,273.86	20,588,113,879.17
Cash payments for the repayment of borrowings		12,096,818,710.54	14,764,865,190.02

Items	Note No.	Year 2025	Year 2024
Cash payments for distribution of dividends or profits and for interest expenses		1,228,266,714.08	2,146,080,934.41
Other cash payments related to financing activities		3,743,852,097.79	4,670,287,670.09
Subtotal of cash outflows from financing activities		17,068,937,522.41	21,581,233,794.52
Net cash flows from financing activities		2,729,218,751.45	-993,119,915.35
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>		-19,481,623.01	-4,183,845.82
<b>V. Net increase in cash and cash equivalents</b>		-165,920,047.44	-851,964,517.29
Add: Opening balance of cash and cash equivalents		1,139,228,965.27	1,991,193,482.56
<b>VI. Closing balance of cash and cash equivalents</b>		973,308,917.83	1,139,228,965.27

Legal representative: Chen Xuehua

Officer in charge of accounting: Wang Jun

Head of accounting department: Ma Xiao

**Consolidated statement of changes in equity**

For the year ended December 31, 2025

Monetary unit: Yuan Currency: RMB

Items	Year 2025														Non-controlling interest	Total equity
	Equity attributable to parent company												Subtotal			
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others				
	Preferred shares	Perpetual bonds	Others													
I. Balance at the end of prior year	1,692,178,088.00			1,490,043,939.84	15,394,817,790.36	892,829,631.62	1,461,436,658.05	50,835,475.00	440,135,820.74		17,308,989,342.99		36,945,607,483.36	11,715,018,033.79	48,660,625,517.15	
Add: Cumulative changes of accounting policies																
Error correction of prior period																
Others																
II. Balance at the beginning of current year	1,692,178,088.00			1,490,043,939.84	15,394,817,790.36	892,829,631.62	1,461,436,658.05	50,835,475.00	440,135,820.74		17,308,989,342.99		36,945,607,483.36	11,715,018,033.79	48,660,625,517.15	
III. Current period increase (or less: decrease)	204,546,409.00			-1,490,043,939.84	7,423,212,724.87	-672,452,067.22	-742,307,702.60	6,401,099.72	114,887,178.56		5,160,712,900.28		11,349,860,737.21	810,284,195.40	12,160,144,932.61	
(I) Total comprehensive income							-742,307,702.60				6,110,378,757.84		5,368,071,055.24	1,233,929,096.04	6,602,000,151.28	
(II) Capital contributed or withdrawn by owners	204,546,409.00			-1,490,043,939.84	7,423,212,724.87	-664,856,887.22							6,802,572,081.25	-305,372,347.00	6,497,199,734.25	
1. Ordinary shares contributed by owners	9,979,500.00				150,300,440.00	160,279,940.00								5,691,676.03	5,691,676.03	
2. Capital contributed by holders of other equity instruments	197,741,889.00			-1,488,383,386.40	8,394,051,271.52								7,103,409,774.12		7,103,409,774.12	
3. Amount of share-based payment included in equity					49,121,758.36								49,121,758.36		49,121,758.36	
4. Others	-3,174,980.00			-1,660,553.44	-1,170,260,745.01	-825,136,827.22							-349,959,451.23	-311,064,023.03	-661,023,474.26	
(III) Profit distribution						-7,595,180.00			114,887,178.56		-949,665,857.56		-827,183,499.00	-108,942,172.00	-936,125,671.00	
1. Appropriation of surplus reserve									114,887,178.56		-114,887,178.56					
2. Appropriation of general risk reserve																
3. Appropriation of profit to owners						-7,595,180.00					-834,778,679.00		-827,183,499.00	-108,942,172.00	-936,125,671.00	
4. Others																
(IV) Internal carry-over within equity																
1. Transfer of capital reserve to capital																
2. Transfer of surplus reserve to capital																
3. Surplus reserve to cover losses																
4. Changes in defined benefit plan carried over to retained earnings																
5. Other comprehensive income carried over to retained earnings																
6. Others																
(V) Special reserve								6,401,099.72					6,401,099.72		6,401,099.72	
1. Current period appropriation								156,488,568.11					156,488,568.11		156,488,568.11	
2. Current period use								-150,087,468.39					-150,087,468.39		-150,087,468.39	
(VI) Others														-9,330,381.64	-9,330,381.64	
IV. Balance at the end of current period	1,896,724,497.00				22,818,030,515.23	220,377,564.40	719,128,955.45	57,236,574.72	555,022,999.30		22,469,702,243.27		48,295,468,220.57	12,525,302,229.19	60,820,770,449.76	

Items	Year 2024														
	Equity attributable to parent company												Non-controlling interest	Total equity	
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others			Subtotal
	Preferred shares	Perpetual bonds	Others												
I. Balance at the end of prior year	1,710,086,520.00			1,490,061,392.53	16,052,788,315.05	1,323,606,826.04	1,042,018,898.84	46,543,747.64	387,225,558.29		14,872,683,731.09		34,277,801,337.40	10,455,554,649.99	44,733,355,987.39
Add: Cumulative changes of accounting policies															
Error correction of prior period															
Others															
II. Balance at the beginning of current year	1,710,086,520.00			1,490,061,392.53	16,052,788,315.05	1,323,606,826.04	1,042,018,898.84	46,543,747.64	387,225,558.29		14,872,683,731.09		34,277,801,337.40	10,455,554,649.99	44,733,355,987.39
III. Current period increase (or less: decrease)	-17,908,432.00			-17,452.69	-657,970,524.69	-430,777,194.42	419,417,759.21	4,291,727.36	52,910,262.45		2,436,305,611.90		2,667,806,145.96	1,259,463,383.80	3,927,269,529.76
(I) Total comprehensive income							420,627,759.21				4,154,825,193.75		4,575,452,952.96	1,078,614,807.79	5,654,067,760.75
(II) Capital contributed or withdrawn by owners	-17,908,432.00			-17,452.69	-657,970,524.69	-419,899,294.42							-255,997,114.96	-749,277,623.10	-1,005,274,738.06
1. Ordinary shares contributed by owners														310,211,423.66	310,211,423.66
2. Capital contributed by holders of other equity instruments															
3. Amount of share-based payment included in equity					157,405,563.48								157,405,563.48		157,405,563.48
4. Others	-17,908,432.00			-17,452.69	-815,376,088.17	-419,899,294.42							-413,402,678.44	-1,059,489,046.76	-1,472,891,725.20
(III) Profit distribution						-10,877,900.00			52,910,262.45		-1,719,729,581.85		-1,655,941,419.40	-90,340,873.07	-1,746,282,292.47
1. Appropriation of surplus reserve									52,910,262.45		-52,910,262.45				
2. Appropriation of general risk reserve															
3. Appropriation of profit to owners						-10,877,900.00					-1,666,819,319.40		-1,655,941,419.40	-90,340,873.07	-1,746,282,292.47
4. Others															
(IV) Internal carry-over within equity							-1,210,000.00				1,210,000.00				
1. Transfer of capital reserve to capital															
2. Transfer of surplus reserve to capital															
3. Surplus reserve to cover losses															
4. Changes in defined benefit plan carried over to retained earnings															
5. Other comprehensive income carried over to retained earnings							-1,210,000.00				1,210,000.00				
6. Others															
(V) Special reserve								4,291,727.36					4,291,727.36		4,291,727.36
1. Current period appropriation								134,688,247.60					134,688,247.60		134,688,247.60
2. Current period use								-130,396,520.24					-130,396,520.24		-130,396,520.24
(VI) Others														1,020,467,072.18	1,020,467,072.18
IV. Balance at the end of current period	1,692,178,088.00			1,490,043,939.84	15,394,817,790.36	892,829,631.62	1,461,436,658.05	50,835,475.00	440,135,820.74		17,308,989,342.99		36,945,607,483.36	11,715,018,033.79	48,660,625,517.15

Legal representative: Chen Xuehua

Officer in charge of accounting: Wang Jun

Head of accounting department: Ma Xiao

**Parent company statement of changes in equity**

For the year ended December 31, 2025

Monetary unit: Yuan Currency: RMB

Items	Year 2025										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Total equity
		Preferred shares	Perpetual bonds	Others							
I. Balance at the end of prior year	1,692,178,088.00			1,490,043,939.84	14,524,587,372.13	892,829,631.62	-108,610,597.16		440,135,820.74	921,806,173.45	18,067,311,165.38
Add: Cumulative changes of accounting policies											
Error correction of prior period											
Others											
II. Balance at the beginning of current year	1,692,178,088.00			1,490,043,939.84	14,524,587,372.13	892,829,631.62	-108,610,597.16		440,135,820.74	921,806,173.45	18,067,311,165.38
III. Current period increase (or less: decrease)	204,546,409.00			-1,490,043,939.84	7,823,439,535.58	-672,452,067.22	6,026,223.77		114,887,178.56	199,205,928.44	7,530,513,402.33
(I) Total comprehensive income							6,026,223.77			1,148,871,785.60	1,154,898,009.37
(II) Capital contributed or withdrawn by owners	204,546,409.00			-1,490,043,939.84	7,823,439,535.58	-664,856,887.22					7,202,798,891.96
1. Ordinary shares contributed by owners	9,979,500.00				150,300,440.00	160,279,940.00					
2. Capital contributed by holders of other equity instruments	197,741,889.00			-1,488,383,386.40	8,394,051,271.52						7,103,409,774.12
3. Amount of share-based payment included in equity					49,121,758.36						49,121,758.36
4. Others	-3,174,980.00			-1,660,553.44	-770,033,934.30	-825,136,827.22					50,267,359.48
(III) Profit distribution						-7,595,180.00			114,887,178.56	-949,665,857.56	-827,183,499.00
1. Appropriation of surplus reserve									114,887,178.56	-114,887,178.56	
2. Appropriation of profit to owners										-834,778,679.00	-834,778,679.00
3. Others						-7,595,180.00					7,595,180.00
(IV) Internal carry-over within equity											
1. Transfer of capital reserve to capital											
2. Transfer of surplus reserve to capital											
3. Surplus reserve to cover losses											
4. Changes in defined benefit plan carried over to retained earnings											
5. Other comprehensive income carried											

over to retained earnings											
6. Others											
(V) Special reserve											
1. Current period appropriation								16,444,726.56			16,444,726.56
2. Current period use								-16,444,726.56			-16,444,726.56
(VI) Others											
IV. Balance at the end of current period	1,896,724,497.00				22,348,026,907.71	220,377,564.40	-102,584,373.39		555,022,999.30	1,121,012,101.49	25,597,824,567.71

Items	Year 2024										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Total equity
		Preferred shares	Perpetual bonds	Others							
I. Balance at the end of prior year	1,710,086,520.00			1,490,061,392.53	14,890,073,903.77	1,323,606,826.04	-39,933,297.26		387,225,558.29	2,112,433,130.77	19,226,340,382.06
Add: Cumulative changes of accounting policies											
Error correction of prior period											
Others											
II. Balance at the beginning of current year	1,710,086,520.00			1,490,061,392.53	14,890,073,903.77	1,323,606,826.04	-39,933,297.26		387,225,558.29	2,112,433,130.77	19,226,340,382.06
III. Current period increase (or less: decrease)	-17,908,432.00			-17,452.69	-365,486,531.64	-430,777,194.42	-68,677,299.90		52,910,262.45	-1,190,626,957.32	-1,159,029,216.68
(I) Total comprehensive income							-68,677,299.90			529,102,624.53	460,425,324.63
(II) Capital contributed or withdrawn by owners	-17,908,432.00			-17,452.69	-365,486,531.64	-419,899,294.42					36,486,878.09
1. Ordinary shares contributed by owners											
2. Capital contributed by holders of other equity instruments											
3. Amount of share-based payment included in equity					157,405,563.48						157,405,563.48
4. Others	-17,908,432.00			-17,452.69	-522,892,095.12	-419,899,294.42					-120,918,685.39
(III) Profit distribution						-10,877,900.00			52,910,262.45	-1,719,729,581.85	-1,655,941,419.40
1. Appropriation of surplus reserve									52,910,262.45	-52,910,262.45	
2. Appropriation of profit to owners						-10,877,900.00				-1,666,819,319.40	-1,655,941,419.40
3. Others											
(IV) Internal carry-over within equity											

1. Transfer of capital reserve to capital											
2. Transfer of surplus reserve to capital											
3. Surplus reserve to cover losses											
4. Changes in defined benefit plan carried over to retained earnings											
5. Other comprehensive income carried over to retained earnings											
6. Others											
(V) Special reserve											
1. Current period appropriation								14,410,299.33			14,410,299.33
2. Current period use								-14,410,299.33			-14,410,299.33
(VI) Others											
IV. Balance at the end of current period	1,692,178,088.00			1,490,043,939.84	14,524,587,372.13	892,829,631.62	-108,610,597.16		440,135,820.74	921,806,173.45	18,067,311,165.38

Legal representative: Chen Xuehua

Officer in charge of accounting: Wang Jun

Head of accounting department: Ma Xiao

### III. Company profile

#### 1. Overview

Applicable  Not Applicable

Zhejiang Huayou Cobalt Co., Ltd. (hereinafter referred to as “the company”) was established by Great Mountain Enterprise Pte. Ltd. (the “Great Mountain Company”), Huayou Holding Group Co., Ltd. (the “Huayou Holding”), etc. under the approval from the Ministry of Commerce of the People’s Republic of China. The Company was registered at Zhejiang Administration for Industry and Commerce on April 14, 2008 and headquartered in Jiaxing City, Zhejiang Province. The Company currently holds a business license with unified social credit code of 913300007368873961, with registered capital of RMB 1,896,724,497.00, total share of 1,896,724,497 shares (each with par value of RMB 1), of which, 12,645,580 shares are restricted outstanding A shares, and 1,884,078,917 shares are unrestricted outstanding A shares. The Company’s shares were listed on the Shanghai Stock Exchange on January 29, 2015.

The Company belongs to non-ferrous metal smelting and rolling processing industry and is mainly engaged in R&D, production and sales of cobalt, copper, nickel, lithium, ternary precursors, cathode materials, nickel intermediates and other products. The Company’s main products are cobalt products, copper products, nickel products, lithium products, ternary precursors, cathode materials, nickel intermediates, etc.

The financial statements were approved and authorized for issue by the 38<sup>th</sup> meeting of the sixth session of the Board of Directors dated April 6, 2026.

The Company has brought its subsidiaries including Huayou Quzhou, Huayou Hong Kong, CDM Company, New Energy Quzhou, Guangxi Lithium Industry, Guangxi B&M, Guangxi Huayou New Materials, Huayou Singapore, Chengdu B&M, Huayue Company and Indonesia Huafei into the consolidation scope. Please refer to item X of this section for details.

### IV. Preparation basis of the financial statements

#### 1. Preparation basis

The financial statements have been prepared on the basis of going concern.

#### 2. Going concern

Applicable  Not Applicable

The Company has no events or conditions that may cast significant doubts upon the Company’s ability to continue as a going concern within the 12 months after the balance sheet date.

### V. Significant accounting policies and estimates

Notes to specific accounting policies and estimates:

Applicable  Not Applicable

### 1. Statement of compliance

The financial statements have been prepared in accordance with the requirements of China Accounting Standards for Business Enterprises (CASBEs), and present truly and completely the financial position, financial performance and cash flows of the Company.

### 2. Accounting period

The accounting year of the Company runs from January 1 to December 31 under the Gregorian calendar.

### 3. Operating cycle

Applicable  Not Applicable

The Company has a relatively short operating cycle for its business, an asset or a liability is classified as current if it is expected to be realized or due within 12 months.

### 4. Functional currency

The functional currency of the Company and its domestic subsidiaries is Renminbi (RMB) Yuan, while the functional currency of subsidiaries engaged in overseas operations is the currency of the primary economic environment in which they operate.

### 5. Determination method and basis for selection of materiality

Applicable  Not Applicable

The Company prepares and discloses financial statements in compliance with the principle of materiality. The items disclosed in notes to the financial statements involving materiality judgements, determination method and basis for selection of materiality are as follows:

Item	Determination method and basis for selection of materiality
Significant accounts receivable with provision for bad debts made on an individual basis	Single amount exceeds 0.5% of total assets
Significant provisions for bad debts of accounts receivable collected or reversed	Single amount exceeds 0.5% of total assets
Significant accounts receivable written off	Single amount exceeds 0.5% of total assets
Significant other receivables with provision for bad debts made on an individual basis	Single amount exceeds 0.5% of total assets
Significant provisions for bad debts of other receivables collected or reversed	Single amount exceeds 0.5% of total assets
Significant advance payment with age over one year	Single amount exceeds 0.5% of total assets
Significant other receivables written off	Single amount exceeds 0.5% of total assets
Significant construction in progress	Single amount of construction in progress exceeds 0.5% of total assets
Significant accounts payable with age over one year	Single amount exceeds 0.5% of total assets
Significant other payables with age over one year	Single amount exceeds 0.5% of total assets
Significant contract liabilities with age over one year	Single amount exceeds 0.5% of total assets
Significant foreign operating entities	Total assets or total revenue exceeds 10% of the group's total assets or total revenue
Significant subsidiaries, not wholly-owned subsidiaries	Total assets or total revenue exceeds 10% of the group's total assets or total revenue

Item	Determination method and basis for selection of materiality
Significant joint ventures and associates	The carrying amount of a single long-term equity investment exceeds 5% of the Group's total assets / Investment income from a single equity-method investment exceeds 5% of the Group's total profit

## 6. Accounting treatments of business combination under and not under common control

Applicable  Not Applicable

### 1. Accounting treatment of business combination under common control

Assets and liabilities arising from business combination are measured at carrying amount of the combined party included in the consolidated financial statements of the ultimate controlling party at the combination date. Difference between carrying amount of the equity of the combined party included in the consolidated financial statements of the ultimate controlling party and that of the combination consideration or total par value of shares issued is adjusted to capital reserve, if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

### 2. Accounting treatment of business combination not under common control

When combination cost is in excess of the fair value of identifiable net assets obtained from the acquiree at the acquisition date, the excess is recognized as goodwill; otherwise, the fair value of identifiable assets, liabilities and contingent liabilities, and the measurement of the combination cost are reviewed, then the difference is recognized in profit or loss.

## 7. Judgement criteria for control and compilation method of consolidated financial statements

Applicable  Not Applicable

### 1. Judgement of control

An investor controls an investee if and only if the investor has all the following: (1) power over the investee; (2) exposure, or rights, to variable returns from its involvement with the investee; and (3) the ability to use its power over the investee to affect the amount of the investor's returns.

### 2. Compilation method of consolidated financial statements

The parent company brings all its controlled subsidiaries into the consolidation scope. The consolidated financial statements are compiled by the parent company according to "CASBE 33 – Consolidated Financial Statements", based on relevant information and the financial statements of the parent company and its subsidiaries.

## 8. Classification of joint arrangements and accounting treatment of joint operations

Applicable  Not Applicable

### 1. Joint arrangements include joint operations and joint ventures.

2. When the Company is a joint operator of a joint operation, it recognizes the following items in relation to its interest in a joint operation:

- (1) its assets, including its share of any assets held jointly;
- (2) its liabilities, including its share of any liabilities incurred jointly;

- (3) its revenue from the sale of its share of the output arising from the joint operation;
- (4) its share of the revenue from the sale of the assets by the joint operation; and
- (5) its expenses, including its share of any expenses incurred jointly.

#### **9. Recognition criteria of cash and cash equivalents**

Cash equivalents refer to short-term (generally mature within three months from the date of purchase), highly liquid investments that can be readily converted to cash and that are subject to an insignificant risk of changes in value.

#### **10. Foreign currency translation**

Applicable  Not Applicable

##### **1. Translation of transactions denominated in foreign currency**

Transactions denominated in foreign currency are translated into RMB yuan at the approximate exchange rate similar to the spot exchange rate at the transaction date at initial recognition. At the balance sheet date, monetary items denominated in foreign currency are translated at the spot exchange rate at the balance sheet date with difference, except for those arising from the principal and interest of exclusive borrowings eligible for capitalization, included in profit or loss; non-cash items carried at historical costs are translated at the approximate exchange rate similar to the spot exchange rate at the transaction date, with the RMB amounts unchanged; non-cash items carried at fair value in foreign currency are translated at the spot exchange rate at the date when the fair value was determined, with difference included in profit or loss or other comprehensive income.

##### **2. Translation of financial statements measured in foreign currency**

The assets and liabilities in the balance sheet are translated into RMB at the spot exchange rate at the balance sheet date; the equity items, other than undistributed profit, are translated at the spot exchange rate at the transaction date; the revenues and expenses in the income statement are translated into RMB at the approximate exchange rate similar to the spot exchange rate at the transaction date. The difference arising from the aforementioned foreign currency translation is included in other comprehensive income.

#### **11. Financial instruments**

Applicable  Not Applicable

##### **1. Classification of financial assets and financial liabilities**

Financial assets are classified into the following three categories when initially recognized: (1) financial assets at amortized cost; (2) financial assets at fair value through other comprehensive income; (3) financial assets at fair value through profit or loss.

Financial liabilities are classified into the following four categories when initially recognized: (1) financial liabilities at fair value through profit or loss; (2) financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies; (3) financial guarantee contracts not fall within the above categories (1) and (2), and commitments to

provide a loan at a below-market interest rate, which do not fall within the above category (1); (4) financial liabilities at amortized cost.

## 2. Recognition criteria, measurement method and derecognition of financial assets and financial liabilities

### (1) Recognition criteria and measurement method of financial assets and financial liabilities

When the Company becomes a party to a financial instrument, it is recognized as a financial asset or financial liability. The financial assets and financial liabilities initially recognized by the Company are measured at fair value; for the financial assets and liabilities at fair value through profit or loss, the transaction expenses thereof are directly included in profit or loss; for other categories of financial assets and financial liabilities, the transaction expenses thereof are included into the initially recognized amount. However, at initial recognition, for accounts receivable that do not contain a significant financing component or in circumstances where the Company does not consider the financing components in contracts within one year, they are measured at the transaction price in accordance with “CASBE 14 – Revenues”.

### (2) Subsequent measurement of financial assets

#### 1) Financial assets measured at amortized cost

The Company measures its financial assets at the amortized costs using effective interest method. Gains or losses on financial assets that are measured at amortized cost and are not part of hedging relationships shall be included into profit or loss when the financial assets are derecognized, reclassified, amortized using effective interest method or recognized with impairment loss.

#### 2) Debt instrument investments at fair value through other comprehensive income

The Company measures its debt instrument investments at fair value. Interests, impairment gains or losses, and gains and losses on foreign exchange that calculated using effective interest method shall be included into profit or loss, while other gains or losses are included into other comprehensive income. Accumulated gains or losses that initially recognized as other comprehensive income should be transferred out into profit or loss when the financial assets are derecognized.

#### 3) Equity instrument investments at fair value through other comprehensive income

The Company measures its equity instrument investments at fair value. Dividends obtained (other than those as part of investment cost recovery) shall be included into profit or loss, while other gains or losses are included into other comprehensive income. Accumulated gains or losses that initially recognized as other comprehensive income should be transferred out into retained earnings when the financial assets are derecognized.

#### 4) Financial assets at fair value through profit or loss

The Company measures its financial assets at fair value. Gains or losses arising from changes in fair value (including interests and dividends) shall be included into profit or loss, except for financial assets that are part of hedging relationships.

(3) Subsequent measurement of financial liabilities

1) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include held-for-trading financial liabilities (including derivatives that are liabilities) and financial liabilities designated as at fair value through profit or loss. The Company measures such kind of liabilities at fair value. The amount of changes in the fair value of the financial liabilities that are attributable to changes in the Company's own credit risk shall be included into other comprehensive income, unless such treatment would create or enlarge accounting mismatches in profit or loss. Other gains or losses on those financial liabilities (including interests, changes in fair value that are attributable to reasons other than changes in the Company's own credit risk) shall be included into profit or loss, except for financial liabilities that are part of hedging relationships. Accumulated gains or losses that originally recognized as other comprehensive income should be transferred out into retained earnings when the financial liabilities are derecognized.

2) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies

The Company measures its financial liabilities in accordance with "CASBE 23 – Transfer of Financial Assets".

3) Financial guarantee contracts not fall within the above categories 1) and 2), and commitments to provide a loan at a below-market interest rate, which do not fall within the above category 1)

The Company measures its financial liabilities at the higher of: a. the amount of loss allowances in accordance with impairment requirements of financial instruments; b. the amount initially recognized less the amount of accumulated amortization recognized in accordance with "CASBE 14 – Revenues".

4) Financial liabilities at amortized cost

The Company measures its financial liabilities at amortized cost using effective interest method. Gains or losses on financial liabilities that are measured at amortized cost and are not part of hedging relationships shall be included into profit or loss when the financial liabilities are derecognized and amortized using effective interest method.

(4) Derecognition of financial assets and financial liabilities

1) Financial assets are derecognized when:

a. the contractual rights to the cash flows from the financial assets expire; or

b. the financial assets have been transferred and the transfer qualifies for derecognition in accordance with "CASBE 23 – Transfer of Financial Assets".

2) Only when the underlying present obligations of a financial liability are relieved totally or partly may the financial liability be derecognized accordingly.

3. Recognition criteria and measurement method of financial assets transfer

Where the Company has transferred substantially all of the risks and rewards related to the ownership of the financial asset, it derecognizes the financial asset, and any right or liability arising from such transfer

is recognized independently as an asset or a liability. If it retained substantially all of the risks and rewards related to the ownership of the financial asset, it continues recognizing the financial asset. Where the Company does not transfer or retain substantially all of the risks and rewards related to the ownership of a financial asset, it is dealt with according to the circumstances as follows respectively: (1) if the Company does not retain its control over the financial asset, it derecognizes the financial asset, and any right or liability arising from such transfer is recognized independently as an asset or a liability; (2) if the Company retains its control over the financial asset, according to the extent of its continuing involvement in the transferred financial asset, it recognizes the related financial asset and recognizes the relevant liability accordingly.

If the transfer of an entire financial asset satisfies the conditions for derecognition, the difference between the amounts of the following two items is included in profit or loss: (1) the carrying amount of the transferred financial asset as of the date of derecognition; (2) the sum of consideration received from the transfer of the financial asset, and the accumulative amount of the changes of the fair value originally included in other comprehensive income proportionate to the transferred financial asset (financial assets transferred refer to debt instrument investments at fair value through other comprehensive income). If the transfer of financial asset partially satisfies the conditions for derecognition, the entire carrying amount of the transferred financial asset is, between the portion which is derecognized and the portion which is not, apportioned according to their respective relative fair value, and the difference between the amounts of the following two items is included into profit or loss: (1) the carrying amount of the portion which is derecognized; (2) the sum of consideration of the portion which is derecognized, and the portion of the accumulative amount of the changes in the fair value originally included in other comprehensive income which is corresponding to the portion which is derecognized (financial assets transferred refer to debt instrument investments at fair value through other comprehensive income).

#### 4. Fair value determination method of financial assets and liabilities

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data and information are available to measure fair value. The inputs to valuation techniques used to measure fair value are arranged in the following hierarchy and used accordingly:

(1) Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company can access at the measurement date;

(2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability, for example, interest rates and yield curves observable at commonly quoted intervals; market-corroborated inputs;

(3) Level 3 inputs are unobservable inputs for the asset or liability. Level 3 inputs include interest rate that is not observable and cannot be corroborated by observable market data at commonly quoted

intervals, historical volatility, future cash flows to be paid to fulfill the disposal obligation assumed in business combination, financial forecast developed using the Company's own data, etc.

#### 5. Impairment of financial instruments

The Company, on the basis of expected credit loss, recognizes loss allowances of financial assets at amortized cost, debt instrument investments at fair value through other comprehensive income, contract assets, leases receivable, loan commitments other than financial liabilities at fair value through profit or loss, financial guarantee contracts not belong to financial liabilities at fair value through profit or loss or financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.

Expected credit losses refer to the weighted average of credit losses with the respective risks of a default occurring as the weights. Credit loss refers to the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. Among which, purchased or originated credit-impaired financial assets are discounted at the credit-adjusted effective interest rate.

At the balance sheet date, the Company shall only recognize the cumulative changes in the lifetime expected credit losses since initial recognition as a loss allowance for purchased or originated credit-impaired financial assets.

For leases receivable, and accounts receivable and contract assets resulting from transactions regulated in "CASBE 14 – Revenues", the Company chooses simplified approach to measure the loss allowance at an amount equal to lifetime expected credit losses.

For financial assets other than the above, on each balance sheet date, the Company shall assess whether the credit risk on the financial instrument has increased significantly since initial recognition. The Company shall measure the loss allowance for the financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition; otherwise, the Company shall measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit loss.

Considering reasonable and supportable forward-looking information, the Company compares the risk of a default occurring on the financial instrument as at the balance sheet date with the risk of a default occurring on the financial instrument as at the date of initial recognition, so as to assess whether the credit risk on the financial instrument has increased significantly since initial recognition.

The Company may assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have relatively low credit risk at the balance sheet date.

The Company shall estimate expected credit risk and measure expected credit losses on an individual or a collective basis. When the Company adopts the collective basis, financial instruments are grouped with similar credit risk features.

The Company shall remeasure expected credit loss on each balance sheet date, and increased or reversed amounts of loss allowance arising therefrom shall be included into profit or loss as impairment losses or gains. For a financial asset measured at amortized cost, the loss allowance reduces the carrying amount of such financial asset presented in the balance sheet; for a debt investment measured at fair value through other comprehensive income, the loss allowance shall be recognized in other comprehensive income and shall not reduce the carrying amount of such financial asset.

#### 6. Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are presented separately in the balance sheet and are not offset. However, the Company offsets a financial asset and a financial liability and presents the net amount in the balance sheet when, and only when, the Company: (1) currently has a legally enforceable right to set off the recognized amounts; and (2) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

For a transfer of a financial asset that does not qualify for derecognition, the Company does not offset the transferred asset and the associated liability.

#### 12. Notes receivable

Applicable  Not Applicable

#### 13. Accounts receivable

Applicable  Not Applicable

#### Categories and determination basis of portfolios with provision for bad debts made on a collective basis using similar credit risk features

Applicable  Not Applicable

Categories	Basis for determination of portfolio	Method for measuring expected credit loss
Accounts receivable – Portfolio grouped with ages	Ages	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company prepares the comparison table of ages and expected credit loss rate of accounts receivable, so as to calculate expected credit loss.
Accounts receivable – Portfolio grouped with balances due from related parties within the consolidation scope	Nature of receivables	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and lifetime expected credit

Categories	Basis for determination of portfolio	Method for measuring expected credit loss
		loss rate.

#### Portfolios grouped with similar credit risk features using age analysis method

Applicable  Not Applicable

Ages	Expected credit loss rate of accounts receivable (%)
Within 1 year (inclusive, the same hereinafter)	5.00
1-2 years	20.00
2-3 years	50.00
Over 3 years	100.00

Accounts receivable are aged from the month in which they are actually incurred.

#### Judgement basis for receivables with provision for bad debts made on an individual basis

Applicable  Not Applicable

For receivables whose credit risk is significantly different from that of portfolios, the Company accrues expected credit losses on an individual basis.

#### 14. Receivables financing

Applicable  Not Applicable

#### Categories and determination basis of portfolios with provision for bad debts made on a collective basis using similar credit risk features

Applicable  Not Applicable

Categories	Basis for determination of portfolio	Method for measuring expected credit loss
Bank acceptance receivable	Type of notes	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and lifetime expected credit loss rate.
Trade acceptance receivable	Type of notes	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company prepares the comparison table of ages and expected credit loss rate of notes receivable, so as to calculate expected credit loss.
Financial company acceptance receivable	Type of notes	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company prepares the comparison table of ages and expected credit loss rate of notes receivable, so as to calculate

Categories	Basis for determination of portfolio	Method for measuring expected credit loss
		expected credit loss.

**Portfolios grouped with similar credit risk features using age analysis method**

 ✓ Applicable  Not Applicable

Ages	Expected credit loss rate of trade acceptance receivable (%)
Within 1 year (inclusive, the same hereinafter)	5.00
1-2 years	20.00
2-3 years	50.00
Over 3 years	100.00

Trade acceptance receivable and financial company acceptance receivable are aged from the month in which they are actually incurred.

**Judgement basis for receivables with provision for bad debts made on an individual basis**

 ✓ Applicable  Not Applicable

For receivables whose credit risk is significantly different from that of portfolios, the Company accrues expected credit losses on an individual basis.

**15. Other receivables**

 ✓ Applicable  Not Applicable

**Categories and determination basis of portfolios with provision for bad debts made on a collective basis using similar credit risk features**

 ✓ Applicable  Not Applicable

Categories	Basis for determination of portfolio	Method for measuring expected credit loss
Other receivables – Portfolio grouped with government funds receivable	Nature of receivables	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and 12-month or lifetime expected credit loss rate.
Other receivables – Portfolio grouped with balances due from related parties within the consolidation scope	Nature of receivables	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and 12-month or lifetime expected credit loss rate.
Other receivables – Portfolio grouped with interest receivable	Nature of receivables	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates

Categories	Basis for determination of portfolio	Method for measuring expected credit loss
		expected credit loss through exposure at default and 12-month or lifetime expected credit loss rate.
Other receivables – Portfolio grouped with dividend receivable	Nature of receivables	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and 12-month or lifetime expected credit loss rate.
Other receivables – Portfolio grouped with ages	Ages	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company prepares the comparison table of ages and expected credit loss rate of other receivables, so as to calculate expected credit loss.

#### Portfolios grouped with similar credit risk features using age analysis method

Applicable  Not Applicable

Ages	Expected credit loss rate of other receivables (%)
Within 1 year (inclusive, the same hereinafter)	5.00
1-2 years	20.00
2-3 years	50.00
Over 3 years	100.00

Other receivables are aged from the month in which they are actually incurred.

#### Judgement basis for receivables with provision for bad debts made on an individual basis

Applicable  Not Applicable

For receivables whose credit risk is significantly different from that of portfolios, the Company accrues expected credit losses on an individual basis.

### 16. Inventories

Applicable  Not Applicable

#### Classification, accounting method for dispatched inventories, inventory system, amortization method of low-value consumables and packages

Applicable  Not Applicable

##### 1. Classification of inventories

Inventories include finished goods or goods held for sale in the ordinary course of business, work in process in the process of production, materials, supplies, etc. to be consumed in the production process or in the rendering of services.

##### 2. Accounting method for dispatched inventories

Inventories dispatched from storage are accounted for with moving average method.

### 3. Inventory system

Perpetual inventory method is adopted.

### 4. Amortization method of low-value consumables and packages

#### (1) Low-value consumables

Low-value consumables are amortized with one-off method.

#### (2) Packages

Packages are amortized with one-off method.

### **Recognition criteria and accrual method of provision for inventory write-down**

Applicable  Not Applicable

At the balance sheet date, inventories are measured at the lower of cost and net realizable value; provisions for inventory write-down are made on the excess of cost over the net realizable value. The net realizable value of inventories held for sale is determined based on the amount of the estimated selling price less the estimated selling expenses and relevant taxes and surcharges in the ordinary course of business; the net realizable value of inventories to be processed is determined based on the amount of the estimated selling price less the estimated costs of completion, selling expenses and relevant taxes and surcharges in the ordinary course of business; at the balance sheet date, when only part of the same item of inventories have agreed price, their net realizable value are determined separately and are compared with their costs to set the provision for inventory write-down to be made or reversed.

### **Categories of portfolios with provision for inventory write-down made on a collective basis and determination basis, determination basis of net realizable value**

Applicable  Not Applicable

### **Calculation method and determination basis for net realizable value under portfolio grouped with ages**

Applicable  Not Applicable

## **17. Contract assets**

Applicable  Not Applicable

### **Recognition method and criteria of contract assets**

Applicable  Not Applicable

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between its performance obligations and customers' payments. Contract assets and contract liabilities under the same contract shall offset each other and be presented on a net basis.

The Company presents an unconditional right to consideration (i.e., only the passage of time is required before the consideration is due) as a receivable, and presents a right to consideration in exchange for

goods that it has transferred to a customer (which is conditional on something other than the passage of time) as a contract asset.

The Company presents an obligation to transfer goods to a customer for which the Company has received consideration (or the amount is due) from the customer as a contract liability.

**Categories and determination basis of portfolios with provision for bad debts made on a collective basis using similar credit risk features**

Applicable  Not Applicable

**Portfolios grouped with similar credit risk features using age analysis method**

Applicable  Not Applicable

**Judgement basis for receivables with provision for bad debts made on an individual basis**

Applicable  Not Applicable

**18. Non-current assets or disposal groups held for sale**

Applicable  Not Applicable

**Recognition criteria and accounting treatment of non-current assets or disposal groups held for sale**

Applicable  Not Applicable

**Recognition criteria and presentation method of discontinued operations**

Applicable  Not Applicable

**19. Long-term equity investments**

Applicable  Not Applicable

**1. Judgment of joint control and significant influence**

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of these policies.

**2. Determination of investment cost**

(1) For business combination under common control, if the consideration of the combining party is that it makes payment in cash, transfers non-cash assets, assumes its liabilities or issues equity securities, on the date of combination, it regards the share of the carrying amount of the equity of the combined party included in the consolidated financial statements of the ultimate controlling party as the initial cost of the

investment. The difference between the initial cost of the long-term equity investments and the carrying amount of the combination consideration paid or the par value of shares issued offsets capital reserve; if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

When long-term equity investments are obtained through business combination under common control achieved in stages, the Company determines whether it is a “bundled transaction”. If it is a “bundled transaction”, stages as a whole are considered as one transaction in accounting treatment. If it is not a “bundled transaction”, on the date of combination, investment cost is initially recognized at the share of the carrying amount of net assets of the combined party included the consolidated financial statements of the ultimate controlling party. The difference between the initial investment cost of long-term equity investments at the acquisition date and the carrying amount of the previously held long-term equity investments plus the carrying amount of the consideration paid for the newly acquired equity is adjusted to capital reserve; if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

(2) For business combination not under common control, investment cost is initially recognized at the acquisition-date fair value of considerations paid.

When long-term equity investments are obtained through business combination not under common control achieved in stages, the Company determined whether they are stand-alone financial statements or consolidated financial statements in accounting treatment:

1) In the case of stand-alone financial statements, investment cost is initially recognized at the carrying amount of the previously held long-term equity investments plus the carrying amount of the consideration paid for the newly acquired equity.

2) In the case of consolidated financial statements, the Company determines whether it is a “bundled transaction”. If it is a “bundled transaction”, stages as a whole are considered as one transaction in accounting treatment. If it is not a “bundled transaction”, the carrying amount of the acquirer’s previously held equity interest in the acquiree is remeasured at the acquisition-date fair value, and the difference between the fair value and the carrying amount is recognized in investment income; when the acquirer’s previously held equity interest in the acquiree involves other comprehensive income under equity method, the related other comprehensive income is reclassified as income for the acquisition period, excluding other comprehensive income arising from changes in net liabilities or assets from remeasurement of defined benefit plan of the acquiree.

(3) Long-term equity investments obtained through ways other than business combination: the initial cost of a long-term equity investment obtained by making payment in cash is the purchase cost which is actually paid; that obtained on the basis of issuing equity securities is the fair value of the equity securities issued; that obtained through debt restructuring is determined according to “CASBE 12 – Debt Restructuring”; and that obtained through non-cash assets exchange is determined according to “CASBE 7 – Non-cash Assets Exchange”.

### 3. Subsequent measurement and recognition method of profit or loss

For a long-term equity investment with control relationship, it is accounted for with cost method; for a long-term equity investment with joint control or significant influence relationship, it is accounted for with equity method.

### 4. Disposal of a subsidiary in stages resulting in the Company's loss of control

#### (1) Judgement principles of "bundled transaction"

For disposal of a subsidiary in stages resulting in the Company's loss of control, the Company determines whether it is a "bundled transaction" based on the agreement terms for each stage, disposal consideration obtained separately, object of the equity sold, disposal method, disposal time point, etc. If the terms, conditions and economic effect of each transaction meet one or more of the following conditions, these transactions are usually considered as a "bundled transaction":

- 1) these transactions are entered into at the same time or in contemplation of each other;
- 2) these transactions form a single transaction designed to achieve an overall commercial effect;
- 3) the occurrence of one transaction is dependent on the occurrence of at least one other transaction; and
- 4) one transaction considered on its own is not economically justified, but it is economically justified when considered together with other transactions.

#### (2) Accounting treatments of non-bundled transactions

##### 1) Stand-alone financial statements

The difference between the carrying amount of the disposed equity and the consideration obtained thereof is recognized in profit or loss. If the disposal does not result in the Company's loss of significant influence or joint control, the remained equity is accounted for with equity method; however, if the disposal results in the Company's loss of control, joint control, or significant influence, the remained equity is accounted for according to "CASBE 22 – Financial Instruments: Recognition and Measurement".

##### 2) Consolidated financial statements

Before the Company's loss of control, the difference between the disposal consideration and the proportionate share of net assets in the disposed subsidiary from acquisition date or combination date to the disposal date is adjusted to capital reserve (capital premium), if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

When the Company loses control, the remained equity is remeasured at the loss-of-control-date fair value. The aggregated value of disposal consideration and the fair value of the remained equity, less the share of net assets in the disposed subsidiary held before the disposal from the acquisition date or combination date to the disposal date is recognized in investment income in the period when the Company loses control over such subsidiary, and meanwhile goodwill is offset correspondingly. Other comprehensive income related to equity investments in former subsidiary is reclassified as investment income upon the Company's loss of control.

(3) Accounting treatment of bundled transaction

1) Stand-alone financial statements

Stages as a whole are considered as one transaction resulting in loss of control in accounting treatment. However, before the Company loses control over a subsidiary, the difference between the disposal consideration at each stage and the carrying amount of long-term equity investments corresponding to the disposed investments is recognized as other comprehensive income at the stand-alone financial statements and reclassified as profit or loss in the period when the Company loses control over such subsidiary.

2) Consolidated financial statements

Stages as a whole are considered as one transaction resulting in loss of control in accounting treatment. However, before the Company loses control over a subsidiary, the difference between the disposal consideration at each stage and the proportionate share of net assets in the disposed subsidiary is recognized as other comprehensive income at the consolidated financial statements and reclassified as profit or loss in the period when the Company loses control over such subsidiary.

**20. Investment property**

Not Applicable

**21. Fixed assets**

**(1) Recognition principles**

Applicable  Not Applicable

Fixed assets are tangible assets held for use in the production of goods or rendering of services, for rental to others, or for administrative purposes, and expected to be used during more than one accounting year. Fixed assets are recognized if, and only if, it is probable that future economic benefits associated with the assets will flow to the Company and the cost of the assets can be measured reliably.

**(2) Depreciation method**

Applicable  Not Applicable

Categories	Depreciation method	Useful life (years)	Residual value proportion (%)	Annual depreciation rate (%)
Buildings and structures	Straight-line method	10-35	0-10	10.00-2.57
Machinery	Straight-line method	5-16	0-10	20.00-5.63
Transport facilities	Straight-line method	5-10	0-10	20.00-9.00

**22. Construction in progress**

Applicable  Not Applicable

1. Construction in progress is recognized if, and only if, it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably. Construction in progress is measured at the actual cost incurred to reach its designed usable conditions.

2. Construction in progress is transferred into fixed assets at its actual cost when it reaches the designed usable conditions. When the auditing of the construction in progress is not finished while reaching the designed usable conditions, it is transferred to fixed assets using estimated value first, and then adjusted accordingly when the actual cost is settled, but the accumulated depreciation is not to be adjusted retrospectively.

Categories	Standards and time point of transferring construction in progress to fixed assets
Buildings and structures	Transferred into fixed assets when the design requirements or delivery standards are met upon completion of construction, i.e., the date when it reaches the designed usable conditions
Machinery	Transferred into fixed assets when the design requirements or standards specified in the contract are met after installation and commissioning, i.e., the date when it reaches the designed usable conditions

### 23. Borrowing costs

Applicable  Not Applicable

#### 1. Recognition principle of borrowing costs capitalization

Where the borrowing costs incurred to the Company can be directly attributable to the acquisition and construction or production of assets eligible for capitalization, it is capitalized and included in the costs of relevant assets; other borrowing costs are recognized as expenses on the basis of the actual amount incurred, and are included in profit or loss.

#### 2. Borrowing costs capitalization period

(1) The borrowing costs are not capitalized unless the following requirements are all met: 1) the asset disbursements have already incurred; 2) the borrowing costs have already incurred; and 3) the acquisition and construction or production activities which are necessary to prepare the asset for its intended use or sale have already started.

(2) Suspension of capitalization: where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs is suspended; the borrowing costs incurred during such period are recognized as expenses, and are included in profit or loss, till the acquisition and construction or production of the asset restarts.

(3) Ceasing of capitalization: when the qualified asset under acquisition and construction or production is ready for the intended use or sale, the capitalization of the borrowing costs is ceased.

#### 3. Capitalization rate and capitalized amount of borrowing costs

For borrowings exclusively for the acquisition and construction or production of assets eligible for capitalization, the to-be-capitalized amount of interests is determined in light of the actual interest

expenses incurred (including amortization of premium or discount based on effective interest method) of the special borrowings in the current period less the interest income on the unused borrowings as a deposit in the bank or as a temporary investment; where a general borrowing is used for the acquisition and construction or production of assets eligible for capitalization, the Company calculates and determines the to-be-capitalized amount of interests on the general borrowing by multiplying the weighted average asset disbursement of the excess of the accumulative capital disbursements over the special borrowings by the capitalization rate of the general borrowing used.

#### 24. Biological assets

Applicable  Not Applicable

#### 25. Oil & gas assets

Applicable  Not Applicable

#### 26. Intangible assets

##### (1) Useful life and its determination basis, estimation, amortization method or review procedure

Applicable  Not Applicable

1. Intangible assets include mining right, land use right, software, pollution discharge right, patent right, software copyright, contractual rights etc. The initial measurement of intangible assets is based on its cost.

2. For intangible assets with finite useful lives, their amortization amounts are amortized within their useful lives systematically and reasonably, if it is unable to determine the expected realization pattern reliably, intangible assets are amortized by the straight-line method with details as follows:

Items	Useful life and determination basis	Amortization method
Mining right	Estimated usable resource reserves	Output method
Land use right	25-99 years; statutory useful life	Straight-line method
Software	2-10 years; estimated useful life	Straight-line method
Pollution discharge right	5-20 years; estimated useful life	Straight-line method
Patent right and software copyright	8-10 years; estimated economic life	Straight-line method
Contractual rights	10 years; estimated economic life	Straight-line method

##### (2) Permitted scope of R&D costs and relevant accounting treatments

Applicable  Not Applicable

1. Permitted scope of R&D costs

(1) Personnel costs

Personnel costs include wages and salaries, basic endowment insurance premiums, basic medical insurance premiums, unemployment insurance premiums, occupational injuries premiums, maternity premiums and housing provident funds for the Company's R&D personnel, as well as labor costs for external R&D personnel.

If R&D personnel serve for multiple R&D projects at the same time, personnel costs are recognized based on their working hour records provided by the Company's administrative department, and proportionately allocated among different R&D projects.

If personnel directly engaged in R&D activities and external R&D personnel are engaged in non-R&D activities at the same time, the Company, based on their working hour records at different positions, allocates personnel costs actually incurred between R&D expenses and production and operating expenses using reasonable methods such as the ratio of actual working hours.

#### (2) Direct input costs

Direct input costs refer to relevant expenses actually incurred by the Company for R&D activities, which include: 1) materials, fuel and power costs directly consumed by R&D activities; 2) development and manufacturing costs of molds and craft equipment used for intermediate tests and trial production, acquisition costs of samples, prototypes and general testing methods that do not constitute fixed assets, and inspection costs of trial production; and 3) operation and maintenance, adjustment, inspection, testing and repairing costs of instruments and equipment used for R&D activities.

#### (3) Depreciation and long-term prepayments

Depreciation refers to the depreciation of instruments, equipment and in-use buildings used for R&D activities.

For instruments, equipment and in-use buildings both used for R&D activities and non-R&D activities, necessary records shall be kept on their usage, and depreciation actually incurred is allocated between R&D expenses and production and operating expenses in a reasonable manner based on the actual working hours, the usable area, etc.

Long-term prepayments refer to those incurred during renovation, modification, decoration and repairing of R&D facilities, which are collected based on actual amount and amortized evenly over a specified period.

#### (4) Amortization of intangible assets

Amortization of intangible assets refer to the amortization of software, patent right, etc. used for R&D activities.

#### (5) Other expenses

Other expenses refer to expenses other than those mentioned above that are directly related to R&D activities.

2. Expenditures on the research phase of an internal project are recognized as profit or loss when they are incurred. An intangible asset arising from the development phase of an internal project is recognized if the Company can demonstrate all of the followings: (1) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (2) its intention to complete the intangible asset and use or sell it; (3) how the intangible asset will generate probable future economic benefits,

among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset; (4) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and (5) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

#### **27. Impairment of long-term assets**

Applicable  Not Applicable

For long-term assets such as long-term equity investments, fixed assets, construction in progress, right-of-use assets, intangible assets with finite useful lives, etc., if at the balance sheet date there is indication of impairment, the recoverable amount is to be estimated. For goodwill recognized in business combination and intangible assets with indefinite useful lives, no matter whether there is indication of impairment, impairment test is performed annually. Impairment test on goodwill is performed on related asset group or asset group portfolio.

When the recoverable amount of such long-term assets is lower than their carrying amount, the difference is recognized as provision for assets impairment through profit or loss.

#### **28. Long-term prepayments**

Applicable  Not Applicable

Long-term prepayments are expenses that have been recognized but with amortization period over one year (excluding one year). They are recorded with actual cost, and evenly amortized within the beneficiary period or stipulated period. If items of long-term prepayments fail to be beneficial to the following accounting periods, residual values of such items are included in profit or loss.

#### **29. Contract liabilities**

Applicable  Not Applicable

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between its performance obligations and customers' payments. Contract assets and contract liabilities under the same contract shall offset each other and be presented on a net basis.

The Company presents an unconditional right to consideration (i.e., only the passage of time is required before the consideration is due) as a receivable, and presents a right to consideration in exchange for goods that it has transferred to a customer (which is conditional on something other than the passage of time) as a contract asset.

The Company presents an obligation to transfer goods to a customer for which the Company has received consideration (or the amount is due) from the customer as a contract liability.

### 30. Employee benefits

#### (1) Accounting treatment of short-term employee benefits

Applicable  Not Applicable

The Company recognizes, in the accounting period in which an employee provides service, short-term employee benefits actually incurred as liabilities, with a corresponding charge to profit or loss or the cost of a relevant asset.

#### (2) Post-employment benefits

Applicable  Not Applicable

The Company classifies post-employment benefit plans as either defined contribution plans or defined benefit plans.

(1) The Company recognizes in the accounting period in which an employee provides service the contribution payable to a defined contribution plan as a liability, with a corresponding charge to profit or loss or the cost of a relevant asset.

(2) Accounting treatment by the Company for defined benefit plan usually involves the following steps:

1) In accordance with the projected unit credit method, using unbiased and mutually compatible actuarial assumptions to estimate related demographic variables and financial variables, measure the obligations under the defined benefit plan, and determine the periods to which the obligations are attributed. Meanwhile, the Company discounts obligations under the defined benefit plan to determine the present value of the defined benefit plan obligations and the current service cost;

2) When a defined benefit plan has assets, the Company recognizes the deficit or surplus by deducting the fair value of defined benefit plan assets from the present value of the defined benefit plan obligation as a net defined benefit plan liability or net defined benefit plan asset. When a defined benefit plan has a surplus, the Company measures the net defined benefit plan asset at the lower of the surplus in the defined benefit plan and the asset ceiling;

3) At the end of the period, the Company recognizes the following components of employee benefits cost arising from defined benefit plan: a. service cost; b. net interest on the net defined benefit plan liability (asset); and c. changes as a result of remeasurement of the net defined benefit liability (asset). Item a and item b are recognized in profit or loss or the cost of a relevant asset. Item c is recognized in other comprehensive income and is not to be reclassified subsequently to profit or loss. However, the Company may transfer those amounts recognized in other comprehensive income within equity.

#### (3) Termination benefits

Applicable  Not Applicable

Termination benefits provided to employees are recognized as an employee benefit liability for termination benefits, with a corresponding charge to profit or loss at the earlier of the following dates: (1) when the Company cannot unilaterally withdraw the offer of termination benefits because of an

employment termination plan or a curtailment proposal; or (2) when the Company recognizes cost or expenses related to a restructuring that involves the payment of termination benefits.

#### **(4) Other long-term employee benefits**

Applicable  Not Applicable

When other long-term employee benefits provided to the employees satisfied the conditions for classifying as a defined contribution plan, those benefits are accounted for in accordance with the requirements relating to defined contribution plan, while other benefits are accounted for in accordance with the requirements relating to defined benefit plan. The Company recognizes the cost of employee benefits arising from other long-term employee benefits as the followings: (1) service cost; (2) net interest on the net liability or net assets of other long-term employee benefits; and (3) changes as a result of remeasurement of the net liability or net assets of other long-term employee benefits. As a practical expedient, the net total of the aforesaid amounts is recognized in profit or loss or included in the cost of a relevant asset.

### **31. Provisions**

Applicable  Not Applicable

1. Provisions are recognized when fulfilling the present obligations arising from contingencies such as providing guarantee for other parties, litigation, products quality guarantee, onerous contract, etc., may cause the outflow of the economic benefit and such obligations can be reliably measured.
2. The initial measurement of provisions is based on the best estimated expenditures required in fulfilling the present obligations, and its carrying amount is reviewed at the balance sheet date.

### **32. Share-based payment**

Applicable  Not Applicable

#### 1. Types of share-based payment

Share-based payment consists of equity-settled share-based payment and cash-settled share-based payment.

#### 2. Accounting treatment for settlements, modifications and cancellations of share-based payment plans

##### (1) Equity-settled share-based payment

For equity-settled share-based payment transaction with employees, if the equity instruments granted vest immediately, the fair value of those equity instruments is measured at grant date and recognized as transaction cost or expense, with a corresponding adjustment in capital reserve; if the equity instruments granted do not vest until the counterparty completes a specified period of service or fulfills certain performance conditions, at the balance sheet date within the vesting period, the fair value of those equity instruments measured at grant date based on the best estimate of the number of equity instruments

expected to vest is recognized as transaction cost or expense, with a corresponding adjustment in capital reserve.

For equity-settled share-based payment transaction with parties other than employees, if the fair value of the services received can be measured reliably, the fair value is measured at the date the Company receives the service; if the fair value of the services received cannot be measured reliably, but that of equity instruments can be measured reliably, the fair value of the equity instruments granted measured at the date the Company receives the service is referred to, and recognized as transaction cost or expense, with a corresponding increase in equity.

#### (2) Cash-settled share-based payment

For cash-settled share-based payment transactions with employees, if share appreciation rights vest immediately, the fair value of the liability incurred as the acquisition of services is measured at grant date and recognized as transaction cost or expense, with a corresponding increase in liabilities; if share appreciation rights do not vest until the employees have completed a specified period of service or fulfills certain performance conditions, the liability is measured, at each balance sheet date until settled, at the fair value of the share appreciation rights measured at grant date based on the best estimate of the number of share appreciation right expected to vest.

#### (3) Modifications and cancellations of share-based payment plan

If the modification increases the fair value of the equity instruments granted, the Company includes the incremental fair value granted in the measurement of the amount recognized for services received as consideration for the equity instruments granted; similarly, if the modification increases the number of equity instruments granted, the Company includes the fair value of the additional equity instruments granted, in the measurement of the amount recognized for services received as consideration for the equity instruments granted; if the Company modifies the vesting conditions in a manner that is beneficial to the employee, the Company takes the modified vesting conditions into account.

If the modification reduces the fair value of the equity instruments granted, the Company does not take into account that decrease in fair value and continue to measure the amount recognized for services received as consideration for the equity instruments based on the grant date fair value of the equity instruments granted; if the modification reduces the number of equity instruments granted to an employee, that reduction is accounted for as a cancellation of that portion of the grant; if the Company modifies the vesting conditions in a manner that is not beneficial to the employee, the Company does not take the modified vesting conditions into account.

If the Company cancels or settles a grant of equity instruments during the vesting period (other than that cancelled when the vesting conditions are not satisfied), the Company accounts for the cancellation or settlement as an acceleration of vesting, and therefore recognizes immediately the amount that otherwise would have been recognized for services received over the remainder of the vesting period.

**33. Other financial instruments such as preferred shares and perpetual bonds**

Applicable  Not Applicable

**34. Revenue****(1) Accounting policies for recognition and measurement of revenue disclosed by business nature**

Applicable  Not Applicable

**1. Revenue recognition principles**

At contract inception, the Company shall assess the contracts and shall identify each performance obligation in the contracts, and determine whether the performance obligation should be satisfied over time or at a point in time.

The Company satisfies a performance obligation over time if one of the following criteria is met, otherwise, the performance obligation is satisfied at a point in time: (1) the customer simultaneously receives and consumes the economic benefits provided by the Company's performance as the Company performs; (2) the customer can control goods as they are created by the Company's performance; (3) goods created during the Company's performance have irreplaceable uses and the Company has an enforceable right to the payments for performance completed to date during the whole contract period.

For each performance obligation satisfied over time, the Company shall recognize revenue over time by measuring the progress towards complete satisfaction of that performance obligation. In the circumstance that the progress cannot be measured reasonably, but the costs incurred in satisfying the performance obligation are expected to be recovered, the Company shall recognize revenue only to the extent of the costs incurred until it can reasonably measure the progress. For each performance obligation satisfied at a point in time, the Company shall recognize revenue at the time point that the customer obtains control of relevant goods or services. To determine whether the customer has obtained control of goods, the Company shall consider the following indications: (1) the Company has a present right to payments for the goods, i.e., the customer is presently obliged to pay for the goods; (2) the Company has transferred the legal title of the goods to the customer, i.e., the customer has legal title to the goods; (3) the Company has transferred physical possession of the goods to the customer, i.e., the customer has physically possessed the goods; (4) the Company has transferred significant risks and rewards of ownership of the goods to the customer, i.e., the customer has obtained significant risks and rewards of ownership of the goods; (5) the customer has accepted the goods; (6) other evidence indicating the customer has obtained control over the goods.

**2. Revenue measurement principle**

(1) Revenue is measured at the amount of the transaction price that is allocated to each performance obligation. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties and those expected to be refunded to the customer.

(2) If the consideration promised in a contract includes a variable amount, the Company shall confirm

the best estimate of variable consideration at expected value or the most likely amount. However, the transaction price that includes the amount of variable consideration only to the extent that it is high probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

(3) In the circumstance that the contract contains a significant financing component, the Company shall determine the transaction price based on the price that a customer would have paid for if the customer had paid cash for obtaining control over those goods or services. The difference between the transaction price and the amount of promised consideration is amortized under effective interest method over contractual period. The effects of a significant financing component shall not be considered if the Company expects, at the contract inception, that the period between when the customer obtains control over goods or services and when the customer pays consideration will be one year or less.

(4) For contracts containing two or more performance obligations, the Company shall determine the stand-alone selling price at contract inception of the distinct good underlying each performance obligation and allocate the transaction price to each performance obligation on a relative stand-alone selling price basis.

### 3. Revenue recognition method

The Company is mainly engaged in sales of cobalt products, copper products, nickel products, lithium products, ternary precursors, cathode materials, nickel intermediates, etc., which are performance obligations satisfied at a point in time.

Revenue from domestic sales is recognized when the Company has delivered goods to the designated address as agreed by contract and such delivered goods have been verified for acceptance by customers, and the Company has collected the payments or has obtained the right to the payments, and related economic benefits are highly probable to flow to the Company.

Revenue from overseas sales is recognized when the Company has declared goods to the customs based on contractual agreements and has obtained a bill of lading, and the Company has collected the payments or has obtained the right to the payments, and related economic benefits are highly probable to flow to the Company.

### **(2) Different recognition method and measurement method of revenue from similar businesses under different business models**

Applicable  Not Applicable

### **35. Contract costs**

Applicable  Not Applicable

### 36. Government grants

Applicable  Not Applicable

1. Government grants shall be recognized if, and only if, the following conditions are all met: (1) the Company will comply with the conditions attaching to the grants; (2) the grants will be received. Monetary government grants are measured at the amount received or receivable. Non-monetary government grants are measured at fair value, and can be measured at nominal amount in the circumstance that fair value cannot be assessed.

#### 2. Government grants related to assets

Government grants related to assets are government grants with which the Company purchases, constructs or otherwise acquires long-term assets under requirements of government. In the circumstances that there is no specific government requirement, the Company shall determine based on the primary condition to acquire the grants, and government grants related to assets are government grants whose primary condition is to construct or otherwise acquire long-term assets. They offset carrying amount of relevant assets, or they are recognized as deferred income. If recognized as deferred income, they are included in profit or loss on a systematic basis over the useful lives of the relevant assets. Those measured at notional amount are directly included into profit or loss. For assets sold, transferred, disposed or damaged within the useful lives, balance of unamortized deferred income is transferred into profit or loss of the period in which the disposal occurred.

#### 3. Government grants related to income

Government grants related to income are government grants other than those related to assets. For government grants that contain both parts related to assets and parts related to income, in which those two parts are blurred, they are thus collectively classified as government grants related to income. For government grants related to income used for compensating the related future cost, expenses or losses, they are recognized as deferred income and included in profit or loss or used to offset relevant cost during the period in which the relevant cost, expenses or losses are recognized; for government grants related to income used for compensating the related cost, expenses or losses incurred to the Company, they are directly included in profit or loss or used to offset relevant cost.

4. Government grants related to the ordinary course of business shall be included into other income or used to offset relevant cost based on business nature, while those not related to the ordinary course of business shall be included into non-operating revenue or expenditures.

#### 5. Policy interest subvention

(1) In the circumstance that government appropriates interest subvention to lending bank, who provides loans for the Company with a policy subsidized interest rate, borrowings are carried at the amount received, with relevant borrowings cost computed based on the principal and the policy subsidized interest rate.

(2) In the circumstance that government directly appropriates interest subvention to the Company, the subsidized interest shall offset relevant borrowing cost.

### **37. Deferred tax assets/Deferred tax liabilities**

Applicable  Not Applicable

1. Deferred tax assets or deferred tax liabilities are calculated and recognized based on the difference between the carrying amount and tax base of assets and liabilities (and the difference of the carrying amount and tax base of items not recognized as assets and liabilities but with their tax base being able to be determined according to tax laws) and in accordance with the tax rate applicable to the period during which the assets are expected to be recovered or the liabilities are expected to be settled.

2. A deferred tax asset is recognized to the extent of the amount of the taxable income, which is most likely to obtain and which can be deducted from the deductible temporary difference. At the balance sheet date, if there is any exact evidence indicating that it is probable that future taxable income will be available against which deductible temporary differences can be utilized, the deferred tax assets unrecognized in prior periods are recognized.

3. At the balance sheet date, the carrying amount of deferred tax assets is reviewed. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow the benefit of the deferred tax asset to be utilized. Such reduction is subsequently reversed to the extent that it becomes probable that sufficient taxable income will be available.

4. The income tax and deferred tax for the period are treated as income tax expenses or income through profit or loss, excluding those arising from the following circumstances: (1) business combination; and (2) the transactions or items directly recognized in equity.

5. Deferred tax assets and deferred tax liabilities shall offset each other and be presented on a net basis when the following conditions are all met: (1) the Company has the legal right to settle off current tax assets against current tax liabilities; (2) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same tax authority on either: 1) the same taxable entity; or 2) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

### **38. Leases**

Applicable  Not Applicable

#### **Judgement basis and accounting treatment of short-term leases and leases of low-value assets with simplified approach when the Company as lessee**

Applicable  Not Applicable

1. As a Lessee

On the commencement date of the lease term, the Company classifies a lease with a lease term of no more than 12 months and without a purchase option as a short-term lease; a lease where the underlying asset is of low value when new is classified as a low-value asset lease. Where the Company subleases or expects to sublease a leased asset, the original lease shall not be classified as a low-value asset lease.

For all short-term leases and low-value asset leases, the Company recognizes lease payments into the cost of relevant assets or profit or loss for the current period using the straight-line method over each period of the lease term.

Except for the above short-term leases and low-value asset leases accounted for under the simplified treatment, the Company recognizes a right-of-use asset and a lease liability for leases on the commencement date of the lease term.

#### (1) Right-of-Use Asset

Right-of-use assets are initially measured at cost, which comprises:

1) The initial carrying amount of the lease liability; 2) Lease payments made on or before the commencement date of the lease term, net of any related lease incentives received; 3) Initial direct costs incurred by the lessee; 4) Estimated costs to be incurred by the lessee in dismantling and removing the leased asset, restoring the site on which the leased asset is located, or restoring the leased asset to the condition stipulated in the lease terms.

The Company depreciates right-of-use assets using the straight-line method. If it can be reasonably determined that the Company will obtain ownership of the leased asset at the end of the lease term, depreciation is provided over the remaining useful life of the leased asset. If ownership of the leased asset cannot be reasonably determined to be obtained at the end of the lease term, depreciation is provided over the shorter of the lease term and the remaining useful life of the leased asset.

#### (2) Lease Liability

On the commencement date of the lease term, the Company recognizes a lease liability at the present value of lease payments not yet paid. The interest rate implicit in the lease is used as the discount rate in calculating the present value of lease payments; if the interest rate implicit in the lease cannot be determined, the Company's incremental borrowing rate is used instead.

The difference between lease payments and their present value is recognized as unrecognized financing charges, which are allocated to interest expenses in each period of the lease term using the discount rate applied to the present value of lease payments, and recognized in profit or loss for the current period. Variable lease payments not included in the measurement of lease liabilities are recognized in profit or loss for the current period when incurred.

After the commencement date of the lease term, when there are changes in substantially fixed payments, estimated amounts payable under guaranteed residual values, changes in indices or rates used to determine lease payments, or changes in the assessment or actual exercise of purchase options, extension options or termination options, the Company remeasures the lease liability at the present value of the revised lease payments and adjusts the carrying amount of the right-of-use asset accordingly. If the carrying amount of the right-of-use asset has been reduced to zero but the lease liability requires further

reduction, the remaining amount is recognized in profit or loss for the current period.

### **Classification criteria and accounting treatment of leases when the Company as lessor**

#### 2. As a Lessor

On the commencement date of the lease, the Company classifies a lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset as a finance lease. All other leases are classified as operating leases.

##### (1) Operating Leases

The Company recognizes lease receipts as rental income on a straight-line basis over each period of the lease term. Initial direct costs incurred are capitalized and allocated to profit or loss on the same basis as the recognition of rental income. Variable lease payments related to operating leases received by the Company that are not included in lease receipts are recognized in profit or loss when incurred.

##### (2) Finance Leases

On the commencement date of the lease term, the Company recognizes a lease receivable at the net investment in the lease (the sum of the present value of unguaranteed residual value and lease receipts not yet received at the commencement date, discounted using the interest rate implicit in the lease) and derecognizes the underlying asset of the finance lease. During each period of the lease term, the Company calculates and recognizes interest income using the interest rate implicit in the lease.

Variable lease payments received by the Company that are not included in the measurement of the net investment in the lease are recognized in profit or loss when incurred.

#### 3. Sale and Leaseback Transactions

##### (1) As a Lessee

In accordance with the Accounting Standards for Business Enterprises No. 14 – Revenue, the Company assesses whether the transfer of an asset in a sale and leaseback transaction constitutes a sale.

Where the transfer of an asset in a sale and leaseback transaction constitutes a sale, the Company measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained, and recognizes only the amount of any gain or loss that relates to the rights transferred to the lessor.

Where the transfer of an asset in a sale and leaseback transaction does not constitute a sale, the Company continues to recognize the transferred asset and recognizes a financial liability equal to the transfer proceeds. Such financial liability is accounted for in accordance with the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments.

##### (2) As a Lessor

In accordance with the Accounting Standards for Business Enterprises No. 14 – Revenue, the Company assesses whether the transfer of an asset in a sale and leaseback transaction constitutes a sale.

Where the transfer of an asset in a sale and leaseback transaction constitutes a sale, the Company accounts for the purchase of the asset in accordance with other applicable Accounting Standards for Business Enterprises, and accounts for the lease of the asset in accordance with the Accounting Standards for Business Enterprises No. 21 – Leases.

Where the transfer of an asset in a sale and leaseback transaction does not constitute a sale, the Company does not recognize the transferred asset but recognizes a financial asset equal to the transfer proceeds. Such financial asset is accounted for in accordance with the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments.

### **39. Other significant accounting policies and estimates**

Applicable  Not Applicable

#### **1. Basis of the adoption of hedge accounting and its accounting treatment**

(1) Hedge includes fair value hedge, cash flow hedge and hedge of a net investment in a foreign operation.

(2) A hedging relationship qualifies for hedge accounting if all of the following conditions are met: 1) the hedging relationship consists only of eligible hedging instruments and eligible hedged instruments; 2) at the inception of the hedge there is formal designation of hedging instruments and hedged item, and documentation of the hedging relationship and the Company's risk management objective and strategy for undertaking the hedge; 3) the hedging relationship meets the hedging effectiveness requirements.

The Company recognizes that the hedging relationship meets effectiveness requirements if the all of the followings are simultaneously satisfied: 1) there is an economic relationship between the hedged item and the hedging instruments; 2) the effect of credit risk does not dominate the value changes that result from that economic relationship between the hedged item and the hedging instruments; and 3) the hedge ratio of the hedging relationship is the same as the ratio of the quantity of the hedged item that the Company actually hedges and the number of hedging instruments that the Company actually uses to hedge that quantity of hedged item, but does not reflect an imbalance between the weightings of the hedged item and the hedging instrument.

The Company shall assess whether a hedging relationship meets the hedge effectiveness requirements at inception and on an ongoing basis. If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the hedging relationship shall be rebalanced.

#### **(3) Hedge accounting**

##### **1) Fair value hedge**

a. Gain or loss on the hedging instrument shall be recognized in profit or loss (or other comprehensive income, if the hedging instrument hedges a non-trading equity instrument (or a component thereof) at fair value through other comprehensive income).

b. The gain or loss on hedged item arising from risk exposure should be recognized in profit or loss, and meanwhile, the carrying amount of the hedged item which is not measured at fair value should be adjusted. If the hedged item is a financial asset (or a component thereof) that is measured at fair value through other comprehensive income in accordance with article XVIII in "CASBE 22 – Financial Instruments: Recognition and Measurement", the gain or loss arising from the risk exposure on the

hedged item shall be recognized in profit or loss, with carrying amount unadjusted for it has already been measured at fair value; if the hedged item is a non-trading equity instrument (or a component thereof) for which the Company has elected to present changes at fair value through other comprehensive income, the gain or loss arising from the risk exposure on the hedged item shall be recognized in profit or loss, with carrying amount unadjusted for it has already been measured at fair value.

When a hedged item is an unrecognized firm commitment (or a component thereof), the cumulative change in fair value of the hedged item subsequent to its designation is recognized as an asset or a liability with a corresponding gain or loss recognized in profit or loss. When a firm commitment is performed to acquire an asset or assume a liability, the initial carrying amount of the asset or the liability is adjusted to include the cumulative change in fair value of the hedged item that was previously recognized.

For a hedged item that is a financial instrument (or a component thereof) measured at amortized cost, any adjustment on the carrying amount of the hedged item shall be amortized to profit or loss based on a recalculated effective interest rate at the date that amortization begins. In the case of a financial asset (or a component thereof) that is a hedged item and that is measured at fair value through other comprehensive income in accordance with article XVIII in “CASBE 22 – Financial Instruments: Recognition and Measurement”, amortization applies in the same manner but to the amount that represents the cumulative gain or loss previously recognized, which shall be subsequently recognized in profit or loss, instead of by adjusting the carrying amount.

## 2) Cash flow hedges

a. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognized in other comprehensive income as cash flow hedge reserve, while the ineffective portion shall be recognized in profit or loss. The cash flow hedge reserve shall be recognized at the lower of the following (in absolute amounts): (i) the cumulative gain or loss on the hedging instrument from inception of the hedge; and (ii) the cumulative change in present value of the expected future cash flows of the hedged item from inception of the hedge.

b. If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Company shall transfer out the amount of cash flow hedge reserve previously recognized in other comprehensive income, and include it in the initial cost of the asset or the liability.

c. For other cash flow hedges, the amount of cash flow hedge reserve previously recognized in other comprehensive income shall be transferred out into profit or loss in the same period the hedged forecast sale affects profit or loss.

## 3) Hedges of a net investment in a foreign operation

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income, and reclassified from other comprehensive income to profit or loss on the disposal of the foreign operation; and the ineffective portion is recognized in profit or loss.

#### 2. Accounting treatment related to share repurchase

When the Company repurchases its shares for the purpose of reducing its registered capital or rewarding its employees, if the purchased shares are to be kept as treasury shares, the treasury shares are recorded at the cash distributed to existing shareholders for repurchase; if the purchased shares are to be retired, the difference between the total book value of shares retired and the cash distributed to existing shareholders for repurchase is to reduce capital reserve, or retained earnings when the capital reserve is not enough to reduce. If the Company repurchases vested equity instruments in equity-settled share-based payment transactions with employees, cost of treasury shares granted to employees and capital reserve (other capital reserve) accumulated within the vesting period are to be written off on the payment made to employees, with a corresponding adjustment in capital reserve (share premium).

#### 3. Work safety fund

The Company appropriates work safety fund in accordance with the “Circular on Management Measures on the Appropriation and Use of Work Safety Fund” (Cai Zi [2022] No. 136) issued by the Ministry of Finance and the Ministry of Emergency Management. Standard work safety fund is included in the cost or profit or loss, meanwhile accounted for under “special reserve”. When work safety fund is used as an expense, it is to offset special reserve directly. When work safety fund is qualified to be included in the cost of fixed assets, it is accounted for under “construction in progress” and transferred to fixed assets when related safety projects reach the designed useful conditions; meanwhile, the cost included in fixed assets is to offset “special reserve”, and accumulated depreciation shall be recognized at the same amount. Such fixed assets shall not be depreciated in future periods.

#### 4. Segment reporting

Operating segments are determined based on the structure of the Company’s internal organization, management requirements and internal reporting system. An operating segment is a component of the Company:

1. that engages in business activities from which it may earn revenues and incur expenses;
2. whose financial performance is regularly reviewed by the Management to make decisions about resource to be allocated to the segment and to assess its performance; and
3. for which accounting information regarding financial position, financial performance and cash flows is available through analysis.

### **40. Significant changes in accounting policies and estimates**

Please refer to “The Company’s analysis of the reasons for and impact of changes in accounting policies, accounting estimates or corrections of material accounting errors” in “Major Matters” for details.

**41. The adjustments on the financial statements of the beginning of the earliest period in which the Company adopts the revised standards or interpretations since 2025**

Applicable  Not Applicable

**42. Others**

Applicable  Not Applicable

**VI. Taxes**

**1. Main taxes and tax rates**

Details

Applicable  Not Applicable

Taxes	Tax bases	Tax rates
Value-added tax (VAT)	The output tax calculated based on the revenue from sales of goods or rendering of services in accordance with the tax law, net of the input tax that is allowed to be deducted in the current period	Main rates include 16%, 15%, 13%, 11%, 6%; export goods of domestic production enterprises enjoy the preferential policy of “exemption, credit and refund”, and the tax refund rate is 0% and 13%, while export goods of domestic foreign trade enterprises enjoy the preferential policy of “exemption, refund”, and the tax refund rate is from 0% to 13%
Mineral tax	Taxable revenue	3.5%, 10%
Resources tax	Taxable revenue	7%
Housing property tax	For housing property levied on the basis of price, housing property tax is levied at the rate of 1.2% of the balance after deducting a certain percentage of the cost; for housing property levied on the basis of rent, housing property tax is levied at the rate of 12% of lease income.	1.2%, 12%
Urban maintenance and construction tax	Turnover tax actually paid	7%, 5%
Education surcharge	Turnover tax actually paid	3%
Local education surcharge	Turnover tax actually paid	2%
Enterprise income tax	Taxable income	Please refer to the following different enterprise income tax rates applicable to different taxpayers

Different enterprise income tax rates applicable to different taxpayers:

Applicable  Not Applicable

Taxpayers	Income tax rate
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Taxpayers	Income tax rate
The Company, New Energy Quzhou, Tianjin B&M, Zhejiang B&M, Chengdu B&M, Guangxi B&M, Guangxi Lithium Industry, Guangxi Huayou New Materials, and Yulin Times Green Water Environmental Technology Co., Ltd. (“Yulin Times Green Water”)	15%
Beijing Huashan Yongsheng Technology Co., Ltd. (“Beijing Huashan”), Beijing Youhong Yongsheng Technology Co., Ltd. (“Beijing Youhong”), Shanghai Feicheng, Guangxi Huayou Enterprise Investment Management Co., Ltd. (“Guangxi Huayou Enterprise Investment”), Shanghai Huayou Xinsheng Metal Co., Ltd. (“Shanghai Xinsheng”), Zhejiang Huayou New Materials Co., Ltd. (“Zhejiang New Materials”) and Zhejiang Huayou Circulation Lithium Technology Co., Ltd. (“Huayou Circulation Lithium”)	20%
Taxpayers other than the above-mentioned	25%

## 2. Tax preferential policies

√ Applicable □ Not Applicable

### 1. VAT

Pursuant to the “Announcement on the VAT Extra Deduction Policy for Advanced Manufacturing Enterprises” (Announcement of the Ministry of Finance and the State Taxation Administration [2023] No. 43) and “Circular of General Office of the Ministry of Industry and Information Technology on the Formulation of the List of Advanced Manufacturing Enterprises Enjoying the VAT Extra Deduction Policy in 2023” (Gong Xin Ting Cai Han [2023] No. 267), from January 1, 2023 to December 31, 2027, advanced manufacturing enterprises are entitled to enjoy a 5% extra deduction of creditable input VAT for the current period from their VAT payable. The Company, New Energy Quzhou, Jiangsu Huayou and Zhejiang B&M, as advanced manufacturing enterprises, are entitled to enjoy such preferential policy in the current period.

### 2. Enterprise income tax

#### (1) Domestic entities

Pursuant to the “High-tech Enterprise Certificate” jointly issued by Science and Technology Department of Zhejiang Province, Zhejiang Provincial Department of Finance and Zhejiang Provincial Tax Service of State Taxation Administration (STA) on December 8, 2023, the Company is accredited as a high-tech enterprise. Pursuant to the “Enterprise Income Tax Law of the People’s Republic of China”, the Company is entitled to enjoy the preferential enterprise income tax policy as a high-tech enterprise and subject to a reduced rate of 15% in the current period.

Pursuant to the “High-tech Enterprise Certificate” jointly issued by Economic and Information Technology Department of Zhejiang, Zhejiang Provincial Department of Finance and Zhejiang Provincial Tax Service of STA on December 6, 2024, New Energy Quzhou is accredited as a high-tech enterprise. Pursuant to the “Enterprise Income Tax Law of the People’s Republic of China”, New Energy Quzhou is entitled to enjoy the preferential enterprise income tax policy as a high-tech enterprise and subject to a reduced rate of 15% in the current period.

Pursuant to the “High-tech Enterprise Certificate” jointly issued by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau and Tianjin Municipal Tax Service of STA on December 8, 2023, Tianjin B&M is accredited as a high-tech enterprise. Pursuant to the “Enterprise Income Tax Law of the People’s Republic of China”, Tianjin B&M is entitled to enjoy the preferential enterprise income tax policy as a high-tech enterprise and subject to a reduced rate of 15% in the current period.

Pursuant to the “High-tech Enterprise Certificate” jointly issued by Economic and Information Technology Department of Zhejiang, Zhejiang Provincial Department of Finance and Zhejiang Provincial Tax Service of STA on December 6, 2024, Zhejiang B&M is accredited as a high-tech enterprise. Pursuant to the “Enterprise Income Tax Law of the People’s Republic of China”, Zhejiang B&M is entitled to enjoy the preferential enterprise income tax policy as a high-tech enterprise and subject to a reduced rate of 15% in the current period.

Pursuant to the “Announcement on Continuing the Enterprise Income Tax Policy for the Western Development” (Announcement of the Ministry of Finance [2020] No. 23), Chengdu B&M, Guangxi B&M, Guangxi Lithium Industry, Guangxi Huayou New Materials and Yulin Times Green Water are entitled to enjoy the preferential enterprise income tax policy as enterprises engaged in the encouraged industries in the western region and subject to a reduced rate of 15% in the current period.

Pursuant to the “Announcement on Preferential Income Tax Policies for Further Support for Small Enterprises with Meager Profit and Individually-owned Businesses” (Announcement of the Ministry of Finance and the State Taxation Administration [2023] No. 12), from January 1, 2023 to December 31, 2027, enterprise income tax of small enterprises with meager profits is levied at 20% based on 25% of taxable income. The Company’s subsidiaries Beijing Huashan, Beijing Youhong, Shanghai Feicheng, Guangxi Huayou Enterprise Investment, Shanghai Xincheng, Zhejiang New Materials and Huayou Circulation Lithium are qualified as small enterprises with meager profits and are entitled to enjoy the income tax preferential policies mentioned above in the current period.

Pursuant to the “Notice of the People’s Government of Guangxi Zhuang Autonomous Region on Several Policies for Promoting the High-level Opening and High-Quality Development of the Guangxi Beibu Gulf Economic Zone in the New Era” (Gui Zheng Fa [2020] No. 42), the subsidiaries Guangxi B&M, Guangxi Lithium Industry, Guangxi Huayou New Materials and Yulin Times Green Water, as new enterprises registered and established in the economic zone, are accredited as high-tech enterprises or enterprises entitled to enjoy the preferential enterprise income tax policy for the western development. They are exempted from enterprise income tax shared by local governments for 5 years since the first year in which the revenue from main operations is generated. The Subsidiaries Guangxi Lithium Industry, Guangxi Huayou New Materials and Yulin Times Green Water are in their third exemption year in the current period, while subsidiary Guangxi B&M is in its fourth exemption year in the current period.

Pursuant to the Notice of the Local Taxation Bureau of Guangxi Zhuang Autonomous Region on Issuing Several Tax Policies and Service Measures to Support Guangxi in Building a New Strategic Pivot for Opening-up and Development in the Southwest and Central South Regions (Guidi Shuifa [2014] No. 30), Yulin Times Juneng Thermal Energy Co., Ltd. (hereinafter referred to as Yulin Times Juneng), a subsidiary of the Company, qualifies as a newly-established legal-person industrial enterprise with investment in Guangxi. It is entitled to a preferential policy of five-year exemption from the locally shared portion of enterprise income tax, starting from the tax year in which it obtains its first main business income. Yulin Times Juneng is in its fourth exemption year in the current period.

According to Article 88 of the Regulations on the Implementation of the Enterprise Income Tax Law of the People's Republic of China (Order of the State Council No. 512 of the People's Republic of China), the income derived by the subsidiary Yulin Times Green Water from engaging in qualified environmental protection and energy conservation and water conservation projects shall be exempt from enterprise income tax for the first three years starting from the tax year in which it obtains its first business income, and the enterprise income tax shall be halved from the fourth to the sixth year. This period marks the first year for the subsidiary Yulin Times Green Water to have its income tax halved.

## (2) Overseas entities

Pursuant to the “Decree of Minister of Finance of Indonesia Concerning Preferential Policies of Enterprise Income Tax Reduction and Exemption to Huayue Company”, Huayue Company is exempted from enterprise income tax as well as tax withheld by third parties on certain income from Huayue Company for 15 years from the tax year of the commencement of its commercial production. It also enjoys a tax reduction of 50% for 2 years following the expiration of the above exemption period.

Pursuant to the “Decree of Minister of Finance of Indonesia Concerning Preferential Policies of Enterprise Income Tax Reduction and Exemption to Huake Indonesia”, Huake Indonesia is exempted from enterprise income tax as well as tax withheld by third parties on certain income from Huake Indonesia for 10 years from the tax year of the commencement of its commercial production. It also enjoys a tax reduction of 50% for 2 years following the expiration of the above exemption period.

Pursuant to the “Decree of Minister of Finance of Indonesia Concerning Preferential Policies of Enterprise Income Tax Reduction and Exemption to Huafei Indonesia”, Huafei Indonesia is exempted from enterprise income tax as well as tax withheld by third parties on certain income from Huafei Indonesia for 15 years from the tax year of the commencement of its commercial production. It also enjoys a tax reduction of 50% for 2 years following the expiration of the above exemption period.

Pursuant to the “Decree of Minister of Finance of Indonesia Concerning Preferential Policies of Enterprise Income Tax Reduction and Exemption to AMI Company”, AMI Company is exempted from enterprise income tax as well as tax withheld by third parties on certain income from AMI Company for 7 years from the tax year of the commencement of its commercial production. It also enjoys a tax reduction of 50% for 2 years following the expiration of the above exemption period.

Pursuant to the “Decree of Minister of Finance of Indonesia Concerning Preferential Policies of Enterprise Income Tax Reduction and Exemption to PT. Huaxiang Refining Indonesia (“Huaxiang Indonesia”)), Huaxiang Indonesia is exempted from enterprise income tax as well as tax withheld by third parties on certain income from Huaxiang Indonesia for 7 years from the tax year of the commencement of its commercial production. It also enjoys a tax reduction of 50% for 2 years following the expiration of the above exemption period.

### 3. Others

Applicable  Not Applicable

## VII. Notes to items of consolidated financial statements

### 1. Cash and bank balances

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Cash on hand	8,189,591.81	5,201,982.26
Cash in bank	10,212,598,488.34	13,816,698,369.82
Other cash and bank balances	7,404,859,191.52	5,629,601,252.58
Deposited in finance company		
Total	17,625,647,271.67	19,451,501,604.66
Including: Deposited overseas	3,388,174,234.53	8,587,680,565.75

Other remarks:

Closing balance of other cash and bank balances included deposits for bank acceptance of RMB 3,286,208,836.55, deposits for letters of credit of RMB 223,970,067.39, deposits for letters of guarantee of RMB 100,804,608.58, deposits for borrowings of RMB 2,435,050,533.15, deposited investments of RMB 1,008,564,788.53, deposits for future foreign exchange settlement of RMB 168,662,400.00, deposits for environmental impact assessment of RMB 9,883,772.19, balances frozen due to lawsuits of RMB 171,714,183.23 and others of RMB 1.90.

### 2. Held-for-trading financial assets

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance	Opening balance	Reasons and basis for designation
Financial assets at fair value through profit or loss	80,000,000.00	381,711,806.17	/
Including:			
Short-term financial products	80,000,000.00	381,711,806.17	/
Total	80,000,000.00	381,711,806.17	/

Other remarks:

Applicable  Not Applicable

### 3. Derivative financial assets

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Hedged futures contracts	1,392,328,142.64	969,759,509.31
Forward foreign exchange contracts	11,169,564.16	31,633,811.11
Total	1,403,497,706.80	1,001,393,320.42

Other remarks:

None

### 4. Notes receivable

#### (1) Details on categories

Applicable  Not Applicable

#### (2) Pledged notes at the balance sheet date

Applicable  Not Applicable

#### (3) Endorsed or discounted but undue notes at the balance sheet date

Applicable  Not Applicable

#### (4) Details on categories of provision accrual methods

Applicable  Not Applicable

Notes receivable with provision for bad debts made on an individual basis:

Applicable  Not Applicable

Notes receivable with provision for bad debts made on a collective basis:

Applicable  Not Applicable

Provision for bad debts made using three-stage model

Applicable  Not Applicable

Classification basis of stages and proportion of provision for bad debts

None.

Remarks on significant changes in book balance of notes receivable with changes in loss allowances:

Applicable  Not Applicable

**(5) Provision for bad debts**

Applicable  Not Applicable

Significant provision for bad debts collected or reversed in the current period:

Applicable  Not Applicable

Other remarks:

None.

**(6) Notes receivable actually written off in the current period**

Applicable  Not Applicable

Significant notes receivable written off:

Applicable  Not Applicable

Remarks on notes receivable written off:

Applicable  Not Applicable

Other remarks

Applicable  Not Applicable

**5. Accounts receivable**

**(1) Age analysis**

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Ages	Closing book balance	Opening book balance
Within 1 year (inclusive)	9,600,538,697.25	6,984,898,733.61
1-2 years	250,247,296.45	162,757,843.51
2-3 years	43,176,993.67	73,518,916.94
Over 3 years	82,228,581.19	22,148,751.58
3-4 years		
4-5 years		
Over 5 years		
Total	9,976,191,568.56	7,243,324,245.64

**(2) Details on categories of provision accrual methods**

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Categories	Closing balance	Opening balance
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	Book balance		Provision for bad debts		Carrying amount	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)		Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis	904,548.00	0.01	904,548.00	100.00	904,548.00	904,548.00	0.01	904,548.00	100.00	904,548.00
Including:										
Receivables of individually insignificant amount but with provision made on an individual basis	904,548.00	0.01	904,548.00	100.00	904,548.00	904,548.00	0.01	904,548.00	100.00	904,548.00
Receivables with provision made on a collective basis	9,975,287,020.56	99.99	633,240,174.18	6.35	9,342,046,846.38	7,242,419,697.64	99.99	440,202,167.42	6.08	6,802,217,530.22
Including:										
Portfolio grouped with ages	9,975,287,020.56	99.99	633,240,174.18	6.35	9,342,046,846.38	7,242,419,697.64	99.99	440,202,167.42	6.08	6,802,217,530.22
<b>Total</b>	<b>9,976,191,568.56</b>	<b>/</b>	<b>634,144,722.18</b>	<b>/</b>	<b>9,342,046,846.38</b>	<b>7,243,324,245.64</b>	<b>/</b>	<b>441,106,715.42</b>	<b>/</b>	<b>6,802,217,530.22</b>

Provision made on an individual basis:

Applicable  Not Applicable

No significant accounts receivable with provision made on an individual basis at the end of the period.

Accounts receivable with provision made on a collective basis:

Applicable  Not Applicable

Portfolio grouped with ages

Monetary unit: Yuan Currency: RMB

Ages	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Within 1 year	9,600,538,697.25	480,026,934.86	5.00
1-2 years	250,247,296.45	50,049,459.29	20.00
2-3 years	42,674,493.67	21,337,246.84	50.00
Over 3 years	81,826,533.19	81,826,533.19	100.00

Ages	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Total	9,975,287,020.56	633,240,174.18	6.35

Remarks on provision for bad debts made on a collective basis:

Applicable  Not Applicable

Provision for bad debts made using three-stage model:

Applicable  Not Applicable

Classification basis of stages and proportion of provision for bad debts:

None.

Remarks on significant changes in book balance of accounts receivable with changes in loss allowances:

Applicable  Not Applicable

### (3) Changes in provision for bad debts

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Opening balance	Increase/Decrease				Closing balance
		Accrual	Recovery or reversal	Write-off	Others	
Receivables with provision for bad debts made on an individual basis	904,548.00					904,548.00
Receivables with provision for bad debts made on a collective basis	440,202,167.42	190,470,014.77		16,637.65	2,584,629.64	633,240,174.18
Total	441,106,715.42	190,470,014.77		16,637.65	2,584,629.64	634,144,722.18

Significant provision for bad debts collected or reversed in the current period:

Applicable  Not Applicable

Other remarks:

None.

### (4) Accounts receivable actually written off in the current period

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Amount written off
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Items	Amount written off
Accounts receivable actually written off	16,637.65

Significant accounts receivable written off:

Applicable  Not Applicable

Remarks on accounts receivable written off:

Applicable  Not Applicable

There were no significant accounts receivable written off in the current period.

### (5) Details of the top 5 debtors with largest balances

Applicable  Not Applicable

Other remarks:

Applicable  Not Applicable

Closing balance of top 5 debtors totaled RMB 3,913,514,756.47, accounting for 39.23% of the total closing balance of accounts receivable, and provision for bad debts made thereon totaled RMB 195,675,737.81.

## 6. Contract assets

### (1) Details

Applicable  Not Applicable

### (2) Reasons for significant changes in carrying amount of contract assets in the reporting period

Applicable  Not Applicable

### (3) Details on categories of provision accrual methods

Applicable  Not Applicable

Contract assets with provision for bad debts made on an individual basis:

Applicable  Not Applicable

Remarks on contract assets with provision for bad debts made on an individual basis:

Applicable  Not Applicable

Contract assets with provision for bad debts made on a collective basis:

Applicable  Not Applicable

Provision for bad debts made using three-stage model

Applicable  Not Applicable

Classification basis of stages and proportion of provision for bad debts

None.

Remarks on significant changes in book balance of contract assets with changes in loss allowances:

Applicable  Not Applicable

**(4) Details on provision for bad debts of contract assets in the current period**

Applicable  Not Applicable

Significant provision for bad debts collected or reversed in the current period:

Applicable  Not Applicable

Other remarks:

None.

**(5) Details on contract assets actually written off in the current period**

Applicable  Not Applicable

Significant contract assets written off:

Applicable  Not Applicable

Remarks on contract assets written off:

Applicable  Not Applicable

Other remarks:

Applicable  Not Applicable

**7. Receivables financing**

**(1) Details on categories**

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Bank acceptance	1,647,571,042.81	1,428,306,241.20
Total	1,647,571,042.81	1,428,306,241.20

**(2) Pledged receivables financing at the balance sheet date**

Applicable  Not Applicable

Items	Closing balance pledged
Bank acceptance	1,300,000.00
Total	1,300,000.00

**(3) Endorsed or discounted but undue receivables financing at the balance sheet date**
 Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance derecognized	Closing balance not yet derecognized
Bank acceptance	11,384,135,328.92	
Subtotal	11,384,135,328.92	

Due to the fact that the acceptor of bank acceptance is commercial bank, which is of high credit level, there is very little possibility of failure in recoverability when it is due. Based on this fact, the Company derecognized the endorsed or discounted bank acceptance. However, if any bank acceptance is not recoverable when it is due, the Company still holds joint liability on such acceptance, according to the China Commercial Instrument Law.

**(4) Details on categories of provision accrual methods**
 Applicable  Not Applicable

Receivables financing with provision for bad debts made on an individual basis:

 Applicable  Not Applicable

Remarks on receivables financing with provision for bad debts made on an individual basis:

 Applicable  Not Applicable

Receivables financing with provision for bad debts made on a collective basis:

 Applicable  Not Applicable

Provision for bad debts made using three-stage model

 Applicable  Not Applicable

Classification basis of stages and proportion of provision for bad debts

None.

Remarks on significant changes in book balance of receivable financing with changes in loss allowances:

 Applicable  Not Applicable

**(5) Details on provision for bad debts**
 Applicable  Not Applicable

Significant provision for bad debts collected or reversed in the current period:

Applicable  Not Applicable

Other remarks:

None.

**(6) Details on receivables financing actually written off in the current period**

Applicable  Not Applicable

Significant receivables financing written off:

Applicable  Not Applicable

Remarks on receivables financing written off:

Applicable  Not Applicable

**(7) Current period movements and changes in fair value of receivable financing:**

Applicable  Not Applicable

**(8) Other remarks:**

Applicable  Not Applicable

**8. Advances paid**

**(1) Age analysis**

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Ages	Closing balance		Opening balance	
	Amount	% to total	Amount	% to total
Within 1 year	5,541,948,640.76	93.44	2,590,369,303.84	87.06
1-2 years	149,063,350.85	2.51	337,820,648.45	11.35
2-3 years	211,505,213.40	3.57	18,849,100.03	0.63
Over 3 years	28,763,244.72	0.48	28,370,925.43	0.95
Total	5,931,280,449.73	100.00	2,975,409,977.75	100.00

Reasons for unsettlement on advances paid with age over one year and significant amount:

No material closing balance with age over one year.

**(2) Details of the top 5 debtors with largest balances**

Applicable  Not Applicable

Other remarks

Applicable  Not Applicable

Closing balance of top 5 debtors totaled RMB 2,305,129,994.43, accounting for 38.86% of the total closing balance of advances paid.

## 9. Other receivables

### Details

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Interest receivable		
Dividend receivable		2,587,982.40
Other receivables	420,695,664.15	272,119,969.15
Total	420,695,664.15	274,707,951.55

Other remarks:

Applicable  Not Applicable

### Interest receivable

#### (1) Details on categories

Applicable  Not Applicable

#### (2) Significant overdue interest

Applicable  Not Applicable

#### (3) Details on categories of provision accrual methods

Applicable  Not Applicable

Interest receivable with provision for bad debts made on an individual basis:

Applicable  Not Applicable

Remarks on interest receivable with provision for bad debts made on an individual basis:

Applicable  Not Applicable

Interest receivable with provision for bad debts made on a collective basis:

Applicable  Not Applicable

#### (4) Provision for bad debts made using three-stage model

Applicable  Not Applicable

Classification basis of stages and proportion of provision for bad debts

None.

Remarks on significant changes in book balance of interest receivable with changes in loss allowances:

Applicable  Not Applicable

**(5) Details on provision for bad debts**

Applicable  Not Applicable

Significant provision for bad debts collected or reversed in the current period:

Applicable  Not Applicable

Other remarks:

None.

**(6) Details on interest receivable actually written off in the current period**

Applicable  Not Applicable

Significant interest receivable written off

Applicable  Not Applicable

Remarks on interest receivable written off:

Applicable  Not Applicable

Other remarks:

Applicable  Not Applicable

**Dividend receivable**

**(1) Dividend receivable**

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Ningbo Ruihua International Trade Co., Ltd. ("Ningbo Ruihua")		2,587,982.40
Total		2,587,982.40

**(2) Significant dividend receivable with age over one year**

Applicable  Not Applicable

**(3) Details on categories of provision accrual methods**

Applicable  Not Applicable

Dividend receivable with provision for bad debts made on an individual basis:

Applicable  Not Applicable

Remarks on dividend receivable with provision for bad debts made on an individual basis:

Applicable  Not Applicable

Dividend receivable with provision for bad debts made on a collective basis:

Applicable  Not Applicable

**(4) Provision for bad debts made using three-stage model**

Applicable  Not Applicable

Classification basis of stages and proportion of provision for bad debts

None.

Remarks on significant changes in book balance of dividend receivable with changes in loss allowances:

Applicable  Not Applicable

**(5) Details on provision for bad debts**

Applicable  Not Applicable

Significant provision for bad debts collected or reversed in the current period:

Applicable  Not Applicable

Other remarks:

None.

**(6) Details on dividend receivable actually written off in the current period**

Applicable  Not Applicable

Significant dividend receivable written off

Applicable  Not Applicable

Remarks on dividend receivable written off:

Applicable  Not Applicable

Other remarks:

Applicable  Not Applicable

### Other receivables

#### (1) Age analysis

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Ages	Closing book balance	Opening book balance
Within 1 year (inclusive)	300,220,537.30	166,191,839.49
1-2 years	112,353,954.50	92,332,405.89
2-3 years	83,159,740.24	78,803,897.51
Over 3 years	29,892,645.79	33,737,699.29
3-4 years		
4-5 years		
Over 5 years		
Total	525,626,877.83	371,065,842.18

#### (2) Other receivables categorized by nature

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Nature of receivables	Closing book balance	Opening book balance
Security deposits	425,729,612.56	332,203,613.84
Export tax refund	80,462,399.60	19,396,963.58
Petty cash	13,623,067.57	11,984,165.72
Temporary borrowings	702,880.00	3,594,200.00
Others	5,108,918.10	3,886,899.04
Total	525,626,877.83	371,065,842.18

#### (3) Provision for bad debts

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Stage 1	Stage 2	Stage 3	Subtotal
	12-month expected credit losses	Lifetime expected credit losses (credit not impaired)	Lifetime expected credit losses (credit impaired)	
Balances at January 1, 2025	7,339,743.80	18,466,481.18	73,139,648.05	98,945,873.03
Balances at January 1, 2025 in the current period				
--Transferred to stage 2	-5,617,697.73	5,617,697.73		
--Transferred to stage 3		-16,631,948.05	16,631,948.05	
--Reversed to stage 2				
--Reversed to stage 1				
Provision made in the current period	9,266,256.80	16,706,642.12	-17,742,898.30	8,230,000.62
Provision recovered in the current period				
Provision reversed in the current period				

Items	Stage 1	Stage 2	Stage 3	Subtotal
	12-month expected credit losses	Lifetime expected credit losses (credit not impaired)	Lifetime expected credit losses (credit impaired)	
Provision written off in the current period			736,181.89	736,181.89
Other changes	-396.00	-1,688,082.08	180,000.00	-1,508,478.08
Balances at December 31, 2025	10,987,906.87	22,470,790.90	71,472,515.91	104,931,213.68

[Note] Other changes are changes in provision for bad debts resulting from changes in the scope of consolidation.

Classification basis of stages and proportion of provision for bad debts

Stage 1 is where credit risk of other receivables with ages within one year and portfolio grouped with government funds receivable has not increased significantly since initial recognition. Stage 2 is where credit risk of other receivables with ages of 1-2 years has increased significantly since initial recognition, but such receivables are not considered credit-impaired. Stage 3 is where other receivables with ages over 2 years and provision for bad debts made on an individual basis are considered credit-impaired since initial recognition.

Remarks on significant changes in book balance of other receivables with changes in loss allowances:

Applicable  Not Applicable

Determination basis for provision for bad debts made in the current period and whether credit risk has increased significantly:

Applicable  Not Applicable

#### (4) Provision for bad debts

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Categories	Opening balance	Increase/Decrease				Closing balance
		Accrual	Recovery or reversal	Write-off	Others	
Receivables with provision made on an individual basis						
Receivables with provision made on a collective basis	371,065,842.18	154,561,035.65				525,626,877.83
Total	371,065,842.18	154,561,035.65				525,626,877.83

Significant provision for bad debts collected or reversed in the current period:

Applicable  Not Applicable

Other remarks

None.

**(5) Other receivables actually written off in the current period**
 Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Item	Amount written off
Other receivables actually written off	736,181.89

Significant other receivables written off in the current period:

 Applicable  Not Applicable

Remarks on other receivables written off:

 Applicable  Not Applicable

There were no significant other receivables written off in the current period.

**(6) Details of the top 5 debtors with largest balances**
 Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Debtors	Closing book balance	Proportion to the total balance of other receivables (%)	Nature of receivables	Ages	Provision for bad debts at the balance sheet date
Export tax rebate receivable	80,462,399.60	15.31	Export tax rebate	Within 1 year	0.00
SINO IC Leasing Co., Ltd.	70,000,000.00	13.32	Security deposits	Within 1 year: RMB 24,000,000.00; 1-2 years: RMB 40,000,000.00 2-3 years RMB 6,000,000.00	2,200,000.00
Yangtze United Financial Leasing Co., Ltd.	50,000,000.00	9.51	Security deposits	Within 1 year: RMB 25,000,000.00; 1-2 years: RMB 25,000,000.00	6,250,000.00
Zhejiang Hangzi Shancheng Industrial Co., Ltd.	49,525,000.00	9.42	Security deposits	Within 1 year	2,476,250.00
Taiping & Sinopec Financial Leasing Co., Ltd.	36,000,000.00	6.85	Security deposits	Within 1 year: RMB 9,000,000.00; 1-2 years: RMB 15,000,000.00; 2-3 years: RMB 12,000,000.00	9,450,000.00
Total	285,987,399.60	54.41	/	/	30,376,250.00

**(7) Balances presented under other receivables due to the centralized fund management**
 Applicable  Not Applicable

Other remarks:

 Applicable  Not Applicable

**10. Inventories**
**(1) Details on categories**
 Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance			Opening balance		
	Book balance	Provision for inventory write-down/impairment of costs to fulfill a contract	Carrying amount	Book balance	Provision for inventory write-down/impairment of costs to fulfill a contract	Carrying amount
Raw materials	16,323,094,811.35	14,606,242.58	16,308,488,568.77	11,332,093,889.63	219,863,121.25	11,112,230,768.38
Work in process	3,383,148,994.88	276,927.79	3,382,872,067.09	2,080,531,143.82	1,886,787.25	2,078,644,356.57
Goods on hand	5,932,634,939.09	19,699,173.13	5,912,935,765.96	4,130,209,969.83	86,724,663.80	4,043,485,306.03
Materials on consignment for further processing	19,861,149.05		19,861,149.05	71,136,977.91	8,726,077.39	62,410,900.52
Total	25,658,739,894.37	34,582,343.50	25,624,157,550.87	17,613,971,981.19	317,200,649.69	17,296,771,331.50

Note: Closing balance includes recognized income on changes in fair value of hedged inventories of RMB 1,970,008,768.81. For details, refer to the description in Section 8 Financial Statements, XII. Risks Related to Financial Instruments, 2. Hedging of this report.

### (2) Data resources recognized as inventories

Applicable  Not Applicable

### (3) Provision for inventory write-down/impairment of costs to fulfill a contract

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Opening balance	Increase		Decrease		Closing balance
		Accrual	Others	Reversal or write-off	Others	
Raw materials	219,863,121.25	11,676,078.20		216,932,956.87		14,606,242.58
Work in process	1,886,787.25	276,927.79		1,886,787.25		276,927.79
Goods on hand	86,724,663.80	19,699,173.13		86,724,663.80		19,699,173.13
Materials on consignment for further processing	8,726,077.39			8,726,077.39		
Total	317,200,649.69	31,652,179.12		314,270,485.31		34,582,343.50

Reasons for the reversal or write-off of provision for inventory write-down

Applicable  Not Applicable

At the balance sheet date, inventories are measured at the lower of cost and net realizable value, with provisions for inventory write-down made on the excess of its cost over the net realizable value on an individual basis. Net realizable value of goods on hand are measured based on estimated selling price less estimated selling expenses and relevant taxes and surcharges; net realizable value of raw materials, work in process and materials on consignment for further processing are measured based on estimated selling price of relevant finished goods less cost to be incurred upon completion, estimated selling expenses, and relevant taxes and surcharges. Current decreases all refer to provision for inventory write-down made in the preceding period but written off in the current period due to sale or use of relevant inventories.

Provision for inventory write-down made on a collective basis

Applicable  Not Applicable

Determination basis of portfolios

Applicable  Not Applicable

**(4) Capitalized amount of borrowing costs and its measurement criteria and basis**

Applicable  Not Applicable

**(5) Remarks on the amortization of costs to fulfill a contract**

Applicable  Not Applicable

Other remarks

Applicable  Not Applicable

**11. Assets held for sale**

Applicable  Not Applicable

**12. Non-current assets due within one year**

Applicable  Not Applicable

**Debt investments due within one year**

Applicable  Not Applicable

**Other debt investments due within one year**

Applicable  Not Applicable

Other remarks on non-current assets due within one year

None.

**13. Other current assets**

Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Input VAT to be credited or refunded	5,851,597,364.01	4,484,699,970.34
Prepaid enterprise income tax	72,049,653.77	9,301,438.82
Prepaid resources tax	80,635,111.52	18,121,456.81
Total	6,004,282,129.30	4,512,122,865.97

Other remarks

None.

**14. Debt investments****(1) Details**

Applicable  Not Applicable

Changes in provision for impairment of debt investments in the current period

Applicable  Not Applicable

**(2) Significant debt investments at the balance sheet date**

Applicable  Not Applicable

**(3) Provision for impairment**

Applicable  Not Applicable

Classification basis of stages and proportion of provision for impairment:

None

Remarks on significant changes in book balance of debt investments with changes in loss allowances:

Applicable  Not Applicable

None

Determination basis for provision for impairment made in the current period and whether credit risk has increased significantly

Applicable  Not Applicable

**(4) Debt investments actually written off in the current period**

Applicable  Not Applicable

Significant debt investments written off in the current period

Applicable  Not Applicable

Remarks on debt investments written off:

Applicable  Not Applicable

Other remarks

Applicable  Not Applicable

**15. Other debt investments****(1) Details**

Applicable  Not Applicable

Changes in provision for impairment of other debt investments in the current period

Applicable  Not Applicable

**(2) Significant other debt investments at the balance sheet date**

Applicable  Not Applicable

**(3) Provision for impairment**

Applicable  Not Applicable

Classification basis of stages and proportion of provision for impairment:

None.

Remarks on significant changes in book balance of other debt investments with changes in loss allowances:

Applicable  Not Applicable

Determination basis for provision for impairment made in the current period and whether credit risk has increased significantly

Applicable  Not Applicable

**(4) Other debt investments actually written off in the current period**

Applicable  Not Applicable

Significant other debt investments written off in the current period

Applicable  Not Applicable

Remarks on other debt investments written off:

Applicable  Not Applicable

Other remarks:

Applicable  Not Applicable

**16. Long-term receivables**

**(1) Details**
 Applicable  Not Applicable

Monetary unit: Yuan Currency: RMB

Items	Closing balance			Opening balance			Discount rate range
	Book balance	Provision for bad debts	Carrying amount	Book balance	Provision for bad debts	Carrying amount	
La Societe Immobiliere du Congo	1,240,407.48		1,240,407.48	1,268,572.89		1,268,572.89	N/A
La Sino-Congolaise Des Mines S. A. (the "SGM")	60,263,647.60		60,263,647.60	61,632,028.85		61,632,028.85	N/A
Gecamines	2,067,345.80		2,067,345.80	2,114,288.15		2,114,288.15	N/A
La Province du Lualaba	15,905,677.60		15,905,677.60	16,266,841.12		16,266,841.12	N/A
Indonesia Weda Bay Industrial Park Co., Ltd. (the "IWIP Company")	195,260,064.00		195,260,064.00	199,693,752.00		199,693,752.00	N/A
Veinstone Investment Limited (the "Veinstone")	115,047,398.40		115,047,398.40	117,659,731.20		117,659,731.20	N/A
PT. ETERNAL NICKEL INDUSTRY (the "Eternal Nickel Industry")	356,360,160.00		356,360,160.00	56,069,520.00		56,069,520.00	N/A
PT. SURELYRICH POWERPLANT INDONESIA ("Surelyrich Company")	616,609,436.57		616,609,436.57				N/A
Total	1,362,754,137.45		1,362,754,137.45	454,704,734.21		454,704,734.21	/

**(2) Details on categories of provision accrual methods**
 Applicable  Not Applicable

Long-term receivables with provision for bad debts made on an individual basis:

 Applicable  Not Applicable

Remarks on long-term receivables with provision for bad debts made on an individual basis:

 Applicable  Not Applicable

Long-term receivables with provision for bad debts made on a collective basis:

 Applicable  Not Applicable

**(3) Provision for bad debts made using three-stage model**
 Applicable  Not Applicable

Classification basis of stages and proportion of provision for bad debts

None.

Remarks on significant changes in book balance of long-term receivables with changes in loss allowances:

 Applicable  Not Applicable

Determination basis for provision for bad debts made in the current period and whether credit risk has increased significantly

Applicable  Not Applicable

**(4) Details on provision for bad debts**

Applicable  Not Applicable

Significant provision for bad debts collected or reversed in the current period:

Applicable  Not Applicable

Other remarks:

None.

**(5) Details on long-term receivables actually written off in the current period**

Applicable  Not Applicable

Significant long-term receivables written off

Applicable  Not Applicable

Remarks on long-term receivables written off:

Applicable  Not Applicable

Other remarks

Applicable  Not Applicable

1) Gecamines, La Societe Immobiliere du Congo, SGM

Pursuant to the “Agreement on Establishment of Joint Venture” entered into among the Company, Gecamines, La Societe Immobiliere du Congo, China Railway Group (Hong Kong) Limited, China Railway Resources Development Co., Ltd., Sinohydro Corporation Limited, Sinohydro Harbour Co., Ltd. and China Metallurgical Group Corporation in September 2008 and the “Confirmation of Equity Adjustment” entered into among the Company, China Railway (Hong Kong) Engineering Limited and Sinohydro Resources Limited on October 23, 2013, the Company respectively rendered borrowings of USD 294,125.00 (equivalent to RMB 2,067,345.80 according to the exchange rate as at December 31, 2025) and USD 176,475.00 (equivalent to RMB 1,240,407.48 as at December 31, 2025) to Gecamines and La Societe Immobiliere du Congo for their contributions to SGM, and rendered borrowings of USD 8,573,817.38 (equivalent to RMB 60,263,647.60 according to the exchange rate as at December 31, 2025) to SGM. Gecamines and La Societe Immobiliere du Congo would repay the borrowings with dividends distributed by SGM, and SGM would repay the borrowings with its earnings from operations free of interest.

2) La Province du Lualaba

Pursuant to the “Pre-financing Agreement on Restoration Engineering of Luena Road” and the “Concession Contract” entered into between the subsidiary CDM Company and La Province du Lualaba respectively in September 2017 and March 2018, the subsidiary CDM Company rendered borrowings of

USD 4.00 million to La Province du Lualaba for road restoration. La Province du Lualaba would repay the borrowings with taxes on proceedings from right-of-way of the road section. As of December 31, 2025, the subsidiary CDM Company has paid USD 2,262,929.32 (equivalent to RMB 15,905,677.60 according to the exchange rate as at December 31, 2025).

### 3) IWIP Company

Pursuant to the “Shareholder Loan Agreement” entered into between the subsidiary Huachuang International Investment Co., Ltd. (“Huachuang International”) and the associate IWIP Company based on the resolution of the fifth meeting of the sixth session of the Board of Directors in 2023, Huachuang International, as shareholder of IWIP Company, rendered shareholder borrowings of USD 27,780,000.00 (equivalent to RMB 195,260,064.00 according to the exchange rate as at December 31, 2025) to IWIP Company. Such shareholder borrowings were rendered together with other shareholders based on holding proportions.

### 4) Veinstone

Pursuant to the “Shareholder Loan Agreement” entered into between the subsidiary HUAYOU INTERNATIONAL MINING (HONG KONG) LIMITED (“Huayou Mining Hong Kong” and the associate Veinstone based on the resolution of the fifth meeting of the sixth session of the Board of Directors in 2023, Huayou Mining Hong Kong, as shareholder of Veinstone, rendered shareholder borrowings of USD 16,368,000.00 (equivalent to RMB 115,047,398.40 according to the exchange rate as at December 31, 2025) to Veinstone. Such shareholder borrowings were rendered together with other shareholders based on holding proportions.

### 5) Eternal Nickel Industry

Pursuant to the “Shareholder Loan Agreement” entered into between the subsidiary Huajun International Investment Co., Ltd. (“Huajun International Investment”) and the associate Eternal Nickel Industry based on the resolution of the 20th meeting of the sixth session of the Board of Directors in 2024, Huajun International Investment, as shareholder of Eternal Nickel Industry, rendered shareholder borrowings of USD 7,800,000.00 (equivalent to RMB 54,824,640.00 according to the exchange rate as at December 31, 2025) to Eternal Nickel Industry. Pursuant to the “Shareholder Loan Agreement” entered into between the subsidiary Huajun International Investment and the associate Eternal Nickel Industry based on the resolution of the 36th meeting of the sixth session of the Board of Directors in 2025, Huajun International Investment, as shareholder of Eternal Nickel Industry, rendered shareholder borrowings of USD 42,900,000.00 (equivalent to RMB 301,535,520.00 according to the exchange rate as at December 31, 2025) to Eternal Nickel Industry. Such shareholder borrowings were rendered together with other shareholders based on holding proportions.

### 6) Surelyrich Company

Pursuant to the “Electricity Purchase Agreement” signed by the subsidiary PT.KOLAKA GREEN ENERGY (“Kolaka Green Energy”) and Surelyrich Company in January 2025, the subsidiary Kolaka Green Energy would purchase electricity from Surelyrich Company on a long-term basis for the normal operation of the park. To guarantee the performance of the contract, the subsidiary Kolaka Green Energy shall pay a performance bond of USD 248.75 million to Surelyrich Company. Surelyrich shall make repayments in installments during the period agreed in the contract. As of December 31, 2025, the subsidiary Kolaka Green Energy has paid IDR1,478,679,704,000 (equivalent to RMB 616,609,436.57 according to the exchange rate as at December 31, 2025).

As there are no obvious indications of impairment on the above-mentioned long-term receivables, no provision for impairment has been made.

**17. Long-term equity investments**
**(1) Details**

√ Applicable □ Not Applicable

Investees	Opening balance (book value)	Increase/Decrease								Closing balance (book value)	Closing balance of provision for impairment	
		Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income	Changes in other equity	Cash dividend/ Profit declared for distribution	Provision for impairment	Others			
<b>I. Joint ventures</b>												
PT CELEBES MINERAL INVESTMENT (“CMI Company”)	214,516,216.79			-616,259.25	2,218,100.83						216,118,058.37	
Quzhou Zhiyou International Trade Co., Ltd. (“Quzhou Zhiyou”)		100,000,000.00		2,336,573.37							102,336,573.37	
PT. Alam Hijau Environmental Services (“Alam Hijau”)	23,141,945.82								-23,141,945.82			
Subtotal	237,658,162.61	100,000,000.00		1,720,314.12	2,218,100.83				-23,141,945.82		318,454,631.74	
<b>II. Associates</b>												
Alam Hijau		42,729,427.80		-51,346.79	295,316.82				23,141,945.82		66,115,343.65	
Newstride Technology Limited (“Newstride Technology”)	1,880,322,558.99		212,343,120.00	178,361,805.14	-3,867,186.83		493,487,670.00				1,348,986,387.30	
Quzhou Minfu Woneng New Energy Vehicle Technology Co., Ltd. (“Minfu Woneng”)												1,161,307.33
AVZ Minerals Limited (“AVZ Company”)	58,764,948.53										58,764,948.53	
Puhua Company	535,382,588.36			26,642,512.03							562,025,100.39	
Leyou Company	1,810,474,943.98			14,899,319.21			500,045,000.00				1,325,329,263.19	
Ruiyou Investment Company Limited (Ruiyou Company”)	9,991,341.07			-9,947,130.24							44,210.83	
Veinstone	298,167,106.12			29,702,359.83	-8,197,230.93						319,672,235.02	
IWIP Company	446,586,289.98	86,046,000.00		92,358,765.29	-16,741,440.29						608,249,614.98	
PT. Hua Pioneer Indonesia (Indonesia Huatuo”)												3,479,194.09
Quzhou Anyou Equity Investment Partnership (LP) (“Quzhou Anyou”)	586,807,796.20			4,806,935.04							591,614,731.24	
POSCO-HY Clean Metal Co.,Ltd(PHC Company”)												
Hunan Yacheng New Energy Co.,	97,274,839.93			-6,804,772.80							90,470,067.13	

Investees	Opening balance (book value)	Increase/Decrease								Closing balance (book value)	Closing balance of provision for impairment
		Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income	Changes in other equity	Cash dividend/ Profit declared for distribution	Provision for impairment	Others		
Ltd. (“Hunan Yacheng”)											
Guangxi Times Li-ion New Energy Materials Investment Management Center (LP) (Guangxi Times Li-ion Investment Management Center”)	690,677,93 5.81			22,567,44 6.54							713,245,38 2.35
Guangxi Times Li-ion New Materials Industry Development Fund Partnership (LP) (“Guangxi Times Li-ion Industry Fund”)	635,870,30 3.35			40,105,13 9.90							675,975,44 3.25
Quzhou Xinhua Equity Investment Partnership (LP) (“Quzhou Xinhua”)	1,168,704,5 53.87			9,750,338. 45							1,178,454,8 92.32
Zhejiang Power Investment Huayou Intelligent Energy Co., Ltd. (“Zhejiang Power Investment”)	10,398,968. 67	3,088,800 .00		2,497,817. 43							15,985,586. 10
Tongxiang Lithium Times Equity Investment Partnership (LP) (Tongxiang Lithium Times”)	162,505,67 7.22	17,800,00 0.00		-3,268,262 .36							177,037,41 4.86
Ningbo Ruihua	61,203,353. 62		59,85 0,000 .00	283,937.2 2							1,637,290.8 4
Zhejiang Haigang Pingyou Port Co., Ltd. (“Haigang Pingyou”)	88,665,000. 00			-5,280,333 .04							83,384,666. 96
BCM Company	692,939,10 9.53			-21,415,57 1.98	6,121,62 0.78						677,645,15 8.33
Quzhou Hangyang Huayou Gas Co., Ltd. (“Quzhou Hangyang”)	73,493,130. 52			11,442,72 2.84							84,935,853. 36
Changchun Zongxu Huayou Energy Technology Co., Ltd. (“Zongxu Huayou”)	2,393,790.5 8	2,000,000 .00		2,048,767. 42			72,345.9 2				6,370,212.0 8
Askari Mteals Limited (Askari Company”)	8,519,827.3 3			-3,899,049 .12	1,156,25 6.01						5,777,034.2 2
PT. IWIP Green Industry	189,782,62 0.20			26,151,36 2.22	-4,540,1 42.55						211,393,83 9.87

Investees	Opening balance (book value)	Increase/Decrease							Closing balance (book value)	Closing balance of provision for impairment	
		Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income	Changes in other equity	Cash dividend/ Profit declared for distribution	Provision for impairment			Others
PT Merdeka Battery Materials (“MBM Company”)	592,999,603.14			53,914,044.73	-82,838,126.80					564,075,521.07	
PT.WANA KENCANA MINERAL (“WKM Company”)	992,869,208.17			72,291,155.43	-22,639,718.50					1,042,520,645.10	
Eternal Nickel Industry	187,941,366.05			67,664,035.60	-5,329,874.50					250,275,527.15	
Chengdu Huantou Resource Recycling Co., Ltd. (“Chengdu Huantou”)	6,474,564.09			-381,440.94						6,093,123.15	
NA CHENG LIMITED	363,114,927.69			4,801,961.51	-2,465,695.32					365,451,193.88	
JOH CO.,LTD	3,970,015.14			-892,658.04	-28,915.63					3,048,441.47	
PT Tambang Nikel Permai (“TNP Company”)	463,910,200.00	6,526,787.13		-929,381.35	-2,941,316.48					466,566,289.30	
PT.BOSOWA MINING (“BM Company”)		47,814,499.73		4,812,897.62	12,387,483.68					65,014,881.03	
PT. Indonesia Huali Industry Park (“Huali Industry Park”)									8,018,458.64	8,018,458.64	
PT.CIPTA DJAYA SURYA (“CDS Company”)		32,456,294.21		-702,002.83	332,424.60					32,086,715.98	
Subtotal	12,120,206,568.14	238,461,808.87	272,193,120.00	611,531,373.96	-129,296,545.94		993,605,015.92		31,160,404.46	11,606,265,473.57	4,640,501.42
Total	12,357,864,730.75	338,461,808.87	272,193,120.00	613,251,688.08	-127,078,445.11		993,605,015.92		8,018,458.64	11,924,720,105.31	4,640,501.42

## (2) Impairment test of long-term equity investments

Applicable  Not Applicable

Other remarks

None.

### Recoverable amount determined based on the fair value less costs of disposal

Applicable  Not Applicable

### Recoverable amount determined based on the present value of estimated future cash flows

Applicable  Not Applicable

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**Reasons for obvious inconsistencies between the aforementioned information and the information used in impairment tests in previous years or external information**

Applicable  Not Applicable

**Reasons for obvious inconsistencies between the information used in the Company's impairment tests in previous years and the actual situation of those years**

Applicable  Not Applicable

Other remarks:

N/A

**18. Investment in other equity instruments**
**(1). Description of investment in other equity instruments**

√ Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Opening balance	Increase or decrease in the current period					Ending balance	Dividend income recognized in the current period	Cumulative gains included in other comprehensive income	Cumulative losses included accumulated in other comprehensive income	Reasons for designation of being measured at fair value through changes recorded in other consolidated profits and losses
		Additional investment	Investment decrease	Gains included in other comprehensive income in the current period	Losses included in other comprehensive income in the current period	Others					
Inner Mongolia Sinuo New Material Technology Co., Ltd. (hereinafter referred to as "Inner Mongolia Sinuo")	36,894,737.00						36,894,737.00				
HANAQ ARGENTINA SA (hereinafter	4,002,445.81						4,002,445.81				

referred to as "HANA Q")											
Zhejiang Shengyan Technology Co., Ltd. (hereinafter referred to as "Shengyan Technology")	129,482,700.00						129,482,700.00				
China General Nuclear New Energy (Yulin) Co., Ltd. (hereinafter referred to as "CGN New Energy")	6,000,000.00	15,420,300.00					21,420,300.00				
Zhejiang CosMX Battery Co., Ltd. (hereinafter referred to as "Zhejiang CosMX")		200,000.00					200,000.00				
Yulin Hualong Electric Power Co., Ltd. (hereinafter referred to as "Hualong Electric Power")		2,106,500.00					2,106,500.00				
<b>Total</b>	<b>176,379,882.81</b>	<b>217,526,800.00</b>					<b>393,906,682.81</b>				/

**(2). Explanation of derecognition in the current period**
 Applicable  Not Applicable

Other explanations:

 Applicable  Not Applicable

In consideration of the above investments being classified as non-trading equity instrument investments, the Company recognizes them as equity instruments measured at fair value with changes included in other comprehensive income.

### 19. Other non-current assets

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Financial assets classified as measured at fair value with changes recorded in current profits and losses	6,573,600.00	6,573,600.00
Incl.: Other equity instruments investment	6,573,600.00	6,573,600.00
Total	6,573,600.00	6,573,600.00

Other explanations:

Applicable  Not Applicable

Invested entity	Amount at the beginning of period	Increase in the current period	Decrease in the current period	Ending balance
SGM	6,573,600.00			6,573,600.00
Total	6,573,600.00			6,573,600.00

### 20. Investment properties

Measurement mode of investment properties

Not applicable

### 21. Fixed assets

List by item

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Fixed assets	53,408,605,862.29	51,098,211,511.40
Disposal of fixed assets		
Total	53,408,605,862.29	51,098,211,511.40

Other explanations:

Applicable  Not Applicable

#### Fixed assets

##### (1). Description of fixed assets

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Houses and buildings	Machinery equipment	Transportation means	Other equipment	Total
I. Original book value:					
1. Opening balance	19,304,581,546.83	42,000,917,237.42	1,391,123,315.95	913,543,582.43	63,610,165,682.63
2. Increased amount in the current period	2,572,884,365.37	4,660,750,290.58	323,438,842.94	140,050,061.63	7,697,123,560.52
(1) Purchase		182,614,632.36	312,132,805.14	29,351,203.00	524,098,640.50
(2) Transfer from construction in progress	2,164,538,280.61	4,221,020,044.85	9,411,278.92	108,653,915.94	6,503,623,520.32

(3) Increase from business combination	407,624,573.36	257,115,613.37	1,721,192.80	1,602,017.35	668,063,396.3
(4) Difference from translation of statements in foreign currency	721,511.40		173,566.08	442,925.34	1,338,002.3
3. Decrease in the current period	240,658,631.30	724,686,217.56	34,929,176.20	23,150,310.27	1,023,424,335.3
(1) Disposal or scrapping	2,901,351.53	143,726,049.87	3,372,807.89	17,756,085.70	167,756,294.9
(2) Transfer-in of construction under progress		14,103,241.84		707,822.92	14,811,064.3
(3) Difference from translation of statements in foreign currency	237,757,279.77	566,856,925.85	31,556,368.31	4,686,401.65	840,856,975.3
4. Ending balance	21,636,807,280.90	45,936,981,310.44	1,679,632,982.69	1,030,443,333.79	70,283,864,907.3
<b>II. Accumulated depreciation</b>					
1. Opening balance	2,657,988,348.14	8,938,873,368.95	429,604,133.91	462,518,757.05	12,488,984,608.3
2. Increased amount in the current period	817,187,978.39	3,465,761,315.22	194,964,539.53	136,356,948.63	4,614,270,781.3
(1) Provision	799,216,830.58	3,438,501,032.24	194,348,587.48	135,618,009.01	4,567,684,459.3
(2) Increase from business combination	17,744,122.61	27,260,282.98	518,169.13	597,903.25	46,120,477.3
(3) Difference from translation of statements in foreign currency	227,025.20		97,782.92	141,036.37	465,844.3
3. Decrease in the current period	40,852,638.46	191,577,791.94	13,627,299.03	12,505,853.68	258,563,583.3
(1) Disposal or scrapping	1,485,170.37	57,844,391.96	3,306,883.96	10,130,501.24	72,766,947.3
(2) Transfer-in of construction under progress		7,745,946.66		633,248.73	8,379,195.3
(3) Difference from translation of statements in foreign currency	39,367,468.09	125,987,453.32	10,320,415.07	1,742,103.71	177,417,440.3
4. Ending balance	3,434,323,688.07	12,213,056,892.23	610,941,374.41	586,369,852.00	16,844,691,806.3
<b>III. Provision for impairment</b>					
1. Opening balance	2,892,949.87	18,690,480.43		1,386,132.88	22,969,563.3
2. Increased amount in the current period					
(1) Provision					
3. Decrease in the current period	64,230.54	183,992.53		2,369.68	250,592.3
(1) Difference from translation of statements in foreign currency	64,230.54	183,992.53		2,369.68	250,592.3
4. Ending balance	2,828,719.33	18,506,487.90		1,383,763.20	22,718,970.3
<b>IV. Book value</b>					
1. Book value at the end of the period	18,199,654,873.50	33,705,417,930.31	1,068,691,608.28	442,689,718.59	53,416,454,130.3
2. Book value at the beginning of the period	16,643,700,248.82	33,043,353,388.04	961,519,182.04	449,638,692.50	51,098,211,511.3

## (2). Description of temporarily idle fixed assets

√ Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Original book value	Accumulated depreciation	Provision for impairment	Book value	Notes
Houses and buildings	6,124,772.07	2,871,904.88	2,828,719.33	424,147.86	
Machinery equipment	43,902,034.97	24,963,830.69	17,606,222.02	1,331,982.26	
Other equipment	1,634,635.58	238,965.35	1,232,206.63	163,463.60	
Subtotal	51,661,442.62	28,074,700.92	21,667,147.98	1,919,593.72	

**(3). Fixed assets leased out through operating lease**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Ending book value
Houses and buildings	3,304,259.87
Machinery equipment	640,323.01
Transportation means	
Other equipment	8,125,602.51
Subtotal	12,070,185.39

**(4). Fixed assets without property right certificate**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Book value	Reasons for the failure to obtain title certificate
Buildings and structures of Huayou Quzhou, Guangxi B&M, New Energy Quzhou, Guangxi Huayou New Materials, Yulin Times Green Water, etc.	1,237,837,242.07	In progress
Subtotal	1,237,837,242.07	

**(5). Impairment testing of fixed assets**
 Applicable  Not Applicable

Other explanations:

 Applicable  Not Applicable

**Disposal of fixed assets**
 Applicable  Not Applicable

**22. Construction in progress**
**List by item**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Construction in progress	12,493,916,752.12	9,461,421,257.30
Project goods and material	504,945,928.99	440,825,245.20
Total	12,998,862,681.11	9,902,246,502.50

Other explanations:

 Applicable  Not Applicable

**Construction in progress**
**(1). Description of construction in progress**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
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	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Huayou Technology Center construction project	189,767,664.26		189,767,664.26	186,479,621.58		186,479,621.58
Power-type lithium battery new energy precursor materials project with an annual output of 30,000 tons	75,643,101.40		75,643,101.40	77,513,719.79		77,513,719.79
Integration project of ternary cathode materials for high-nickel power batteries with an annual output of 50,000 tons and ternary precursor materials with an annual output of 100,000 tons	1,887,194,665.19		1,887,194,665.19	4,168,383,706.20		4,168,383,706.20
New high-performance power battery ternary precursor project with an annual output of 50,000 tons	551,009,898.49		551,009,898.49	552,122,702.90		552,122,702.90
Battery-grade nickel sulfate project with an annual output of 50,000 tons (nickel metal quantity)	29,191,151.69		29,191,151.69	747,087,878.45		747,087,878.45
Power battery ternary precursor material construction project with an annual output of 50,000 tons	279,317,424.11		279,317,424.11	667,139,335.03		667,139,335.03
Newly added 7000t/a (cobalt metal amount) of high voltage cobaltosic oxide green smart manufacturing project	158,242,307.43		158,242,307.43	343,799,505.42		343,799,505.42
Ternary cathode project for high-nickel power batteries	1,666,875,012.63		1,666,875,012.63	414,812,953.45		414,812,953.45

Indonesia Pomalaa Industrial Park project	1,217,357,391.01		1,217,357,391.01	447,263,712.33		447,263,712.33
Nickel-cobalt hydroxide HPAL project with an annual output of 120,000 tons of nickel metal quantity	2,048,286,981.64		2,048,286,981.64	241,864,978.38		241,864,978.38
Lithium sulfate construction project with an annual output of 50,000 tons	1,072,990,446.67		1,072,990,446.67	6,294,695.68		6,294,695.68
Nickel matte project with an output of 40,000 tons of nickel metal	612,214,102.75		612,214,102.75	63,906.10		63,906.10
Wharf Project of the IPIP Industry Park	589,399,519.89		589,399,519.89	39,603,453.57		39,603,453.57
Other sporadic projects	2,116,427,084.96		2,116,427,084.96	1,568,991,088.42		1,568,991,088.42
<b>Total</b>	<b>12,493,916,752.12</b>		<b>12,493,916,752.12</b>	<b>9,461,421,257.30</b>		<b>9,461,421,257.30</b>

**(2). Changes of items under important construction in progress in the current period**

√ Applicable □ Not Applicable

Unit: yuan Currency: RMB

Items	Budget	Opening balance	Increase amount in the current period	Amount transferred to fixed assets in current period	Other decrease amount in the current period	Ending balance	Proportion of accumulated project investment to budget (%)	Progress of works	Accumulated amount of interest capitalization	Including: Amount of interest capitalization in the current period	Interest capitalization rate in the current period (%)	Capital source
Integration project of ternary cathode materials for high-nickel power batteries with an annual output of 50,000 tons and ternary precursor materials with an annual output of 100,000 tons	5,617,770,000.00	4,168,383,706.20	66,106,941.20	2,347,295,982.21		1,887,194,665.19	96.24	96.00	608,558,787.29	68,099,598.51	3.45	Funds raised, loans from financial institution, and other sources
Ternary cathode project for high-nickel power batteries	1,844,270,000.00	414,812,953.45	1,252,062,059.18			1,666,875,012.63	91.44	90.00	26,747,071.62	26,747,071.62	4.15	loans from financial institution and other sources
Indonesia Pomalaa Industrial Park project	1,796,420,704.00	447,263,712.33	860,049,043.52	89,955,364.84		1,217,357,391.01	47.34	50.00				Other sources

Nickel-cobalt hydroxide HPAL project with an annual output of 120,000 tons of nickel metal quantity	24,364,323,052.80	241,864,978.38	1,806,422,003.26			2,048,286,981.64	8.36	15.00				Other sources
Lithium sulfate construction project with an annual output of 50,000 tons	1,524,616,100.00	6,294,695.68	1,552,398,357.44	485,702,606.44		1,072,990,446.68	101.82	95.00				Other sources
Total	35,147,399,856.80	5,278,620,046.04	5,537,038,404.60	2,922,953,953.49	/	7,892,704,497.15	/	/	635,305,858.91	94,846,670.13	/	/

**(3). Provision for impairment of construction in progress in the current period**
 Applicable  Not Applicable

**(4). Impairment testing of construction in progress**
 Applicable  Not Applicable

Other explanations:

 Applicable  Not Applicable

**The recoverable amount is determined based on the present value of estimated future cash flows.**
 Applicable  Not Applicable

**Reasons for significant discrepancies between the foregoing information and the information used in previous years' impairment tests or external information:**
 Applicable  Not Applicable

**Reasons for significant discrepancies between the information used in the Company's previous years' impairment tests and the actual situation of the year**
 Applicable  Not Applicable

Other explanations:

 Applicable  Not Applicable

**Project goods and material**
**(1) Project goods and materials**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Equipment and engineering materials	504,945,928.99		504,945,928.99	440,825,245.20		440,825,245.20
Total	504,945,928.99		504,945,928.99	440,825,245.20		440,825,245.20

Other explanations:

N/A

**23. Productive biological assets****(1). Productive biological assets with cost measurement mode**

Applicable  Not Applicable

**(2). Impairment testing of productive biological assets with cost measurement mode**

Applicable  Not Applicable

**The recoverable amount is determined based on the net of fair value less disposal costs.**

Applicable  Not Applicable

**The recoverable amount is determined based on the present value of estimated future cash flows.**

Applicable  Not Applicable

**Reasons for significant discrepancies between the foregoing information and the information used in previous years' impairment tests or external information:**

Applicable  Not Applicable

**Reasons for significant discrepancies between the information used in the Company's previous years' impairment tests and the actual situation of the year**

Applicable  Not Applicable

**(3). Productive biological assets with fair value econometric mode**

Applicable  Not Applicable

Other explanations:

Applicable  Not Applicable

**24. Oil and gas assets****(1) Situation of oil and gas assets**

Applicable  Not Applicable

**(2) Situation of impairment testing of oil and gas assets**

Applicable  Not Applicable

Other explanations:

N/A

**The recoverable amount is determined based on the net of fair value less disposal costs.**

Applicable  Not Applicable

**The recoverable amount is determined based on the present value of estimated future cash flows.**

Applicable  Not Applicable

**Reasons for significant discrepancies between the foregoing information and the information used in previous years' impairment tests or external information:**

Applicable  Not Applicable

**Reasons for significant discrepancies between the information used in the Company's previous years' impairment tests and the actual situation of the year**

Applicable  Not Applicable

Other explanations:

**25. Right-of-use assets**

**(1) Situation of the right-of-use assets**

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Houses and buildings	Land use right	Total
<b>I. Original book value</b>			
1. Opening balance	122,865,227.27		122,865,227.27
2. Increased amount in the current period	21,214,069.60	12,849,363.54	34,063,433.14
1) Leased	21,214,069.60		21,214,069.60
2) Increase from business combination		12,849,363.54	12,849,363.54
3. Decrease in the current period	57,266,304.72		57,266,304.72
1) Expiration of lease	16,473,176.69		16,473,176.69
2) Early termination of lease	40,046,982.54		40,046,982.54
3) Decrease from business combination	321,659.25		321,659.25
4) Other decrease	131,845.37		131,845.37
5) Translation differences of foreign currency financial statements	292,640.87		292,640.87
4. Ending balance	86,812,992.15	12,849,363.54	99,662,355.69
<b>II. Accumulated depreciation</b>			
1. Opening balance	64,726,624.44		64,726,624.44
2. Increased amount in the current period	28,268,987.28	3,273,316.14	31,542,303.42
(1) Accrual	28,268,987.28	243,593.49	28,512,580.77
(2) Accrual from business combination		3,029,722.65	3,029,722.65
3. Decrease in the current period	41,309,884.85		41,309,884.85
1) Expiration of lease	16,473,176.69		16,473,176.69

2) Early termination of lease	24,640,455.46		24,640,455.46
3) Decrease from business combination	53,609.86		53,609.86
4) Translation differences of foreign currency financial statements	142,642.84		142,642.84
4. Ending balance	51,685,726.87	3,273,316.14	54,959,043.01
<b>III. Provision for impairment</b>			
1. Opening balance			
2. Increased amount in the current period			
1) Accrual			
3. Decrease in the current period			
1) Disposal			
4. Ending balance			
<b>IV. Book Value</b>			
1. Book value at the end of the period	35,127,265.28	9,576,047.40	44,703,312.68
2. Book value at the beginning of the period	58,138,602.83		58,138,602.83

## (2) Impairment testing of the right-of-use assets

Applicable  Not Applicable

Other explanations:

N/A

## 26. Intangible assets

### (1). Description of intangible assets

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Mining right	Land use right	Software	Emission rights	Software copyright and patents and technical know-how	Energy rights	Total
<b>I. Original book value</b>							
1. Opening balance	3,473,639,126.11	1,121,475,462.28	105,582,096.23	27,628,879.63	612,274,631.35	981,504,136.00	6,322,104,331.60
2. Increased amount in the current period	9,173,922.34	168,880,688.01	27,550,823.15	397,768.70		54,623,210.40	260,626,412.60
1) Purchase	9,173,922.34	158,703,548.62	27,481,708.29	397,768.70			195,756,947.95
2) Internal R&D							
3) Increase from business combination						54,623,210.40	54,623,210.40
4) Difference		10,177,139.39	69,114.86				10,246,254.25

from translation of statements in foreign currency							
3. Decrease in the current period	70,995,192.33	43,349,184.26	3,129,006.63		7,657,608.00	21,791,784.00	146,922,775.22
1) Disposal		37,531,422.78	3,013,382.79				40,544,805.57
2) Difference from translation of statements in foreign currency	70,995,192.33	5,817,761.48	115,623.84		7,657,608.00	21,791,784.00	106,377,969.65
4. Ending balance	3,411,817,856.12	1,247,006,966.03	130,003,912.75	28,026,648.33	604,617,023.35	1,014,335,562.40	6,435,807,968.98
<b>II. Accumulated amortization</b>							
1. Opening balance	945,856,985.46	138,955,693.28	37,053,875.47	18,252,872.84	165,587,358.87	98,150,413.60	1,403,857,199.52
2. Increased amount in the current period	233,205,623.99	27,708,940.71	13,427,376.82	3,978,445.32	94,424,383.31	99,336,791.50	472,081,561.65
1) Provision	233,205,623.99	27,305,813.69	13,427,376.82	3,978,445.32	94,424,383.31	99,336,791.50	471,678,434.63
2) Increase from business combination							
3) Difference from translation of statements in foreign currency		403,127.02					403,127.02
3. Decrease in the current period	3,490,802.41	3,140,762.26	1,032,669.47	-	2,297,282.40	3,268,767.60	13,230,284.14
1) Disposal		2,012,646.55	963,599.08				2,976,245.63
2) Difference from translation of statements in foreign currency	3,490,802.41	1,128,115.71	69,070.39		2,297,282.40	3,268,767.60	10,254,038.51
4. Ending balance	1,175,571,807.04	163,523,871.73	49,448,582.82	22,231,318.16	257,714,459.78	194,218,437.50	1,862,708,477.03
<b>III. Provision for impairment</b>							
1. Opening balance							
2. Increased amount in the current period							
1) Provision							
3. Decrease in the current period							
1) Disposal							
4. Ending balance							
<b>IV. Book Value</b>							
1. Book value at the end of the period	2,236,246,049.08	1,083,483,094.30	80,555,329.93	5,795,330.17	346,902,563.57	820,117,124.90	4,573,099,491.95
2. Book value at the beginning of the period	2,527,782,140.65	982,519,769.00	68,528,220.76	9,376,006.79	446,687,272.48	883,353,722.40	4,918,247,132.08

At the end of this period, the proportion of intangible assets formed through internal research and development of the Company to the balance of intangible assets is 0%.

**(2). Data resources determined as intangible assets**
 Applicable  Not Applicable

**(3). The land use right without the property ownership certificate**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Book value	Reasons for the failure to obtain title certificate
Land use right of Huayue Company and Indonesia Huafei	150,936,050.77	In progress
Subtotal	150,936,050.77	/

**(4) Impairment testing of intangible assets**
 Applicable  Not Applicable

Other explanations:

 Applicable  Not Applicable

None

**27. Goodwill**
**(1). Original book value of goodwill**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

The name of the invested unit or items forming goodwill	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Formed by business combination	Others	Disposal	Others	
Huahai New Energy	95,136,198.86					95,136,198.86
Tianjin B&M	366,245,456.38					366,245,456.38
Chongjing Holding	336,378,756.43					336,378,756.43
Total	797,760,411.67					797,760,411.67

**(2). Provision for impairment of goodwill**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

The name of the invested unit or items forming goodwill	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Provision	Others	Disposal	Others	
Huahai New Energy	95,136,198.86					95,136,198.86
Tianjin B&M	104,969,049.11	2,064,541.41				107,033,590.52
Total	200,105,247.97	2,064,541.41				202,169,789.38

The goodwill of Tianjin B&M includes two parts: one is the core goodwill of RMB 336,004,594.11, and the other is the goodwill of RMB 30,240,862.27 formed due to the recognition of deferred income tax liabilities. For the goodwill formed due to the recognition of deferred income tax liabilities, impairment losses on goodwill corresponding to the shareholding ratio shall be accrued as the deferred income tax liabilities are reversed.

**(3). Information about the asset group or combination of asset groups of goodwill**
 Applicable  Not Applicable

Name	Composition and Basis of the Asset Group or Portfolio to Which It Belongs	Operating Division and Basis	Consistency with Previous Years
Tianjin B&M asset group	The asset group in which the goodwill is located produces products for which there is an active market that generates independent cash flows and can be recognized as a separate asset group.	The products belong to cathode materials.	Yes
Chongjing Holding asset group	The asset group in which the goodwill is located produces products for which there is an active market that generates independent cash flows and can be recognized as a separate asset group.	The products belong to nickel products.	Yes

Changes in the asset group or combination of asset groups

 Applicable  Not Applicable

Other explanations:

 Applicable  Not Applicable

**(4). Specific methods for determining the recoverable amount**

The recoverable amount is determined based on the net of fair value less disposal costs.

 Applicable  Not Applicable

The recoverable amount is determined based on the present value of estimated future cash flows.

 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Book value	Recoverable amount	Impairment amount	Forecast period duration	Key parameters of the forecast period (growth rate, profit margin, etc.)	Basis for determining parameters during the forecast period	Key parameters during the stabilization period (growth rate, profit margin, discount rate, etc.)	Basis for determining the key parameters of the stable period
Tianjin B&M asset group	3,457,380,333.70	5,150,000,000.00		5 years	The discount rate is 9.65% based on the weighted average cost of capital calculation model.	Determined based on historical experience and market development forecasts.	The discount rate is 9.65% based on the weighted average cost of capital calculation model.	Determined based on historical experience and market development forecasts.
Chongjing Holding asset group	2,201,861,033.23	2,993,000,000.00		5 years	The discount rate is 10.14% based on the weighted average cost of capital calculation model.	Determined based on historical experience and market development forecasts.	The discount rate is 10.14% based on the weighted average cost of capital calculation model.	Determined based on historical experience and market development forecasts.
Total	5,659,241,366.93	8,143,000,000.00		/	/	/	/	/

Reasons for significant discrepancies between the foregoing information and the information used in previous years' impairment tests or external information:

Applicable  Not Applicable

Reasons for significant discrepancies between the information used in the Company's previous years' impairment tests and the actual situation of the year

Applicable  Not Applicable

#### (5). Performance commitment and corresponding goodwill impairment situation

There is performance commitment when goodwill is formed and the reporting period or the previous period of the reporting period is within the performance commitment period

Applicable  Not Applicable

Other explanations:

Applicable  Not Applicable

#### 28. Long-term deferred expenses

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Opening balance	Increased amount in the current period	Amortization in the current period	Other decreased amount	Closing balance
Improvement expenditure of fixed assets	11,855,182.73	1,850,266.13	3,832,367.72		9,873,081.14
Aircraft usage fees	46,251,429.52		8,409,350.82		37,842,078.70
Total	58,106,612.25	1,850,266.13	12,241,718.54		47,715,159.84

Other explanations:

N/A

#### 29. Deferred income tax assets/deferred income tax liabilities

##### (1). Deferred income tax assets without offset

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income taxes Assets	Deductible temporary difference	Deferred income taxes Assets
Provision for impairment of assets	528,541,358.19	105,475,511.32	579,981,965.66	113,348,098.26
Unrealized profits of internal transactions	2,688,734,677.59	421,343,032.50	597,443,351.99	125,076,525.00
Deductible loss	2,749,713,584.00	524,054,033.68	2,156,663,393.74	427,115,017.39
Deferred income	748,060,425.13	154,970,988.43	630,133,596.21	136,495,192.69
Expenses of share-based payment	267,859,662.31	40,178,949.35	6,117,408.66	917,611.30
Lease liabilities	40,937,762.89	6,353,895.49	51,120,095.51	11,316,619.18
Total	7,023,847,470.11	1,252,376,410.77	4,021,459,811.77	814,269,063.82

##### (2). Deferred income tax liabilities without offset

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Closing balance		Opening balance	
	Taxable temporary difference	Deferred income taxes Liabilities	Taxable temporary difference	Deferred income taxes Liabilities
Assets assessment appreciation in businesses consolidation not under common control				
Changes in the fair value of other creditors' investment				
Changes in the fair value of other equity instruments				
Temporary differences included in long-term assets	363,335,422.62	85,678,838.00	318,101,882.08	68,689,926.69
Depreciation of fixed assets	1,092,091,596.07	159,080,498.42	1,248,542,156.80	199,376,192.35
Profits and losses of changes in fair values	12,167,210.04	1,575,941.21	47,751,623.03	7,347,784.56
Right-of-use assets	40,113,936.26	6,283,362.94	50,592,634.64	9,219,019.83
Total	1,507,708,164.99	252,618,640.57	1,664,988,296.55	284,632,923.43

**(3). Deferred income tax assets or liabilities listed in net amount after offset**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Closing balance		Opening balance	
	Offset amount of deferred income tax assets and liabilities	Balance of deferred income tax assets or liabilities after offsetting	Offset amount of deferred income tax assets and liabilities	Balance of deferred income tax assets or liabilities after offsetting
Deferred income tax assets	180,708,657.75	1,071,667,753.02	209,370,774.55	604,898,289.27
Deferred income tax liabilities	180,708,657.75	71,909,982.82	209,370,774.55	75,262,148.88

**(4). Details of unrecognized deferred income tax assets**
 Applicable  Not Applicable

**(5). The deductible loss of unrecognized deferred income tax assets will expire in the following years**
 Applicable  Not Applicable

Other explanations:

 Applicable  Not Applicable

**30. Other non-current assets**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Contract costs						
Performance cost						
Return cost receivable						
Contracted assets						
Prepayment for land, equipment and project	2,733,540,309.37	10,904,514.52	2,722,635,794.85	1,994,913,214.34		1,994,913,214.34
Advance payment for equity investment	819,092,756.90		819,092,756.90	264,266,833.96		264,266,833.96
Advance payment for goods	1,405,760,000.00		1,405,760,000.00			
Total	4,958,393,066.27	10,904,514.52	4,947,488,551.75	2,259,180,048.30		2,259,180,048.30

**Other explanations:**

Pursuant to the purchase contract signed in June 2025 by Huachi (Hong Kong) Co., Limited, a subsidiary (hereinafter referred to as "Huachi Hong Kong"), the Company prepaid RMB 1,405,760,000.00 to secure the supply of goods in advance. The corresponding amount will be offset against purchase payments starting from 2027. Taking into account the liquidity nature of the prepayment, it is intended to be classified as other non-current assets at the end of the period.

**31. Assets with limited ownership or use rights**

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	End of the period				Beginning of the period			
	Book balance	Book value	Type of restriction	Restrictions	Book balance	Book value	Type of restriction	Restrictions
Monetary funds	6,396,294.401.09	6,396,294.401.09	Others	Other monetary funds amount to RMB 6,396,294,401.09, including bill margin of RMB 3,286,208,836.55, loan margin of RMB 2,435,050,533.15, letter of credit margin of RMB 223,970,067.39, guarantee letter margin of RMB 100,804,608.58, forward foreign exchange settlement margin of RMB 168,662,400.00, environmental assessment margin of RMB 9,883,772.19 and litigation frozen funds of RMB 171,714,183.23	3,934,560,811.62	3,934,560,811.62	Others	Other monetary funds amount to RMB 3,934,560,811.62, including bank acceptance bill margin of RMB 1,809,722,569.38, letter of credit margin of RMB 308,780,174.06, guarantee letter margin of RMB 89,120,909.10, loan margin of RMB 1,698,045,632.21, forward foreign exchange settlement margin of RMB 21,500,910.75, environmental assessment margin of RMB 7,154,291.63, litigation frozen funds of RMB 235,324.49, and other margins of RMB 1,000.00.
Receivables financing	1,300,000.00	1,300,000.00	Pledge	Being used as pledge guarantees for bank financing			Pledge	
Inventories	3,075,697.402.25	3,075,697.402.25	Pledge	Being used as pledge guarantees for bank financing	1,239,159,636.85	1,239,159,636.85	Pledge	Being used as pledge guarantees for bank financing
Among them: data resources								
Fixed assets	32,770,306,837.05	25,047,370,163.15	Others	Being used as mortgage guarantees for bank financing and the fixed assets for after-sales leaseback	20,508,740,063.46	15,772,873,426.90	Others	Being used as mortgage guarantees for bank financing and the fixed assets for after-sales leaseback
Intangible assets	32,390,952.50	30,555,465.19	Others	Due to a dispute over a construction project contract, the Company was placed under property preservation as a co-defendant. The Company expects that there will be no losses in the above-mentioned	32,390,952.50	31,203,284.24	Others	Due to a dispute over a construction project contract, the Company was placed under property preservation as a co-defendant. The Company expects that there

				dispute and no provision for estimated liabilities is required				will be no losses in the above-mentioned dispute and no provision for estimated liabilities is required
Among them: data resources								
Construction in progress	2,314,405.63	2,314,405.63	Others	Being used as construction in progress for after-sales leaseback	4,284,940.81	4,284,940.81	Others	Being used as construction in progress for after-sales leaseback
Financial assets held for trading			Pledge		101,850,410.96	101,850,410.96	Pledge	Being used as pledge guarantees for bank financing
Accounts receivable	787,523,412.50	748,147,241.87	Pledge	Being used as pledge guarantees for bank financing	123,499,598.14	117,324,618.20	Pledge	Being used as pledge guarantees for bank financing
Fixed assets	212,498,629.45	86,916,436.03	Others	Due to a dispute over a construction project contract, the Company was placed under property preservation as a co-defendant. The Company expects that there will be no losses in the above-mentioned dispute and no provision for estimated liabilities is required	186,499,006.52	94,982,168.17	Others	Due to a dispute over a construction project contract, the Company was placed under property preservation as a co-defendant. The Company expects that there will be no losses in the above-mentioned dispute and no provision for estimated liabilities is required
Intangible assets	294,888,855.56	245,157,807.74	Others	Being used as mortgage guarantees for bank financing and the fixed assets for after-sales leaseback	315,361,155.51	269,642,092.89	Others	Being used as mortgage guarantees for bank financing and the fixed assets for after-sales leaseback
Construction in progress	301,559,292.21	301,559,292.21	Others	Due to a dispute over a construction project contract, the Company was placed under property preservation as a co-defendant. The Company expects that there will be no losses in the above-mentioned dispute and no provision for estimated liabilities is required				
Long-term equity investment	250,275,527.15	250,275,527.15	Pledge	Being used as pledge guarantees for bank financing of Eternal Nickel Industry	187,941,366.05	187,941,366.05	Pledge	Being used as pledge guarantees for bank financing of Eternal Nickel Industry
Total	44,125,049,715.39	36,185,588,142.31	/	/	26,634,287,942.42	21,753,822,756.69	/	/

Other explanations:

1) Huayue Company

Pursuant to the account pledge agreement entered into between the subsidiary Huayue Company and Bank of China (Hong Kong) Limited Jakarta Branch, Huayue Company pledged part of its accounts opened with such bank as security for the Loan Agreement of USD 760,000,000. Huayue Company made external payments in accordance with the payment priority stipulated in the loan agreement, and the closing balance of the above pledged accounts was RMB 63,836,166.74.

2) Indonesia Huafei

Pursuant to the account pledge agreement entered into between Huafei Indonesia and PT. Bank ICBC Indonesia, Huafei Indonesia pledged part of its accounts opened with such bank as security for the Loan Agreement of RMB 8,400,000,000. Huafei Indonesia made external payments in accordance with the payment priority stipulated in the loan agreement, and the closing balance of the above pledged accounts was RMB 387,469,696.11.

3) PT. Huaneng New Materials Indonesia (“Huaneng Indonesia”)

Pursuant to the account pledge agreement entered into between Huaneng Indonesia and PT. Bank ICBC Indonesia, Huaneng Indonesia pledged part of its accounts opened with such bank as security for the Loan Agreement. Huafei Indonesia made external payments in accordance with the payment priority

stipulated in the loan agreement, and the closing balance of the above pledged accounts was RMB 64,427.52.

4) Chengdu B&M

Pursuant to the maximum pledge contract signed between the subsidiary Chengdu B&M and Bank of China Limited, Chengdu B&M has pledged part of its accounts opened with such bank as security for the Working Capital Loan Agreement. Chengdu B&M made external payments according to the payment method specified in the loan agreement, and the closing balance of the above pledged accounts was RMB 2,074,873.59.

5) Others

At the balance sheet date, the Company pledged 36.86% of equity of Tianjin B&M, 40.00% of equity of CDM Company, 80.68% of equity of Huayou Quzhou, 100.00% of equity of Huayuan Copper, 51.00% of equity of Huafei Indonesia, 57.00% of equity of Huayue Company, 45.00% of equity of Prospect Lithium, 100% of equity of Huaneng Indonesia, 100% of equity of Yulin Times Juneng and 100% of equity of Yulin Times Green Water for the Company's financing.

### 32. Short-term loans

#### (1). Classification of short-term loans

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Pledge loans	6,562,262,800.01	6,225,087,154.72
Mortgaged borrowing	20,000,000.00	20,000,000.00
Guaranteed loan	15,969,815,672.03	12,539,782,648.00
Credit loans	2,181,179,382.24	1,511,992,294.16
Guarantee and pledged loans	273,867,280.00	287,217,200.00
Guarantee and mortgage loan		114,000,000.00
Interest on short-term loans	42,716,055.40	55,776,640.40
Total	25,049,841,189.68	20,753,855,937.28

Remarks on the classification of short-term borrowings:

N/A

#### (2). Overdue and outstanding short-term loans

Applicable  Not Applicable

Particulars of important overdue but yet unrepaid short-term borrowings:

Applicable  Not Applicable

Other explanations:

Applicable  Not Applicable

### 33. Financial liabilities held for trading

Applicable  Not Applicable

Other explanations:

Applicable  Not Applicable

### 34. Derivative financial liabilities

Applicable  Not Applicable

**35. Notes payable**
**(1). Presentation of notes payable**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Type	Closing balance	Opening balance
Commercial acceptance bills	118,664,039.37	16,037,979.09
Bank acceptance bills	7,077,578,577.91	4,193,781,539.46
Total	7,196,242,617.28	4,209,819,518.55

The amount of bills payable due and unpaid at the end of this period is RMB 0. The reason for overdue payments is not applicable

**36. Accounts payable**
**(1). List by accounts payable**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Payment for goods	12,959,215,969.04	8,649,410,797.07
Payment for engineering and equipment	5,070,311,072.90	3,337,391,233.70
Others	179,467,831.17	54,741,148.88
Total	18,208,994,873.11	12,041,543,179.65

**(2). Important accounts payable aged above 1 year or overdue**
 Applicable  Not Applicable

Other explanations:

 Applicable  Not Applicable

**37. Account collected in advance**
**(1). List by advance accounts**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Lease payment	159,021.41	
Payment for equity transfer	852,320,705.33	
Total	852,479,726.74	

**(2). Important advance accounts with an aging of more than one year**
 Applicable  Not Applicable

**(3). The amount and reasons of significant changes in book value during the reporting period**
 Applicable  Not Applicable

Other explanations:

 Applicable  Not Applicable

Pursuant to the resolution of the 33rd meeting of the 6th session of the Board of Directors of the Company, the Company plans to transfer 25% of the equity interest it holds in BCM Company, an associated enterprise, to TOYOTA TSUSHO CORPORATION at a transfer price of USD 121,195,700. As of the end of the period, the Company has received the aforementioned equity transfer consideration;

however, as the equity transfer has not yet been completed, the amount is presented as account collected in advance.

### 38. Contract liabilities

#### (1). Information of contract liability

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Payment for goods	1,270,366,660.17	863,944,887.29
Service charges	4,438,674.28	3,777,089.72
Total	1,274,805,334.45	867,721,977.01

#### (2). Important contract liabilities aged above 1 year

Applicable  Not Applicable

#### (3). The amount and reasons of significant changes in book value during the reporting period

Applicable  Not Applicable

Other explanations:

Applicable  Not Applicable

### 39. Employee compensation payable

#### (1). List by employee pay payable

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Short-term compensation	683,866,946.78	4,839,522,203.65	4,754,873,149.91	768,516,000.52
II. Post-employment benefits - defined contribution plans	11,722,569.71	204,841,869.85	203,833,963.92	12,730,475.64
III. Dismissal benefits	6,197,857.10	40,743,884.46	46,941,741.56	10,000,000.00
IV. Other benefits due within one year				
Total	701,787,373.59	5,085,107,957.96	5,005,648,855.39	781,246,478.16

#### (2). List by short-term compensation

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Salaries, bonuses, allowances and subsidies	668,780,404.79	4,233,258,249.60	4,147,784,506.93	754,254,147.46
II. Welfare expense of employee		348,719,573.35	348,719,573.35	
III. Social insurance premium	8,127,344.72	151,944,266.13	153,122,891.06	6,948,719.79
Including: Medical insurance premium	7,594,479.26	139,997,647.30	141,208,153.97	6,383,972.59
Industrial injury insurance	532,865.46	11,946,618.83	11,914,737.09	564,747.20

premium				
Maternity insurance premium				
IV. Housing provident fund	5,535,760.16	78,083,649.95	79,096,877.94	4,522,532.17
V. Trade union fund and staff education fund	1,423,437.11	27,516,464.62	26,149,300.63	2,790,601.10
VI. Short-term paid leave				
VII. Short-term profit-sharing plan				
Total	683,866,946.78	4,839,522,203.65	4,754,873,149.91	768,516,000.52

### (3). List by defined contribution plan

√ Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
1. Basic endowment insurance	11,382,235.85	198,566,379.44	197,579,191.68	12,369,423.61
2. Unemployment insurance expense	340,333.86	6,275,490.41	6,254,772.24	361,052.03
3. Enterprise annuity payment				
Total	11,722,569.71	204,841,869.85	203,833,963.92	12,730,475.64

Other explanations:

□ Applicable √ Not Applicable

### 40. Taxes and fees payable

√ Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
VAT	155,390,570.90	198,934,246.07
Corporate income tax	707,745,074.91	249,874,242.65
Withholding personal income tax	14,905,211.67	16,213,297.62
Urban maintenance and construction tax	8,067,567.03	24,127.18
Housing property tax	35,030,482.55	35,584,231.03
Land use tax	15,324,180.47	15,563,872.99
Education surcharge	4,792,086.40	10,469.41
Local education surcharges	3,194,724.27	6,979.63
Mining tax	65,048,946.65	80,061,912.30
Other taxes	100,850,468.57	27,654,141.10
Total	1,110,349,313.42	623,927,519.98

Other explanations:

N/A

### 41. Other payables

#### (1). List by item

√ Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Interests payable		
Dividends payable	2,956,333.52	2,984,644.38
Other payables	1,238,654,267.10	1,802,469,701.65
Total	1,241,610,600.62	1,805,454,346.03

Other explanations:

 Applicable  Not Applicable

None

### (2). Interests payable

Presentation by category A

 Applicable  Not Applicable

Significant interest payable overdue:

 Applicable  Not Applicable

Other explanations:

 Applicable  Not Applicable

### (3). Dividends payable

Presentation by category

 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Dividend of ordinary shares		
Dividend on preferred shares/perpetual bonds classified as equity instruments		
Dividends payable by Zhongjing Holdings	2,915,613.08	2,981,816.68
Dividends payable by AMI Company	40,720.44	2,827.70
Total	2,956,333.52	2,984,644.38

Other remarks (including remarks on the major dividend payable unpaid over 1 year with the reasons for non-payment disclosed):

N/A

### (4). Other payables

List other payables by nature of payment

 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Interbank loans and interest	863,066,893.76	1,570,121,630.43
Restricted stock repurchase obligations	220,377,564.40	142,405,042.80
Security deposit	86,681,495.01	45,737,106.27
Others	68,528,313.93	44,205,922.15
Total	1,238,654,267.10	1,802,469,701.65

Other important payables aged above 1 year or overdue

 Applicable  Not Applicable

Other explanations:

Applicable  Not Applicable

1) There were no significant other payables with an account age of more than one year at the end of the period.

2) Others: ① The interbank loans and interest at the end of the period mainly include the borrowed funds from GLAUCOUS INTERNATIONAL PTE.LTD, Tsingshan Holding Group Company Limited, STRIVE INVESTMENT CAPITAL PTE.LTD, etc.

② The obligation to repurchase restricted shares is detailed in VII 55 and 60 of this section.

#### 42. Holding liabilities for sale

Applicable  Not Applicable

#### 43. Non-current liabilities due within one year

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Long-term borrowing due within one year	8,965,303,293.84	6,950,390,388.81
Bonds payable due within 1 year		
Long-term call loans due within one year	352,772,542.82	
Lease liabilities due within one year	17,249,353.63	38,592,168.67
Leaseback payment received due within one year	2,187,184,446.70	2,011,185,608.04
Total	11,522,509,636.99	9,000,168,165.52

Other explanations:

N/A

#### 44. Other current liabilities

Other current liabilities

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Short-term bonds payable	4,048,417,332.13	2,319,406,114.26
Return payment payable		
Tax on items to be resold	66,831,736.70	18,995,321.57
Expected liabilities	5,349,943.00	
Total	4,120,599,011.83	2,338,401,435.83

Increase/decrease of short-term bonds payable:  
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Bond name	Face value	Nominal interest rate (%)	Issuing date	Bond period	Issued amount	Opening balance	Amount issued in the current period	Provision interest at face value
24 Huayou Cobalt SCP003 (Science and Technology Notes)	100.00	2.84	2024.06.05	267 days	500,000,000.00	507,945,783.96		2,295,342.47
24 Huayou Cobalt SCP004 (Science and Technology Notes)	100.00	2.45	2024.08.08	256 days	600,000,000.00	605,482,118.73		4,510,684.93
24 Huayou Cobalt SCP006 (Science and Technology Notes)	100.00	3.00	2024.09.10	268 days	700,000,000.00	705,775,745.82		9,032,876.71
24 Huayou Cobalt SCP005 (Science and Technology Notes)	100.00	3.66	2024.12.12	270 days	500,000,000.00	500,202,465.75		12,634,520.55
25 Huayou Cobalt SCP001 (Science and Technology Notes)	100.00	3.45	2025.03.26	260 days	500,000,000.00		500,000,000.00	12,287,671.23
25 Huayou Cobalt SCP002 (Science and Technology Notes)	100.00	3.24	2025.04.14	269 days	600,000,000.00		600,000,000.00	13,847,671.23
25 Huayou Cobalt SCP003 (Science and Technology Bonds)	100.00	2.90	2025.05.22	259 days	700,000,000.00		700,000,000.00	12,346,849.31
25 Huayou Cobalt SCP004 (Science and Technology Bonds)	100.00	2.70	2025.06.09	269 days	700,000,000.00		700,000,000.00	10,563,287.67
25 Huayou Cobalt SCP005 (Science and Technology Bonds)	100.00	2.50	2025.07.09	270 days	600,000,000.00		600,000,000.00	7,150,684.93
25 Huayou Cobalt SCP007 (Science and Technology Bonds)	100.00	2.41	2025.09.04	270 days	700,000,000.00		700,000,000.00	5,407,643.83

25 Huayou Cobalt SCP008 (Science and Technology Bonds)	100.00	2.40	2025.12.08	269 days	700,000,000.00		700,000,000.00	1,012,602.74
<b>Total</b>	/	/	/	/	6,800,000,000.00	2,319,406,114.26	4,500,000,000.00	91,089,835.60

Other explanations:

Applicable  Not Applicable

N/A

**45. Long term borrowings**
**(1). Classification of long-term borrowings**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Pledge loans	406,200,000.00	360,000,000.00
Mortgaged borrowing	46,666,666.68	
Guaranteed loan	6,259,755,667.80	4,500,956,188.22
Credit loans	747,160,288.51	
Guarantee, pledge, and mortgage loans	73,401,190.76	2,578,393,612.51
Guarantee and mortgage loan	2,616,750,000.00	3,267,300,000.00
Guarantee and pledged loans	7,865,471,945.35	8,750,951,772.92
Interest from long-term loans	39,212,322.84	44,622,430.39
Total	18,054,618,081.94	19,502,224,004.04

Remarks on the classification of long-term borrowings:

N/A

Other explanations:

 Applicable  Not Applicable

**46. Bonds payable**
**(1). Bonds payable**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Convertible corporate bonds - Huayou convertible bonds		6,940,139,194.75
Long-term bonds payable	500,920,684.94	
Total	500,920,684.94	6,940,139,194.75

**(2). Details of bonds payable: (excluding other financial instruments such as preferred shares and perpetual bonds classified as financial liabilities)**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Bond Name	Face value (yuan)	Nominal interest rate (%)	New issue Date	Bonds Period	New issue Amount	Opening balance	Current period New issue	Provision interest at face value	Premium or discount amortization	Current period Repayment	End of the period balance	Is there a default?
Huayou convertible bonds	100.00		2022.2.24	6 years	7,600,000,000.00	6,940,139,194.75		67,879,350.16	-171,658,652.20	7,179,677,197.11		No
25 Huayou Cobalt MTN001 (Science and Technology Bonds)	100.00	2.89	2025.10.22	2 years	500,000,000.00		500,000,000.00	2,731,643.84	1,810,958.90		500,920,684.94	No
<b>Total</b>	/	/	/	/	8,100,000,000.00	6,940,139,194.75	500,000,000.00	70,610,994.00	-169,847,693.30	7,179,677,197.11	500,920,684.94	/

[Note 1] The coupon rate of Huayou convertible bonds is 0.20% for the first year, 0.40% for the second year, 0.60% for the third year, 1.50% for the fourth year, 1.80% for the fifth year and 2.00% for the sixth year.

[Note 2] The repayment during the current period is the payment of the third year interest of RMB 45,590,916.00, the conversion of shares of RMB 7,126,112,834.14 in the current period and the redemption of RMB 7,973,446.97 in the current period

**(3). Explanation of convertible corporate bonds**
 Applicable  Not Applicable

Accounting treatment and judgment basis for convertible corporate bonds

 Applicable  Not Applicable

## 1) Basic Information of convertible corporate bonds

With the approval of the Reply on Approval of the Public Offering of Convertible Corporate Bonds by Zhejiang Huayou Cobalt Co., Ltd. (Z.J.X.K. [2022] No. 209) issued by the China Securities Regulatory Commission, the Company issued 76 million convertible corporate bonds on February 24, 2022, with a face value of RMB 100 each, a total issue amount of RMB 7.6 billion and a term of 6 years.

Pursuant to the regulations in “CASBE 37 – Presentation of Financial Instruments”, for convertible bonds that are non-derivative financial instruments containing both financial liability component and equity instrument component, financial liabilities and equity instruments shall be measured separately at initial recognition. Therefore, the fair value of the financial liability component was recognized as bonds payable at RMB 6,063,498,791.20 by the Company after deducting allocated issuance expenses, and the fair value of equity instrument component was recognized as other equity instruments at RMB 1,490,340,831.42 after deducting allocated issuance expenses.

## 2) Convertible corporate bonds into shares

In the current period, a total of 75,900,180 Huayou Convertible Bonds have been converted into 220,444,949 A shares of the Company (each with par value of RMB 1). Among them, 22,703,060 repurchased shares and 197,741,889 new shares were used. Accordingly, the difference of RMB 7,643,626,682.70, which equals to the sum of the balance of bonds payable of RMB 7,065,053,964.67, interest payable of RMB 61,058,869.45 and other equity instruments of RMB 1,488,383,386.40 less the increased share capital of RMB 220,444,949.00 and the treasury shares of RMB 750,424,588.82, is included in capital reserve (share premium).

## 3) Redemption of convertible corporate bonds

Pursuant to the resolution made at the 32nd meeting of the sixth Board of Directors of the Company, the Company decided to exercise the early redemption right of “Huayou Convertible Bonds” and redeem all the “Huayou Convertible Bonds” registered on the redemption registration date at the price of the bond’s face value plus the accrued interest of the current period. This time, a total of 84,680 Huayou Convertible Bonds have been redeemed at a price of RMB 8,543,950.11. Accordingly, for the balance of bonds payable of RMB 7,897,924.04, interest payable of RMB 75,522.93 and other equity instruments of RMB 1,660,553.44, the equity component of RMB 1,158,462.70 after deducting the allocated resold amount was included in capital reserve (share premium), and the liability component of RMB 68,412.40 after deducting the allocated resold amount was included into profit or loss.

### **(4). Explanation of other financial instruments classified as financial liabilities**

Basic information of other financial instruments such as preferred stocks and perpetual bonds issued at the end of the period

Applicable  Not Applicable

Statement of changes in financial instruments such as preferred stocks and perpetual bonds issued at the end of the period

Applicable  Not Applicable

Explanation on the basis of classifying other financial instruments into financial liabilities

Applicable  Not Applicable

Other explanations:

Applicable  Not Applicable

**47. Leasing liabilities**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Outstanding lease payment	30,963,935.65	27,170,978.84
Less: Unrecognized finance fees	2,033,256.48	1,660,797.51
Total	28,930,679.17	25,510,181.33

Other explanations:

N/A

**48. Long-term payables**
**List by item**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Long-term payables	4,145,263,634.65	4,666,378,463.88
Special accounts payable		
Total	4,145,263,634.65	4,666,378,463.88

Other explanations:

 Applicable  Not Applicable

**Long-term payables**
**(1). Long-term payables presented by nature**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Sales and leaseback of integrated funds	2,077,282,089.97	1,774,364,769.59
Long-term call loans and interests	2,067,981,544.68	2,892,013,694.29

Other explanations:

1) Funds from sale and leaseback at the end of the period refer to funds from financial institutions such as Taiping & Sinopec Financial Leasing, Huaxia Financial Leasing Co., Ltd., and CPI Ronghe Financial Leasing Co., Ltd. through the sale and leaseback of fixed assets (of which, RMB 2,187,184,446.70 should be repaid in 2025 and has been transferred to non-current liabilities due within one year).

2) Long-term call loans and interests thereon at the end of the period mainly include balances due to W-Source Holding Limited, Tsing Creation International Holding, Long Sincere Holding Limited, Wintime Industrial Holding Limited, Eve Asia Co., Limited, etc.

**Special accounts payable**
**(2). Special payables presented by nature**
 Applicable  Not Applicable

**49. Long-term payroll payable**
 Applicable  Not Applicable

**(5). Long-term payroll payable table**
 Applicable  Not Applicable

**(6). Changes in defined benefit plans:**

Set the present value of obligations under benefit program:

 Applicable  Not Applicable

Planned asset:

 Applicable  Not Applicable

Net liabilities of defined benefit plans (net assets)

 Applicable  Not Applicable

Explanations of the contents of the Defined Benefit Plan and the risks related to it as well as its impact on the Company's future cash flow, timing and uncertainties:

 Applicable  Not Applicable

Explanations to the significant actuarial assumptions of the Defined Benefit Plan and the results of sensitivity analysis on it

 Applicable  Not Applicable

Other explanations:

 Applicable  Not Applicable

**50. Expected liabilities**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance	Cause of formation
Provide external guarantees			
Pending litigations			
Product quality assurance			
Restructuring obligation			
Loss-making contract to be performed			
Return payment payable			
Others			
Environmental restoration expenses	90,293,434.73	69,467,625.52	It is the environmental restoration costs accrued by the subsidiaries LA MINIERE DE KASOMBO SAS ("MIKAS Company"), CDM Company and Prospect Lithium according to the Mining Code of the Democratic Republic of the Congo.
Total	90,293,434.73	69,467,625.52	

Other remarks (including remarks on major assumptions and estimations with respect to the major estimated liabilities):

N/A

**51. Deferred income**

Information of deferred income

 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Cause of formation
Government subsidies	714,907,735.45	140,194,100.68	82,927,788.92	772,174,047.21	Non-reimbursable grants from Governments
Total	714,907,735.45	140,194,100.68	82,927,788.92	772,174,047.21	

Other explanations:

 Applicable  Not Applicable

The increase in the current period mainly includes the receipt of government grants related to assets, such as industrial development grants and special grants for technical reform, amounting to RMB 128,385,554.30, and government grants related to income, such as funds for guiding local science and technology development from the central government, amounting to RMB 11,808,546.38.

**52. Other non-current liabilities**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Contract liabilities	3,514,400,000.00	3,594,200,000.00
Total	3,514,400,000.00	3,594,200,000.00

Other explanations:

Pursuant to the product sales contract signed in December 2024 by Huachi (Hong Kong) Co., Limited, a subsidiary of the Company, the Company received advance payments of RMB 3,594,200,000.00. The corresponding amount will be offset against sales proceeds starting from 2027. Taking into account the liquidity nature of the advance receipts, it is intended to be classified as other non-current liabilities at the end of the period.

**53. Share capital**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Opening balance	Increase or decrease (+, -)					Closing balance
		New issue of shares	Issue of bonus share	Provident fund Share conversion	Others	Subtotal	
Total number of shares	1,692,178,088.00				204,546,409.00	204,546,409.00	1,896,724,497.00

Other explanations:

The share capital increased by RMB 204,546,409.00 during this period. For relevant details, please see the particulars contained in “55. Capital Reserve”, “VII. Notes to the Consolidated Financial Accounts”, “Section VIII Financial Report”.

**54. Other equity instruments**
**(1). Basic information of other financial instruments such as preferred stocks and perpetual bonds issued at the end of the period**
 Applicable  Not Applicable

**(2). Statement of changes in financial instruments such as preferred stocks and perpetual bonds issued at the end of the period**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Outstanding financial instruments	Beginning of the period		Increase in the current period		Decrease in the current period		End of the period	
	Amount	Book value	Amount	Book value	Amount	Book value	Amount	Book value
Huayou convertible bonds	75,984,860	1,490,043,939.84			75,984,860	1,490,043,939.84		
Total	75,984,860	1,490,043,939.84			75,984,860	1,490,043,939.84		

Changes of other equity instruments in the current period, explanation of reasons for changes, and basis for relevant accounting treatment:

 Applicable  Not Applicable

For relevant details of reasons for changes of other equity instruments, during this period and basis, please see the particulars contained in “46. Bonds Payable”, “VII. Notes to the Consolidated Financial Accounts”, “Section VIII Financial Report”.

Other explanations:

 Applicable  Not Applicable

**55. Capital reserve**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Capital premium (share capital premium)	14,947,720,521.98	7,817,688,120.02	476,407,839.11	22,289,000,802.89
Other capital reserve	447,097,268.38	81,932,443.96		529,029,712.34
Total	15,394,817,790.36	7,899,620,563.98	476,407,839.11	22,818,030,515.23

Other remarks (including remarks on the increase/decrease in the current period and the reason therefor):

1) Increase or decrease in share capital premium

The capital reserve (share premium) increased by RMB 7,817,688,120.02 during the period, which includes: ① According to the 2024 restricted stock incentive plan approved by resolution at the 25th meeting of the sixth Board of Directors and the first extraordinary general meeting of shareholders in 2025 of the Company, and the authorization from the first extraordinary general meeting of shareholders in 2025 and the resolution of the 26th meeting of the sixth Board of Directors, it was determined that

January 23, 2025 would be the grant date. Eventually, a total of 9,349,300 restricted shares were actually granted to 1,161 incentive targets, with a grant price of RMB 15.06 per share. Among them, RMB 9,349,300.00 was recorded as share capital, and RMB 131,451,158.00 was recorded as capital reserve (share premium). The above-mentioned issuance of restricted shares has been verified by Pan-China Certified Public Accountants LLP, which issued a “Capital Verification Report” (T. J. Y. [2025] No. 37). At the same time, in accordance with the provisions of the *Interpretation No. 7 of the Accounting Standards for Business Enterprises*, an increase of RMB 140,800,458.00 in treasury shares and RMB 140,800,458.00 in other payables is recognized based on the quantity of restricted shares issued and the corresponding repurchase obligations; ② According to the authorization from the 25th meeting of the sixth Board of Directors and the first extraordinary general meeting of shareholders in 2025 of the Company, and the restricted stock incentive plan approved by resolution at the 36th meeting of the sixth Board of Directors, it was determined that October 29, 2025 would be the grant date. Eventually, a total of 630,200 restricted shares were actually granted to 176 incentive targets, with a grant price of RMB 30.91 per share. Among them, RMB 630,200.00 was recorded as share capital, and RMB 18,849,282.00 was recorded as capital reserve (share premium). The above-mentioned issuance of restricted shares has been verified by Pan-China Certified Public Accountants LLP, which issued a “Capital Verification Report” (T. J. Y. [2025] No. 432). At the same time, in accordance with the provisions of the *Interpretation No. 7 of the Accounting Standards for Business Enterprises*, an increase of RMB 19,479,482.00 in treasury shares and RMB 19,479,482.00 in other payables is recognized based on the quantity of restricted shares issued and the corresponding repurchase obligations; ③ The conversion of convertible bonds into shares accounted for RMB 197,741,889.00 in share capital and RMB 7,666,229,217.32 in capital reserve (share premium), while the redemption of convertible bonds accounted for RMB 1,158,462.70 in capital reserve (share premium), as detailed in “46. Bonds Payable”, “VII. Notes to the Consolidated Financial Accounts”, “Section VIII Financial Report”.

The capital reserve (share premium) decreased by RMB 476,407,839.11 during this period, which includes: ① Pursuant to the authorization from the Company’s second extraordinary general meeting of shareholders in 2023 and the first extraordinary general meeting of shareholders in 2025, and the resolution of the 30th meeting of the sixth Board of Directors, the Company repurchased and canceled 390,200 restricted shares that had been granted but not yet released from restrictions for 81 incentive targets, and repurchased and canceled 2,784,780 restricted shares that had been granted but not yet released from restrictions due to the failure to meet performance targets for the second release period of the 2023 restricted stock incentive plan, resulting in a reduction of share capital by RMB 3,174,980.00, a decrease in capital reserve (share premium) by RMB 76,181,028.40, a reduction in treasury shares by RMB 74,712,238.40, and a decrease in other payables by RMB 74,712,238.40. The above capital reduction transactions have been verified by Pan-China Certified Public Accountants LLP, which issued a “Capital Verification Report” (T. J. Y. [2025] No. 357); ② During this period, the Company acquired minority shareholder equity in its subsidiary Huayue Company, with the consideration paid exceeding the net asset share calculated based on the newly held shareholding ratio, resulting in a corresponding decrease in capital reserve (share premium) by RMB 309,754,929.81; ③ During this period, the Company acquired minority shareholder equity in its subsidiary Prospect Lithium, with the consideration paid exceeding the net asset share calculated based on the newly held shareholding ratio, resulting in a corresponding decrease in capital reserve (share premium) by RMB 90,471,880.90.

## 2) Other decrease or increase in capital reserves

The capital reserve (other capital reserve) increased by RMB 81,932,443.96 during this period, which includes: ① According to the Company's equity incentive plan, the share-based payment expense for the restricted stock for 2025 was recognized at RMB 49,121,758.36, which was included in the capital reserve (other capital reserve); ② An increase in deferred income tax assets of RMB 32,810,685.60 was recognized in respect of tax differences on share-based payment expenses. Based on the share price at the end of the period, the Company estimates the amount eligible for future pre-tax deduction, and recognizes deferred income tax assets up to the amount of taxable income that is likely to be obtained in future periods. Where the estimated future deductible amount exceeds the costs and expenses recognized during the vesting period, the portion of deferred income tax assets arising from such excess is recognized directly in equity.

**56. Treasury stock**

√ Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Restricted shares	142,405,042.80	160,279,940.00	82,307,418.40	220,377,564.40
Repurchase of shares	750,424,588.82		750,424,588.82	
Total	892,829,631.62	160,279,940.00	832,732,007.22	220,377,564.40

Other remarks (including remarks on the increase/decrease in the current period and the reason therefor):

1) The restricted shares increased by RMB 160,279,940.00 and decreases by RMB 82,307,418.40 during this period. For relevant details, please see the particulars contained in “55. Capital Reserve” and “60. Undistributed Profit”, “VII. Notes to the Consolidated Financial Accounts”, “Section VIII Financial Report”.

2) The repurchase of shares decreased by RMB 750,424,588.82 during this period. For relevant details, please see the particulars contained in “46. Bonds payable”, “VII. Notes to the Consolidated Financial Accounts”, “Section VIII Financial Report”.

**57. Other comprehensive income**

√ Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Opening balance	Amount incurred in the current period					Attributable to minority shareholders after tax	End of the period balance
		Amount incurred before current income tax	Less: Included in other comprehensive income for the previous period and transferred in profit or loss for the current period	Less: Included in other comprehensive income for the previous period and transferred in retained earnings for the current period	Less: Income tax expense	Attributable to parent company after tax		
I. Other Comprehensive Income That Will Not Be Subsequently Reclassified into Profit and Loss	-49,068,581.76							-49,068,581.76
Of which: Amount of changes in the defined benefit								

plan due to re-measurement								
Other comprehensive income that can't be reversed through profit and loss under equity method								
Changes in the fair value of other equity instruments	-49,068,581.76							-49,068,581.76
Changes in the fair value of the enterprise's own credit risk								
II. Other comprehensive income that will be reclassified into profit or loss	1,510,505,239.81	-918,255,795.94	-	-	-	-742,307,702.60	-175,948,093.34	768,197,537.21
Including: Other comprehensive income that can be converted into gains and losses under the equity method	148,328,837.07	-127,078,445.11	-	-	-	-127,078,445.11	-	21,250,391.96
Changes in the fair value of other creditors' investment			-	-	-	-		
The amount of financial assets reclassified into other comprehensive income			-	-	-	-		
Credit impairment provision for other credits investment			-	-	-	-		
Cash flow hedge reserve						-		
Difference from translation of financial statements in foreign currency	1,362,176,402.74	-791,177,350.83				-615,229,257.49	-175,948,093.34	746,947,145.25
Other comprehensive incomes in total	1,461,436,658.05	-918,255,795.94	-	-	-	-742,307,702.60	-175,948,093.34	719,128,955.45

Other remarks (including remarks on the adjustment converting effective part of profit and loss of cash flow hedges to the initial recognition amount of the hedged item):

N/A

**58. Special reserves**

 ✓ Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Safety production expense	25,528.42	150,061,939.97	150,087,468.39	
Mining development fund	50,809,946.58	6,426,628.14		57,236,574.72
Total	50,835,475.00	156,488,568.11	150,087,468.39	57,236,574.72

Other remarks (including remarks on the increase/decrease in the current period and the reason therefor):

Work safety fund was appropriated and used by the Company and its subsidiaries including Huayou Quzhou and New Energy Quzhou according to the document Administrative Measures for the Collection and Utilization of Enterprise Work Safety Funds (Cai Zi [2022] No. 136) jointly issued by the Ministry of Finance and the Ministry of Emergency Management. Mine development fund was appropriated by the subsidiaries CDM Company and MIKAS Company according to the Mining Code of the Democratic Republic of the Congo.

**59. Surplus reserves**

 ✓ Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Statutory surplus reserves	440,135,820.74	114,887,178.56		555,022,999.30
Discretionary surplus reserve				
Reserve fund				
Enterprise development fund				
Others				
Total	440,135,820.74	114,887,178.56		555,022,999.30

Notes to the surplus reserves (including remarks on the increase/decrease in the current period and the reason therefor)

Current increase was due to the appropriation of statutory surplus reserve at 10% of net profit generated by the parent company in 2025.

**60. Undistributed profit**

 ✓ Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Current period	Previous period
Undistributed profit at the end of last period before adjustment	17,308,989,342.99	14,872,683,731.09
Total undistributed profit at the beginning of the adjustment period (increase+, decrease-)		
Unappropriated earnings at the beginning of period after adjustment	17,308,989,342.99	14,872,683,731.09
Add: Net profit attributable to the owner of the parent company in the current period	6,110,378,757.84	4,154,825,193.75
Retained income transferred from other comprehensive income		1,210,000.00
Less: Withdrawal of statutory surplus reserve	114,887,178.56	52,910,262.45

Withdrawal of any surplus reserves		
Appropriation of general risks reserve		
Dividends payable on common stock	834,778,679.00	1,666,819,319.40
Common stock dividends converted to share capital		
Undistributed profit at the end of the period	22,469,702,243.27	17,308,989,342.99

Details of the adjustment of the undistributed profit at the beginning of the period:

1. The undistributed profit affected by the retroactive adjustment in accordance with *Accounting Standards for Business Enterprises* and its related new regulations at the beginning of the period is RMB 0.
2. The undistributed profit affected by the change of accounting policy at the beginning of the period is RMB 0.
3. The undistributed profit affected by the correction of major accounting errors at the beginning of the period is RMB 0.
4. The undistributed profit affected by the change of combination scope caused by the common control at the beginning of the period is RMB 0.
5. The undistributed profit affected by other adjustments at the beginning of the period is RMB 0.

According to the profit distribution plan approved at the Company's 2024 annual general meeting, based on a total share capital of 1,701,547,958 shares, after deducting the number of shares in the repurchase special securities account (22,703,060 shares), a cash dividend of RMB 5.00 (tax-inclusive) will be distributed for every 10 shares. Due to the distribution of dividends on restricted stocks, treasury shares decreased by RMB 7,595,180.00, and other payables decreased by RMB 7,595,180.00. Later, due to the repurchase and cancellation of restricted stocks, the cash dividends distributed were reclaimed, amounting to RMB 4,643,770.00, with a total ordinary share dividend of RMB 834,778,679.00.

## 61. Operating income and operating cost

### (1). Information on operating income and operating costs

√ Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount incurred in the current period		Amount incurred in the previous period	
	Income	Cost	Income	Cost
Main business	79,838,533,207.51	66,139,595,427.66	59,678,319,319.37	49,606,319,260.37
Other business	1,180,140,862.17	725,511,362.14	1,267,244,400.77	839,357,714.85
Total	81,018,674,069.68	66,865,106,789.80	60,945,563,720.14	50,445,676,975.22
Including: Income from the contracts with customers	81,014,701,257.71	66,862,718,426.68	60,943,638,864.24	50,444,358,460.52

[Note] The difference from total operating income is lease income from other operating income.

**(2). Breakdown of the operating income and operating cost**

√ Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Classification of contracts	Division 1		Total	
	Operating income	Operating cost	Operating income	Operating cost
Product types				
Cobalt products	5,030,477,998.31	3,180,322,917.21	5,030,477,998.31	3,180,322,917.21
Copper products	4,527,204,520.71	3,349,670,837.25	4,527,204,520.71	3,349,670,837.25
Nickel products	25,895,263,715.39	20,795,176,552.40	25,895,263,715.39	20,795,176,552.40
Lithium products	3,440,717,918.92	2,730,353,331.36	3,440,717,918.92	2,730,353,331.36
Ternary precursors	4,485,832,779.88	3,730,615,663.00	4,485,832,779.88	3,730,615,663.00
Positive electrode materials	14,968,853,933.49	13,567,767,107.23	14,968,853,933.49	13,567,767,107.23
Nickel intermediate products	11,780,920,226.62	9,505,106,484.40	11,780,920,226.62	9,505,106,484.40
Trade and others	10,885,430,164.39	10,003,705,533.83	10,885,430,164.39	10,003,705,533.83
Subtotal	81,014,701,257.71	66,862,718,426.68	81,014,701,257.71	66,862,718,426.68
Classified according to operation regions				
Domestic sales	29,944,181,702.78	24,270,175,022.91	29,944,181,702.78	24,270,175,022.91
Overseas sales	51,070,519,554.93	42,592,543,403.77	51,070,519,554.93	42,592,543,403.77
Subtotal	81,014,701,257.71	66,862,718,426.68	81,014,701,257.71	66,862,718,426.68
Market or customer type				
Contract type				
Classification by time of transfer of goods				
Income recognized at a certain point	81,014,701,257.71	66,862,718,426.68	81,014,701,257.71	66,862,718,426.68
Subtotal	81,014,701,257.71	66,862,718,426.68	81,014,701,257.71	66,862,718,426.68
Classified by contract periods				
Classified by sales channel				
Total	81,014,701,257.71	66,862,718,426.68	81,014,701,257.71	66,862,718,426.68

Other explanations:

√ Applicable □ Not Applicable

Revenue included in the opening book value of contract liabilities during the reporting period is RMB 843,816,855.55.

**(3). Explanation of performance obligations**
 Applicable  Not Applicable

**(4). Explanation of remaining performance obligations allocated**
 Applicable  Not Applicable

**(5). Significant contract changes or significant transaction price adjustments**
 Applicable  Not Applicable

Other explanations:

N/A

**62. Taxes and surcharges**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Amount incurred in the current period	Amount incurred in the previous period
Urban maintenance and construction tax	30,761,526.91	4,073,663.57
Education surcharge	17,846,327.68	2,309,447.42
Resource tax	100,571,544.56	72,405,617.34
Housing property tax	52,962,066.70	71,870,647.58
Land use tax	22,061,489.25	37,233,908.77
Vehicle and vessel use tax		
Stamp duties	66,142,543.10	44,023,261.91
Local education surcharges	11,897,551.73	1,541,234.59
Mining tax	158,462,794.03	204,889,789.10
Other taxes and surcharges	5,982,617.09	4,442,350.82
Total	466,688,461.05	442,789,921.10

Other explanations:

N/A

**63. Sales expenses**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	84,369,850.85	94,541,517.43
Travel expense	13,301,074.24	12,159,311.16
Service charges	29,136,161.48	11,891,841.95
Sample expenses	8,834,888.11	8,073,922.43
Hospitality	9,819,959.49	11,060,403.15
Expenses of share-based payment	3,963,367.10	9,911,427.28
Others	20,861,011.51	11,590,179.16
Total	170,286,312.78	159,228,602.56

Other explanations:

N/A

**64. Administrative expenses**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	986,490,337.52	935,453,748.35
Office allowances	185,493,303.87	167,769,186.96
Service charges	330,223,843.06	263,941,600.60
Business entertainment expenses	51,973,512.83	39,417,342.78
Depreciation and amortization	286,903,721.32	244,239,115.39
Insurance expenses	64,181,215.04	51,879,954.17
Aircraft usage fees	27,206,290.03	21,542,054.27
Expenses of share-based payment [Note]	31,526,226.32	93,551,525.07
Others	45,450,710.62	76,851,657.72
Total	2,009,449,160.61	1,894,646,185.31

Other explanations:

N/A

### 65. R&D expenditures

 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Amount incurred in the current period	Amount incurred in the previous period
Employee compensation	443,376,089.00	513,530,890.71
Material consumption	758,675,387.98	271,556,297.06
Depreciation and amortization	213,019,928.57	224,750,877.69
Expenses of share-based payment	7,430,554.21	21,069,795.21
Others	259,670,359.10	269,249,545.41
Total	1,682,172,318.86	1,300,157,406.08

Other explanations:

N/A

### 66. Financial costs

 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Amount incurred in the current period	Amount incurred in the previous period
Interest expenses	2,271,478,731.52	2,512,552,872.16
Interest income	-339,345,529.95	-389,705,965.90
Exchange gains and losses	325,773,123.78	-170,967,452.40
Commission charges and others	141,278,051.79	117,941,072.51
Total	2,399,184,377.14	2,069,820,526.37

Other explanations:

N/A

### 67. Other income

 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Classification by nature	Amount incurred in the current period	Amount incurred in the previous period
Asset-related government subsidies	65,646,147.20	54,492,529.30
Government subsidies related to income [Note]	125,485,337.04	117,650,953.38
Refund of service charges for withholding personal income tax	3,468,981.15	3,455,036.25
VAT addition and deduction	78,379,074.98	49,742,955.68

Total	272,979,540.37	225,341,474.61
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Other explanations:

[Note] Including government grants received such as financial incentive grants and business policy grants, totaling RMB 125,485,337.04.

### 68. Investment income

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Amount incurred in the current period	Amount incurred in the previous period
Long-term equity investment income accounted by equity method	518,419,792.01	743,026,913.81
Investment income from disposal of long-term equity investments	80,151,697.29	435,049.49
Investment income of tradable financial assets during holding period		
Dividend income from investment in other equity instruments during the holding period		
Interest income from debt investment during the holding period	27,741,273.16	23,394,065.08
Interest income from other debt investments during the holding period		
Investment income from disposal of financial assets held for trading	24,536,903.15	390,872,990.48
Investment income from disposal of investment in other equity instruments		
Investment income from disposal of debt investment		
Investment income from disposal of other debt investment		
Gains of debt restructuring		
Hedging profit and loss	215,423,600.06	276,926,293.51
Discounted loss of receivables financing	-61,422,759.21	-57,860,596.79
Losses related to termination recognition of accounts receivable	-12,092,145.25	-14,976,147.27
Investment income obtained from the disposal of derivative financial assets	141,354,669.21	
Total	934,113,030.42	1,361,818,568.31

Other explanations:

None

### 69. Net exposure hedging income

Applicable  Not Applicable

### 70. Income from the change in fair values

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Sources of income from changes in fair values	Amount incurred in the current period	Amount incurred in the previous period
Financial assets held for trading	-32,856,027.38	-112,053,022.40
Including: fair value change income from derivative financial instruments	-29,722,905.31	-113,095,185.57

Fair value changes income from financial products	-3,133,122.07	1,042,163.17
Derivative financial liabilities		
Investment real estate measured at fair value		
Hedging profit and loss	45,310,008.24	50,539,159.86
Total	12,453,980.86	-61,513,862.54

Other explanations:

N/A

### 71. Credit impairment loss

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Amount incurred in the current period	Amount incurred in the previous period
Bad debt loss on notes receivable		
Bad debt loss on accounts receivable	-198,700,015.39	13,684,695.47
Bad debt loss on other receivables		
Impairment losses of creditors' investment		
Other impairment losses of creditors' investment		
Bad debt loss on long-term receivables		
Impairment losses related to financial guarantees		
Total	-198,700,015.39	13,684,695.47

Other explanations:

N/A

### 72. Asset impairment loss

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Amount incurred in the current period	Amount incurred in the previous period
I. Loss from impairment of contract assets		
II. Loss of inventory falling price and impairment loss of contract performance cost	-31,652,179.12	-313,492,520.03
III. Impairment loss of long-term equity investment		
IV. Impairment loss of investment real estate		
V. Asset impairment losses		
VI. Impairment loss from construction materials		
VII. Impairment loss of projects under construction		
VIII. Impairment loss of productive biological assets		
IX. Loss of impairment of oil and gas assets		
X. Impairment loss of intangible assets		
XI. Impairment loss of goodwill	-2,064,541.41	-195,074,970.99
XII. Others	-10,904,514.52	

Total	-44,621,235.05	-508,567,491.02
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Other explanations:

N/A

### 73. Income from asset disposal

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Amount incurred in the current period	Amount incurred in the previous period
Gains on the disposal of fixed assets	-20,553,793.79	160,300.41
Income from intangible asset disposal	839,486.68	-87,837.11
Gains on disposal of construction in progress		-45,303.85
Income from right-of-use asset disposal	1,298,253.52	-5,488,447.95
Total	-18,416,053.59	-5,461,288.50

Other explanations:

N/A

### 74. Non-operating revenue

Non-operating revenue

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Amount incurred in the current period	Amount incurred in the previous period	Amount included in current non-recurring gains and losses
Total profit from disposal of non-current assets	395,874.71	621,492.23	395,874.71
Including: Gains from disposal of fixed assets	395,874.71	621,492.23	395,874.71
Gains from disposal of intangible assets			
Non-monetary asset exchange profits			
Accepting donations			
Government subsidies			
Income from indemnity	17,454,171.69	11,709,906.01	17,454,171.69
Others	2,126,042.41	3,005,392.86	2,126,042.41
Total	19,976,088.81	15,336,791.10	19,976,088.81

Other explanations:

Applicable  Not Applicable

### 75. Non-operating expense

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Amount incurred in the current period	Amount incurred in the previous period	Amount included in current non-recurring gains and losses
Total loss from disposal of non-current assets	7,296,131.42	39,355,301.59	7,296,131.42
Of which: Loss from disposal	7,296,131.42	39,355,301.59	7,296,131.42

of fixed assets			
Loss on disposal of intangible assets			
Non-monetary asset exchange losses			
External donation and others	66,500,138.29	45,899,895.24	66,500,138.29
Total	73,796,269.71	89,254,444.39	73,796,269.71

Other explanations:

N/A

## 76. Income tax expenses

### (1).Income tax expense statement

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Amount incurred in the current period	Amount incurred in the previous period
Current income tax expense	1,268,642,197.51	444,520,488.22
Deferred income tax expense	-459,122,428.57	-18,352,324.79
Total	809,519,768.94	426,168,163.43

### (2).Adjustment process of accounting profit and income tax expense

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Amount incurred in the current period
Total profit	8,329,775,716.16
Income tax expense calculated according to statutory/applicable tax rate	1,249,466,357.42
Influence of different tax rates applied to subsidiaries	-128,618,708.62
Influence of adjusting income tax in previous periods	
Influence of non-taxable income	-276,808,892.94
Influence of non-deductible costs, expenses and losses	-56,088,117.66
Influence of deductible loss of unrecognized deferred income tax assets in previous period	
Influence of Deductible temporary difference or deductible losses of unrecognized deferred income tax assets in this period	21,569,130.74
Income tax expenses	809,519,768.94

Other explanations:

Applicable  Not Applicable

The Group is within the scope of application of the Pillar Two Global Anti-Base Erosion Rules (GloBE) (hereinafter referred to as "Pillar Two") issued by the Organisation for Economic Co-operation and Development (OECD). Under these rules, if the Group's effective tax rate in a given tax jurisdiction is below 15%, it is required to pay a top-up tax in respect of the shortfall below the minimum rate.

Pillar Two-related regulations had been enacted or substantively enacted but not yet come into effect in several jurisdictions where the Group operates since year 2025. The Group has accrued corresponding current income tax expenses in the current year's financial statements. Going forward, the Group will continue to monitor developments in Pillar Two legislation and evaluate its potential impact.

## 77. Other comprehensive income

Applicable  Not Applicable

For the details, please see the particulars contained in "57 Other Comprehensive Income", "VII. Notes to the Consolidated Financial Accounts", "Section VIII Financial Report".

**78. Items in cash flow statement**
**(1). Cash relating to operating activities**

Other cash receipts relating to operating activities

 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Amount incurred in the current period	Amount incurred in the previous period
Withdrawal of monetary funds that do not belong to cash and cash equivalents	1,818,893,141.07	2,754,879,193.68
Government subsidies received and related to operating activities	259,598,696.00	224,817,710.76
Interest income	339,345,529.95	389,705,965.90
Recovery of funds related to hedging business		1,300,396,863.71
Others	91,142,169.49	93,394,734.64
<b>Total</b>	<b>2,508,979,536.51</b>	<b>4,763,194,468.69</b>

Remarks on other cash received from operating activities

N/A

Other cash paid related to operating activities

 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Amount incurred in the current period	Amount incurred in the previous period
Payment of monetary funds that do not belong to cash and cash equivalents	2,503,535,659.55	1,820,893,807.32
Expenses paid in cash	1,279,980,624.18	1,336,937,721.11
Payment of funds related to hedging business	1,899,097,016.12	
Payment of performance bond to Surelyrich Company	616,609,436.57	
Others	119,691,147.02	49,899,142.80
<b>Total</b>	<b>6,418,913,883.44</b>	<b>3,207,730,671.23</b>

Remarks on other cash paid for operating activities:

N/A

**(2). Cash paid relating to investing activities**

Important cash received from investing activities

 Applicable  Not Applicable

Important cash paid from investing activities

 Applicable  Not Applicable

Other cash received from investing activities

 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Amount incurred in the current period	Amount incurred in the previous period
Withdrawal of monetary funds that do not belong to cash and cash equivalents	308,946,810.24	736,653,203.75

Cash obtained from the acquisition of Controlway Industrial Park Co., Ltd.		1,590,701.76
Recovery of loans from PT Prima Puncak Mulia and interest		152,700,503.09
Recovery of loans from Qingshan Lvshui and interest		9,203,882.00
Cash obtained from the acquisition of Chongjing Holding		185,189,350.34
Advances received from BCM Company for equity disposal	2,891,320.00	
Loans and interest received from SGM	27,741,273.16	
Total	339,579,403.40	1,085,337,640.94

Remarks on other cash received from investment activities:

N/A

Other cash paid related to investment activities

√ Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount incurred in the current period	Amount incurred in the previous period
Payment of monetary funds that do not belong to cash and cash equivalents	367,415,562.78	305,946,810.24
Payment of loans from Eternal Nickel Industry	301,535,520.00	111,314,580.00
Payment of loans from SGM		19,205,456.84
Disposal of net cash paid by Huali Industry Park	1,154,820.17	
Total	670,105,902.95	436,466,847.08

Remarks on other cash paid for investment activities:

N/A

### (3). Cash relating to financing activities

Other cash received from financing activities

√ Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount incurred in the current period	Amount incurred in the previous period
Withdrawal of monetary funds that do not belong to cash and cash equivalents	1,673,418,910.02	1,206,457,392.16
Cash received from discounted financing bank acceptance bills	2,340,401,791.99	1,060,092,298.57
Sales and leaseback of integrated funds	2,955,000,000.00	2,250,000,000.00
Recovery of loans	472,827,388.57	637,874,870.25
Recovery of after-sale leaseback deposits	72,100,000.00	70,600,000.00
Total	7,513,748,090.58	5,225,024,560.98

Remarks on other cash received from financing activities:

N/A

Other cash paid for financing activities

√ Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Amount incurred in the current period	Amount incurred in the previous period
Payment of monetary funds that do not belong to cash and cash equivalents	3,392,041,228.47	1,772,563,674.06
Funds paid for sales and leaseback	2,656,175,160.49	2,805,662,239.80
Payment of after-sale leaseback deposits	118,800,000.00	100,000,000.00

Funding bankers' acceptances due for payment	1,065,085,932.31	663,548,415.29
Payment of issue expenses	7,946,544.44	3,179,493.05
Repayment of borrowings and interests	1,202,218,905.49	1,677,704,592.17
Payment of restricted stock repurchase funds	76,768,450.32	540,897,179.00
Payment amount of lease liabilities	33,937,854.23	38,863,230.26
Payment of after-sale repurchase funds		363,132,333.52
Payment for share repurchase		112,343,188.18
Payment for acquisition of minority shares of Zhejiang Huayou New Energy Technology Co., Ltd. (Huayou New Energy")		526,022,354.88
Payment for acquisition of minority shares of New Energy Quzhou		825,950,684.93
Payment for acquisition of minority shares of Huayue Company	561,352,112.49	
Payment for acquisition of minority shares of Prospect Lithium	219,186,693.67	
<b>Total</b>	<b>9,333,512,881.91</b>	<b>9,429,867,385.14</b>

Remarks on other cash paid for financing activities:

N/A

Changes in various liabilities generated from financing activities

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Changes in cash	Non-cash changes	Changes in cash	Non-cash changes	
Bank loans	47,206,470,330.13	41,425,696,691.95	2,264,731,236.47	38,827,135,693.09		52,069,762,565.46
Notes payable	1,065,085,932.31	2,350,240,571.77		1,065,085,932.31		2,350,240,571.77
Dividends payable	2,984,644.38	948,364,621.00		948,364,621.00	28,310.86	2,956,333.52
Other payables	1,712,526,673.23		80,625,282.86	709,707,497.93		1,083,444,458.16
Other current liabilities	2,319,406,114.26	4,500,000,000.00	96,899,132.17	2,867,887,914.30		4,048,417,332.13
Bonds payable (including bonds payable due within one year)	6,940,139,194.75	500,000,000.00	243,028,763.24	56,134,438.93	7,126,112,834.12	500,920,684.94
Lease liabilities (including lease liabilities due within one year)	64,102,350.00		32,972,683.04	33,937,854.23	16,957,146.01	46,180,032.80
Long-term payables (including long-term payables maturing within one year)	6,677,564,071.92	2,955,000,000.00	278,111,570.62	3,225,455,018.37		6,685,220,624.17
<b>Total</b>	<b>65,988,279,310.98</b>	<b>52,679,301,884.72</b>	<b>2,996,368,668.40</b>	<b>47,733,708,970.16</b>	<b>7,143,098,290.99</b>	<b>66,787,142,602.95</b>

**(4). Notes to cash flows reported on a net basis**

Applicable  Not Applicable

**(5). Significant activities and financial impacts that do not involve cash receipts and payments for the current period but may affect the Company's financial position or cash flows in the future**

Applicable  Not Applicable

Items	Amount in the current period	Amount in the same period of last year
Amount of commercial drafts endorsed and transferred	7,221,555,575.30	5,797,845,921.84
Including: Payment of goods	6,696,320,636.74	4,604,969,856.79
Purchase funds for fixed assets and other long-term assets	525,234,938.56	1,192,876,065.05

## 79. Supplementary information to cash flow statement

### (1).Supplementary information to cash flow statement

√ Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Supplementary information	Amount in the current period	Amount in the previous period
<b>1. Net profit adjusted to cash flows from operating activities:</b>		
Net profits	7,520,255,947.22	5,158,460,383.11
Add: Provision for impairment of assets	44,621,235.05	508,567,491.02
Credit impairment loss	198,700,015.39	-13,684,695.47
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive biological assets	4,529,901,507.60	4,075,458,662.22
Amortization of right to use assets		
Amortization of intangible assets	471,296,255.36	490,590,281.80
Amortization of long-term unamortized expenses	12,241,718.54	13,232,183.96
Losses on disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)	18,416,053.59	5,461,288.50
Loss on scrapping of fixed assets ("-" for gains)	6,900,256.71	38,733,809.36
Losses on changes in fair value ("-" for gains)	32,856,027.38	112,053,022.40
Financial expenses ("-" for gains)	2,599,040,755.30	2,344,784,826.62
Investment loss ("-" for gains)	-792,204,334.82	-1,157,729,018.86
Decrease in deferred income tax assets ("-" for increase)	-463,355,782.85	-36,674,453.57
Increase in deferred income tax liabilities ("-" for decrease)	-28,577,331.32	18,322,128.78
Decrease in inventory ("-" for increase)	-8,405,206,943.89	-1,859,452,754.56
Decrease in operational receivables ("-" for increase)	-8,309,656,637.34	469,638,350.44
Increase in operational payables ("-" for decrease)	6,913,631,022.02	1,673,405,533.35
Others	-336,897,766.46	589,943,843.60
Net cash flow generated from operating activities	4,011,961,997.48	12,431,110,882.70
<b>2. Significant investing and financing activities that do not involve in cash receipts and payments:</b>		
Conversion of debt into capital		
Convertible corporate bonds due within one year		
Fixed assets under financing lease		

<b>3. Net changes in cash and cash equivalents:</b>		
Ending balance of cash	11,229,352,870.58	15,516,940,793.04
Less: Opening balance of cash	15,516,940,793.04	10,526,774,769.22
Add: Ending balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-4,287,587,922.46	4,990,166,023.82

**(2).Net cash paid to acquire subsidiaries in the current period**
 Applicable  Not Applicable

**(3).Net cash received from disposal of subsidiaries in the current period**
 Applicable  Not Applicable

**(4).Composition of cash and cash equivalents**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
I. Cash	11,229,352,870.58	15,516,940,793.04
Including: Cash in the vault	8,189,591.81	5,201,982.26
Bank deposits that can be used for payment at any time	10,212,598,488.34	13,816,698,369.82
Other monetary funds that can be used for payment at any time	1,008,564,790.43	1,695,040,440.96
Funds deposited with the central bank for payment		
II. Cash equivalents		
Including: Bond investment due within three months		
III. Ending balance of cash and cash equivalents	11,229,352,870.58	15,516,940,793.04
Including: Cash and cash equivalents with restricted use by the parent company or a subsidiary of the group		

**(5).Situations where the scope of use is restricted but still listed as cash and cash equivalents**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Reason
Bank deposits	1,712,828.64	The closing balance represents funds raised. The Company can use the raised funds at any time to pay for the fundraising projects, therefore, they are considered as cash and cash equivalents.
Bank deposits	757,731,608.14	Closing balance refers to 30% of export income from natural resources deposited in Indonesia by the subsidiary Huayue Company, Huafei Indonesia, and AMI Company, as required by laws and regulations of local government, which can be used on demand, therefore, it is considered as cash and cash equivalents.
Bank	453,445,163.96	Closing balance refers to balance in the borrowing pledge accounts of the

deposits		subsidiaries Huayue Company, Huafei Indonesia, Huaneng Indonesia and Chengdu B&M. Even though these accounts are under use restrictions subject to bank supervision, the subsidiaries can use such cash for payments at any time, therefore, it is considered as cash and cash equivalents.
Total	1,212,889,600.74	/

**(6). Monetary funds that do not belong to cash and cash equivalents**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance	Reason
Other monetary capital	6,396,294,401.09	3,934,560,811.62	Including bill margin of RMB 3,286,208,836.55, loan margin of RMB 2,435,050,533.15, letter of credit margin of RMB 223,970,067.39, guarantee letter margin of RMB 100,804,608.58, forward foreign exchange settlement margin of RMB 168,662,400.00, environmental assessment margin of RMB 9,883,772.19 and litigation frozen funds of RMB 171,714,183.23, with restricted scope of use and do not belong to cash and cash equivalents
Total	6,396,294,401.09	3,934,560,811.62	/

Other explanations:

 Applicable  Not Applicable

**80. Notes on items in the change statement of owner's equity**

Explanation of the names of "other" items for adjusting the ending balance of last year and adjustment amounts:

 Applicable  Not applicable

**81. Foreign currency monetary items**
**(1). Foreign currency monetary items**
 Applicable  Not Applicable

Items	Ending foreign currency balance	Converted exchange rate	Converted RMB at the end of period balance
Monetary funds			9,640,852,503.29
Including: USD	1,144,686,537.72	7.0288	8,045,772,736.33
EUR	59,098,103.81	8.2355	486,702,433.93
HKD	236,000,330.62	0.9032	213,160,218.62
IDR	1,269,801,366,763.67	0.0004	529,507,169.94
ZAR	3,551,747.05	0.4224	1,500,257.95
KRW	204,303,437.00	0.0049	992,914.70
CDF	117,516,057.87	0.0032	371,115.71
Singapore dollar	91,755.79	5.4586	500,858.16
HUF	1,151,174,661.03	0.0213	24,520,020.28
ZiG	3,315,573.04	0.2705	896,995.13
MAD	7,207,577.78	0.7709	5,556,047.82
JPY	7,397,148,643.00	0.0448	331,370,067.76
PHP	13,949.49	0.1195	1,666.96
Accounts receivable			3,349,595,596.85

Including: USD	425,046,237.16	7.0288	2,987,564,991.72
EUR	6,450.00	8.2355	53,118.98
IDR	867,752,644,283.00	0.0004	361,852,852.67
ZAR	295,060.33	0.4224	124,633.48
Other receivables			33,793,779.07
Including: USD	2,513,583.12	7.0288	17,667,473.03
EUR	159,286.55	8.2355	1,311,804.38
HKD	41,200.00	0.9032	37,212.66
IDR	23,224,508,309.00	0.0004	9,684,619.96
ZAR	92,000.00	0.4224	38,860.80
KRW	931,681,797.00	0.0049	4,527,973.53
CDF	16,256,000.00	0.0032	51,336.45
HUF	21,582,052.11	0.0213	459,697.71
MAD	19,200.00	0.7709	14,800.55
Long-term receivables			1,362,754,137.45
Including: USD	106,155,346.70	7.0288	746,144,700.88
IDR	1,478,679,704,000.00	0.0004	616,609,436.57
Short-term loans			720,856,002.98
Including: USD	102,557,478.23	7.0288	720,856,002.98
Accounts payable			8,804,597,200.22
Including: USD	859,792,804.17	7.0288	6,043,311,661.95
EUR	1,404,884.24	8.2355	11,569,924.16
AUD	29,760.00	4.6892	139,550.59
IDR	6,586,692,631,356.49	0.0004	2,746,650,827.28
ZAR	4,489,108.41	0.4224	1,896,199.39
KRW	9,242,583.00	0.0049	44,918.95
HUF	46,048,000.90	0.0213	980,822.42
ZWL	12,181.12	0.2705	3,295.48
Other payables			809,180,498.46
Including: USD	108,413,804.99	7.0288	762,018,952.51
EUR	5,559.00	8.2355	45,781.14
IDR	112,982,126,564.35	0.0004	47,113,546.78
HUF	83,101.43	0.0213	1,770.06
JPY	10,000.00	0.0448	447.97
Non-current liabilities that mature within one year			569,764,249.36
Including: USD	80,628,241.28	7.0288	566,719,782.31
KRW	626,433,550.17	0.0049	3,044,467.05
Long-term borrowings			1,249,507,621.04
Including: USD	177,769,693.41	7.0288	1,249,507,621.04
Long-term payables			2,071,787,578.89
Including: USD	294,756,939.86	7.0288	2,071,787,578.89
Lease liabilities			2,197,802.86
Including: KRW	452,222,809.84	0.0049	2,197,802.86

Other explanations:

N/A

**(2).Remarks on overseas business entities, including its principal place of business overseas, the functional currency and selection basis therefor, as well as the reason for the change of the functional currency (if any)**

Applicable  Not Applicable

Overseas businesses	Main place of business	Recording currency	Selection basis
Huayou Hong Kong	Hong Kong	HKD	Local currency
Huayou Singapore	Singapore	USD	Local major currencies
Huayue Company	Indonesia	USD	Local major currencies
Indonesia Huafei	Indonesia	USD	Local major currencies

## 82. Lease

### (1) As Lessee

Applicable  Not Applicable

Variable lease payments not included in the measurement of lease liabilities

Applicable  Not Applicable

Rental charges for simplified treatment of short-term leases or low-value asset leases

Applicable  Not Applicable

For the details on accounting policies for short term leases and low value asset leases of the Company, please see the particulars contained in “38. Lease”, “V. Significant Accounting Policies and Estimates”, “Section VIII Financial Report”. The amounts of short-term lease expenses and low-value asset lease expenses recognized in the current period's profit and loss are as follows:

Items	Amount in the current period	Amount of Corresponding Period of the Previous Year
Short term rental fee	11,663,368.77	18,767,070.09
Low value asset leasing fees (except for short term rental fee)	777,729.54	1,523,057.03
Total	12,441,098.31	20,290,127.12

Sale and leaseback transaction

Applicable  Not Applicable

Total cash outflows related to leases 46,378,952.54 (Unit: Yuan Currency: RMB)

### (2) As Lessor

Operating lease as a lessor

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Lease income	Including: Income related to variable lease payments not included in rental receipts
Lease income	3,972,811.97	
Total	3,972,811.97	

Financial lease as a lessor

Applicable  Not Applicable

Reconciliation table of undiscounted lease receivables and net lease investments

Applicable  Not Applicable

Undiscounted lease receipts for the next five years

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Undiscounted lease receipts for each year	
	Closing balance	Opening balance
First Year	291,333.33	297,003.27
Second Year	19,666.67	317,384.93
Third Year		93,441.60
Fourth Year		
Fifth Year		
Total undiscounted lease receipts for the next five years	311,000.00	707,829.80

**(3) Profit or loss on sales of finance leases recognized as a producer or distributor**
 Applicable  Not Applicable

Other explanations:

N/A

**83. Data resources**
 Applicable  Not Applicable

**84. Others**
 Applicable  Not Applicable

**83. Data resources**
 Applicable  Not Applicable

**84. Others**
 Applicable  Not Applicable

**VIII. Research and development expenses**
**1. Presented by nature of expenses**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Amount incurred in the current period	Amount incurred in the previous period
R&D expenditures	1,682,172,318.86	1,300,157,406.08
Total	1,682,172,318.86	1,300,157,406.08
Including: expensed R&D expenditures	1,682,172,318.86	1,300,157,406.08
Capitalized research and development expenses		

Other explanations:

The R&D expenses of the Company are all expensed. For relevant details, please see the particulars contained in “65. R&D Expenses”, “VII. Notes to the Consolidated Financial Accounts”, “Section VIII Financial Report”.

**2. Development expenditure of R&D projects eligible for capitalization**
 Applicable  Not Applicable

Significant capitalized R&amp;D projects

 Applicable  Not Applicable

Provision for impairment of development expenditure

Applicable  Not Applicable

Other explanations:

N/A

### 3. Significant outsourced R&D projects

Applicable  Not applicable"

## IX. Change of combination scope

### 1. Business combination not under common control

Applicable  Not Applicable

#### (1). Business combination transactions not under common control incurred in the current period

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Acquiree	Date of equity acquisition	Cost of equity acquisition	Proportion of equity acquisition (%)	Method of equity acquisition	Acquisition date	Basis for determining the acquisition date	Income of the acquiree from the acquisition date to period-end	Net profit of the acquiree from the acquisition date to period-end	Cash flow of the acquiree from the acquisition date to period-end
Yulin Times Juneng	July 2025	271,715,437.00	100.00	Acquisition	July 2025	See other explanations for details	53,130,159.81	2,121,964.97	-904,075.91
Yulin Times Green Water	July 2025	70,679,864.00	100.00	Acquisition	July 2025	See other explanations for details	20,612,291.86	6,604,635.80	-6,219,343.32
PT.GAPURA INDUSTRIAL MINERAL ("GIM")	March 2025	IDR10,099,000,000.00	99.99	Acquisition	March 2025	See other explanations for			

Other explanations:

1) Pursuant to the decision of the general manager's office meeting, the Company acquired for 100.00% of the equity of Yulin Times Juneng at a price of RMB 271.7154 million. As of July 21, 2025, the Company has paid for the equity interest, completed the corresponding procedures for the transfer of property rights and obtained substantive control over it, and therefore it has been included in the scope of the consolidated financial statements since that date.

2) Pursuant to the decision of the general manager's office meeting, the Company acquired for 100.00% of the equity of Yulin Times Green Water at a price of RMB 70.6799 million. As of July 21, 2025, the Company has paid for the equity interest, completed the corresponding procedures for the transfer of property rights and obtained substantive control over it, and therefore it has been included in the scope of the consolidated financial statements since that date.

3) Huaxing Hong Kong, a subsidiary, acquired 99.99% equity interest in GIM for IDR 10,099,000,000 (USD equivalent translated at the exchange rate on the actual contribution date).

As of April 10, 2025, the Company had paid the equity transfer consideration, completed the relevant property right handover procedures, and obtained substantive control over GIM. Accordingly, GIM has been included in the scope of the consolidated financial statements from such date.

## (2). Combined costs and goodwill

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Combined cost	Yulin Times Juneng	Yulin Times Green Water	GIM
--Cash	271,715,437.00	70,679,864.00	4,403,164.00
--Fair value of non-cash assets			
--Fair value of debt issued or assumed			
--Fair value of equity securities issued			
--Fair value of contingent consideration			
--Fair value of equity interests held prior to the acquisition date on the acquisition date			
--Other			
Total combined costs	271,715,437.00	70,679,864.00	4,403,164.00
Less: Share of fair value of identifiable net assets acquired	271,715,437.00	70,679,864.00	4,403,164.00
Goodwill/combined cost less than share of fair value of identifiable net assets acquired			

Method for determining the fair value of the combined cost:

Applicable  Not Applicable

Completion status of performance commitments:

Applicable  Not Applicable

Main reason for the formation of the goodwill with large amount:

Applicable  Not Applicable

Other explanations:

N/A

## (3). Identifiable assets and liabilities of the acquiree on the acquisition date

Applicable  Not Applicable

Unit: Yuan Currency: RMB

	Yulin Times Juneng		Yulin Times Green Water		GIM	
	Fair value on acquisition date	Book value on acquisition date	Fair value on acquisition date	Book value on acquisition date	Fair value on acquisition date	Book value on acquisition date
Assets:	968,559,684.09	808,319,498.74	253,592,220.19	240,379,581.77	4,403,600.00	4,403,600.00
Monetary funds	9,982,554.69	9,982,554.69	42,416,771.61	42,416,771.61	4,403,600.00	4,403,600.00
Accounts receivable	17,249,254.22	17,249,254.22	11,617,479.48	11,617,479.48		
Inventories	1,482,798.02	1,482,798.02	92,296.37	92,296.37		
Construction	448,120,828.84	390,180,643.49	173,829,841.23	160,617,202.81		

in progress						
Fixed assets	347,477,069.30	347,477,069.30	3,068,385.81	3,068,385.81		
Intangible assets	102,300,000.00					
Other assets	41,947,179.02	41,947,179.02	22,567,445.69	22,567,445.69		
Liabilities:	696,844,247.09	672,808,219.29	182,912,356.19	181,723,218.73		
Borrowings	559,886,579.17	559,886,579.17	143,243,614.39	143,243,614.39		
Accounts payable	77,335,000.59	77,335,000.59	22,795,482.04	22,795,482.04		
Other liabilities	59,622,667.33	35,586,639.53	16,873,259.76	15,684,122.30		
Net assets	271,715,437.00	135,511,279.45	70,679,864.00	58,656,363.04	4,403,600.00	4,403,600.00
Minority interests					436.00	436.00
Net assets acquired	271,715,437.00	135,511,279.45	70,679,864.00	58,656,363.04	4,403,164.00	4,403,164.00

Method for determining the fair value of identifiable assets and liabilities:

1) Yulin Times Juneng

Based on the appraisal results of the asset-based method in the Project of Value Assessment of All Shareholders' Equity of Yulin Times Juneng Thermal Energy Co., Ltd. Involved in the Proposed Equity Acquisition by Zhejiang Huayou Cobalt Co., Ltd. (Z. L. P. B. Z [2025] No. 258) issued by China United Assets Appraisal Group (Zhejiang) Co., Ltd. with September 30, 2024 as the appraisal reference date, and after appropriate review, the Company confirmed that the fair value of the identifiable assets and liabilities of Yulin Times Juneng as at the Purchase Date were RMB 968.5597 million and RMB 696.8442, respectively.

2) Yulin Times Green Water

Based on the appraisal results of the asset-based method in the Project of Value Assessment of All Shareholders' Equity of Yulin Times Green Water Environmental Technology Co., Ltd. Involved in the Proposed Equity Acquisition by Zhejiang Huayou Cobalt Co., Ltd. (Z. L. P. B. Z [2025] No. 227) issued by China United Assets Appraisal Group (Zhejiang) Co., Ltd. with September 30, 2024 as the appraisal reference date, and after appropriate review, the Company confirmed that the fair value of the identifiable assets and liabilities of Yulin Times Green Water as at the Purchase Date were RMB 253.5922million and RMB 182.9124, respectively.

3) GIM

The fair values of the acquiree's identifiable assets and liabilities on the acquisition date are determined based on the acquisition consideration and the acquiree's assets and liabilities.

Contingent liability of the acquiree undertaken in a business combination:

N/A

Other explanations:

N/A

**(4). Profit and loss arising from the re-measurement of equity held prior to acquisition date at the fair value**

Whether there is a transaction where any step-by-step combination is realized through multiple transactions with the controlling rights obtained during the Reporting Period.

Applicable  Not Applicable

**(5). Remarks on combination consideration or fair values of identifiable assets and liabilities on the acquisition date or at the end of the period of combination**

Applicable  Not Applicable

**(6). Other explanations**

Applicable  Not Applicable

**2. Business combinations under common control**

Applicable  Not Applicable

**3. Counter purchase**

Applicable  Not Applicable

#### 4. Disposal of subsidiaries

Whether there were any transactions or events during the period in which control of the subsidiary was lost

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Name of subsidiary	Time when control is lost	Disposal price at the time when control is lost	Proportion of disposal at the time when control is lost (%)	Disposal method at the time when control is lost	Basis for judging the time when control is lost	Difference between the disposal price and the share of the net assets of the subsidiary at the consolidated financial statement level corresponding to the disposal investment	Proportion of remaining equity on the date of loss of control (%)	Book value of the remaining equity at the consolidated financial statement level on the date of loss of control	Fair value of the remaining equity at the consolidated financial statement level on the date of loss of control
Huali Industry Park	IDR8,400,000.00	56.00	Transfer	September 2025	See other explanations for details	-39,924,953.82	14.00%	10,011,800.75	8,018,400.00

Other explanations:

Applicable  Not Applicable

The subsidiary Huaxing Nickel (Hong Kong) Limited (“Huaxing Hong Kong”) held 70.00% of the equity in Huali Industry Park. According to the equity transfer agreement signed by both parties, Huaxing Hong Kong transferred its 56.00% equity in Huali Industry Park to PT.MALILI INDUSTRIAL NUSA UTAMA at a consideration of IDR 8.4 million. As of September 25, 2025, the company has completed the corresponding property rights handover procedures. As Huaxing Hong Kong no longer had substantive control over Huali Industry Park, it was no longer included in the consolidated financial statements as of that date.

Is there a multistep disposal of investments in subsidiaries through multiple transactions and loss of control during the current period

Applicable  Not Applicable

Other explanations:

Applicable  Not Applicable

#### 5. Change of combination scope for other reasons

Explain the changes in the combination scope caused by other reasons (for example, newly established subsidiaries, liquidation subsidiaries, etc.) and the specific information:

Applicable  Not Applicable

1) Increase in combination scope

Name of company	Method of equity acquisition	Date of equity acquisition	Amount of contribution	Contribution ratio (%)
Huayou Battery Material Technology Japan Corporation	Establishment	August 2025	JPY5,000,000.00	100.00
Huashuo Hong Kong Limited	Establishment	June 2025	USD10,000.00	100.00
PT. Buli Industry Park	Establishment	July 2025	USD3,000,000.00	100.00
Tongxiang Hualan Information	Establishment	April 2025	200,000.00	100.00

Technology Consulting Co., Ltd.				
Huayong Zhiyuan Information Technology Consulting (Beijing) Co., Ltd.	Establishment	April 2025	200,000.00	100.00
Huaqin (Hong Kong) Limited	Establishment	October 2025	USD10,000.00	100.00
Huayida Investment Co., Ltd.	Establishment	June 2025	USD10,000.00	70.00
Longmai Mining (Hong Kong) Limited	Establishment	August 2025	USD10,000.00	100.00
Huayou Singapore International Development Limited	Establishment	February 2025	USD10,000.00	70.00
Huaxin International Investment Co., Ltd.	Establishment	February 2025	USD10,000.00	100.00
Huayi (Hong Kong) Limited	Establishment	October 2025	USD10,000.00	100.00
Huazi (Hong Kong) Limited	Establishment	December 2025	USD10,000.00	100.00
Huayou Danjiang Buli Hong Kong Limited	Establishment	December 2025	USD10,000.00	100.00

## 2) Decrease in combination scope

Name of company	Method of equity disposal	Date of equity disposal	Net assets on the disposal date	Net profit from the beginning of the period to the disposal date
Heishui Huayou Recycling Technology Co., Ltd.	Cancellation	January 2025	298,492.50	-159.03
Guangzhou Huayi New Energy Technology Co., Ltd.	Cancellation	January 2025		

**6. Others**
 Applicable  Not Applicable

**X. Interests in other entities**
**1. Interests in subsidiaries**
**(1). Composition of enterprise group**

 ✓ Applicable  Not Applicable

Unit: Yuan Currency: RMB

Subsidiary Name	Main place of business	Registered capital	Registration place	Business nature	Shareholding ratio (%)		Mode of acquisition
					Direct	Indirect	
Huayou Quzhou	Quzhou City, Zhejiang Province	240,124.36	Quzhou City, Zhejiang Province	Manufacturing industry	83.96		Establishment
Huayou Hong Kong	Hong Kong	HKD55,099.20	Hong Kong	Trade, wholesale	100.00		Establishment
Chengdu B&M	Jintang County, Sichuan Province	103,000.00	Jintang County, Sichuan Province	Manufacturing industry	36.86		Business combination not under common control
Indonesia Huafei	Indonesia	USD54,000.00	Indonesia	Manufacturing industry	51.00		Business combination not under common control
Guangxi B&M	Yulin City, Guangxi Zhuang Autonomous Region	350,000.00	Yulin City, Guangxi Zhuang Autonomous Region	Manufacturing industry	100.00		Establishment
Guangxi Huayou New Materials	Yulin City, Guangxi Zhuang Autonomous Region	205,440.67	Yulin City, Guangxi Zhuang Autonomous Region	Manufacturing industry	100.00		Establishment

Explanation of the shareholding ratio in subsidiaries different from the voting ratio:

N/A

Basis for holding half or less voting rights but still controlling the investee, and holding more than half voting rights but not controlling the investee:

N/A

Basis for controlling the important structured entities included in the combination scope:

N/A

Basis for determining whether a company is an agent or a principal:

N/A

Other explanations:

The Company directly holds 36.86% of the equity of Tianjin B&M. Huayou Holdings has entrusted the voting rights and other rights of its 25.20% equity in Tianjin B&M to the Company for exercise. Therefore, Tianjin B&M is included in the scope of consolidation. Chengdu B&M is a wholly-owned subsidiary of Tianjin B&M.

**(2). Important non-wholly-owned subsidiary**

 ✓ Applicable  Not Applicable

Unit: Yuan Currency: RMB

Name of	Shareholding	Gain or loss	Dividends declared	Balance of minority
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subsidiary	ratio of the minority shareholder Proportion (%)	attributable to minority shareholders in the current period	and distributed to minority shareholders in the current period	interest at the end of the period
Huayou Quzhou	16.04	193,651,373.94	90,000,000.00	1,090,891,559.70
Chengdu B&M	63.14	251,093,804.99		1,932,871,517.00
Indonesia Huafei	49.00	613,554,502.41		2,809,411,472.33

Explanation of the shareholding ratio of minority shareholder in subsidiaries different from the voting ratio:

Applicable  Not Applicable

Other explanations:

Applicable  Not Applicable

### (3). Major financial information of important non-wholly-owned subsidiaries

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Name of subsidiary	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Huayou Quzhou	16,662,362,984.80	7,309,408,829.46	23,971,771,814.26	14,155,439,685.88	3,016,441,395.46	17,171,881,081.34	13,861,812,480.49	7,655,754,861.42	21,517,567,341.91	11,903,476,237.00	3,460,293,937.25	15,363,770,174.25
Chengdu B&M	10,346,122,252.30	3,238,018,329.38	13,584,140,581.68	10,323,221,416.65	201,713,524.21	10,524,934,940.86	5,479,694,960.33	3,535,650,511.17	9,015,345,471.50	5,794,298,289.63	557,397,476.08	6,351,695,765.71
Indonesia Huafei	5,073,294,646.48	13,266,928,247.62	18,340,222,894.10	5,804,400,281.86	6,802,329,811.55	12,606,730,093.41	4,744,596,208.62	13,757,893,860.96	18,502,490,069.58	5,457,051,683.49	8,446,918,556.00	13,903,970,239.49

Name of subsidiary	Amount incurred in the current period				Amount incurred in the previous period			
	Operating income	Net profits	Total comprehensive income	Cash flows generated from operating activities	Operating income	Net profits	Total comprehensive income	Cash flows generated from operating activities
Huayou Quzhou	20,509,159,378.67	1,207,093,566.15	1,207,093,566.15	-813,850,423.61	21,898,503,850.39	57,813,512.83	57,813,512.83	1,978,716,582.73
Chengdu B&M	13,750,895,603.54	395,555,935.03	395,555,935.03	1,000,847,708.80	7,995,748,986.64	228,953,919.22	228,953,919.22	937,151,441.60
Indonesia Huafei	14,495,040,016.64	1,252,152,045.74	1,134,972,970.60	1,980,476,550.17	8,568,054,406.02	513,545,551.52	577,969,083.72	1,217,540,798.71

Other explanations:

N/A

### (4). Major restrictions on using enterprise group assets and paying off enterprise group debts

Applicable  Not Applicable

### (5). Financial support or other support provided to structured entities included in the scope of consolidated financial statements

Applicable  Not Applicable

Other explanations:

 Applicable  Not Applicable

**2. The share of owner's equity in the subsidiary has changed and still controls the transactions of the subsidiary**

 Applicable  Not Applicable

**(1). Explanation of changes in the share of owners' equity in subsidiaries on equity**

 Applicable  Not Applicable

Name of subsidiary	Time of change	Shareholding ratio before change	Shareholding ratio after change
Prospect Lithium	December 2025	90.00	100.00
Huayue Company	December 2025	57.00	60.00

**(2). The impact of transactions on minority shareholders' equity and the equity attributable to the parent company**

 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Prospect Lithium	Huayue Company
Purchase cost/disposal consideration		
--Cash	219,186,693.67	561,352,112.49
--Fair value of non-cash assets		
Total purchase cost/disposal consideration	219,186,693.67	561,352,112.49
Less: The net asset share of a subsidiary calculated according to the proportion of the equity acquired/disposed of	128,714,812.77	251,597,182.68
Difference	90,471,880.90	309,754,929.81
Including: adjustment of capital reserves	-90,471,880.90	-309,754,929.81
Adjusted surplus reserve		
Undistributed profits after adjustment		

Other explanations:

 Applicable  Not Applicable

**3. Rights and interests in cooperative enterprises or joint ventures**

 Applicable  Not Applicable

**(1). Important joint ventures and affiliated enterprises**

 Applicable  Not Applicable

**(2). Main financial information of important cooperative enterprises**

 Applicable  Not Applicable

**(3). Major financial information of important joint ventures**

 Applicable  Not Applicable

**(4). Summary financial information of unimportant joint ventures and affiliates**

 Applicable  Not Applicable

Unit: Yuan Currency: RMB

	Ending balance/amount incurred in current period	Beginning balance/amount incurred in previous period[Note]
Joint ventures:		
Total book value of investment	318,454,631.74	214,516,216.79
The total of the following items calculated according to the shareholding ratio		
--Net profit	1,707,753.56	-1,554,655.30
--Other comprehensive income	2,218,100.83	17,046.66
--Total comprehensive income	3,925,854.39	-1,537,608.64
Joint ventures:		
Total book value of investment	11,606,265,473.57	12,143,348,513.96
The total of the following items calculated according to the shareholding ratio		
--Net profit	770,727,580.45	729,622,819.40
--Other comprehensive income	-133,116,063.10	78,058,620.26
--Total comprehensive income	637,611,517.35	807,309,268.30

[Note] Refers to beginning balance/amount incurred in previous period of unimportant joint ventures and affiliates recognized in current period

Other explanations:

N/A

**(5). Statement of important restrictions on the ability of joint ventures or associates to transfer capital to the Company**

Applicable  Not Applicable

**(6). Excess losses incurred by joint ventures or affiliated enterprises**

Applicable  Not Applicable

**(7). Unconfirmed commitments related to the investment to joint ventures**

Applicable  Not Applicable

**(8). Contingent liabilities related to investments in joint ventures or associates**

Applicable  Not Applicable

**4. Important joint operation**

Applicable  Not Applicable

**5. Rights and interests in structured entities not included in the scope of consolidated financial statements**

Explanation of structured entities not included in the scope of consolidated financial statements:

Applicable  Not Applicable

**6. Others**

Applicable  Not Applicable

**XI. Government subsidies**
**1. Government subsidies recognized based on receivable amounts at the end of the reporting period**
 Applicable  Not Applicable

Reasons for not receiving the expected amount of government subsidies at the anticipated time

 Applicable  Not Applicable

**2. Liability items involving government subsidies**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Financial statements items	Opening balance	Amount of new subsidies in the current period	Amount included in non-operating revenue of the current period	Transferred in other income in the current period	Other variations in the current period	Closing balance	Asset-related /income-related
Deferred income	712,467,547.79	128,385,554.30		65,646,147.20	9,412,000.00	765,794,954.89	Asset-related
Deferred income	2,440,187.66	11,808,546.38		7,869,641.72		6,379,092.32	Related to income
Total	714,907,735.45	140,194,100.68		73,515,788.92	9,412,000.00	772,174,047.21	/

**3. Government subsidies included incurrent profits and losses**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Type	Amount incurred in the current period	Amount incurred in the previous period
Asset-related	65,646,147.20	54,492,529.30
Related to income	125,485,337.04	117,650,953.38
Others	1,788,900.00	3,199,406.86
Total	192,920,384.24	175,342,889.54

Other explanations:

None

**XII. Risks related to financial instruments**
**1. Risks related to financial instruments**
 Applicable  Not Applicable

The Company's risk management aims to reach balancing between risks and benefits, to minimize the negative impact of risks on the Company's operating results, and to maximize the interests of shareholders and other equity investors. Based on these risk management goals, the Company's basic strategy for risk management is to determine and analyze various risks faced by the Company, establish an appropriate risk tolerance bottom line and conduct risk management, and supervise various risks in a timely and reliable manner to control the risks within a limited scope.

The Company faces various risks related to financial instruments in its daily activities, including credit risk, liquidity risk and market risk. The management has deliberated and approved the policing governing these risks as outlined below:

(I) Credit risk

Credit risk refers to the risk that one party of a financial instrument fails or is unable to fulfill its obligations, resulting in financial losses to the other party.

1. Approach to credit risk

(1) Assessment method of credit risk

The Company, on each balance sheet date, assesses whether the credit risk of relevant financial instruments has increased significantly since initial recognition. In determining whether the credit risk has increased significantly since initial recognition, the Company takes into account the reasonable and well-founded information available without unnecessary additional costs or efforts, including qualitative and quantitative analysis based on historical data, external credit risk rating and forward-looking information. The Company determines the changes that may result in default risk of financial instruments within their expected duration by comparing the default risk of the financial instruments on the balance sheet date and the initial recognition date based on an individual financial instrument or the combined financial instruments with similar credit risk characteristics.

The Company deems that the credit risk of the financial instruments has increased significantly if any one or more of the following quantitative and qualitative standards are triggered:

1) The main quantitative standard is that the probability of default within the remaining duration on the balance sheet date has increased by more than certain proportion compared with that at the initial recognition;

2) The main qualitative standard is that there are material adverse changes occurring to the business or financial conditions of the debtor and changes in the exiting or anticipated technology, market, economic or legal environment which have a material adverse effect on the debtor's ability to make repayment to the Company.

(2) Definitions of default and assets with credit impairment

If the financial instruments meet any one or more of the following conditions, the Company defines the financial assets as in default, with its standard consistent with the definition of credit impairment:

1) The debtor faces major financial difficulties;

2) The debtor breaches the provisions governing it in the contract;

3) The debtor is very likely to become bankrupt or go into other financial restructuring proceedings;

4) The creditor makes a concession to the debtor which it will not make under any other circumstances for the economic or contractual considerations in connection with the debtor's financial difficulties.

2. Measurement of expected credit loss

The key parameters for measurement of expected credit loss include the probability of default, loss given default and default risk exposure. The Company builds the models of probability of default, loss given default and default risk exposure considering the quantitative analysis of historical statistical data (such as counterparty rating, guarantee type, category of collateral and pledge, repayment method) and forward-looking information.

3. For the details on the Reconciliation Statement of Beginning Balance and Ending Balance of Financial Instrument Loss Reserve, please see the particulars contained in "5. Account Receivable; 7. Receivable Financing; and 9. Other Receivables", "VII. Notes to the Consolidated Financial Accounts", "Section VIII Financial Report".

4. Credit risk exposure and credit risk concentration

The credit risk of the Company is derived mainly from the monetary capital and accounts receivable. To control the above related risk, the Company has respectively taken the following measures.

(1) Monetary capital

The bank deposit and other monetary capitals of the Company were deposited with financial institutions with high credit rating; therefore, the credit risk was low.

(2) Receivable and contracted assets

The Company continuously carries out credit assessment on customers who trade in credit. According to the result of credit assessment, the Company deals with approved and credible customers, and monitors the balance of its accounts receivable, so as to prevent significant bad debt risk.

No guarantee is required as the Company only transacts with recognized and reputable third parties. Credit risk concentration is managed as per customers. As at December 31, 2025, there was certain credit concentration risk in the Company and 39.23% (December 31, 2024: 36.94%) of the accounts

receivable of the Company were concentrated on top five customers in the balance of account receivable. The Company had no guarantee or other credit enhancement on the accounts receivable and the balance. The maximum credit risk exposure of the Company is the carrying value of the financial assets in the balance sheet.

(II) Liquidity risk

Liquidity risk refers to the risk of shortage of funds when the Company fulfills its obligation to settle by delivering cash or other financial assets. Liquidity risk may arise from the inability to sell financial assets at fair value as soon as possible, the counterparty's inability to pay off its contractual debt, the acceleration of debt or the inability to generate expected cash flow.

To control such risk, the Company applies various financing methods, such as bill settlement and bank loans, in appropriate combination of long-term and short-term financing ways to optimize the financing structure and keep the balancing between financing sustainability and flexibility. The Company has obtained lines of credit from several commercial banks to satisfy its working capital demand and capital expenditure.

Classification of financial liabilities by the remaining due days

Items	Ending balance				
	Book value	Undiscounted contract value	Within 1 year	1-3 years	Over 3 years
Bank loans	52,069,762,565.46	54,545,880,212.26	35,125,197,451.47	11,635,514,355.55	7,785,168,405.24
Notes payable	7,196,242,617.28	7,196,242,617.28	7,196,242,617.28		
Accounts payable	18,208,994,873.11	18,208,994,873.11	18,208,994,873.11		
Other payables	1,241,610,600.62	1,279,860,859.38	1,279,860,859.38		
Other Current liabilities	4,048,417,332.13	4,048,417,332.13	4,048,417,332.13		
Bonds payable	500,920,684.94	529,820,684.94	14,450,000.00	515,370,684.94	
Lease liabilities	46,180,032.80	48,264,259.86	15,657,894.83	17,430,712.12	15,175,652.91
Long-term payables	6,685,220,624.17	7,453,454,528.24	2,703,032,138.92	2,652,600,868.79	2,097,821,520.53
Subtotal	89,997,349,330.51	93,310,935,367.20	68,591,853,167.12	14,820,916,621.40	9,898,165,578.68

(Continued)

Items	Opening balance				
	Book value	Undiscounted contract value	Within 1 year	1-3 years	Over 3 years
Bank loans	47,206,470,330.13	49,485,780,288.93	28,821,978,524.31	14,193,446,809.79	6,470,354,954.83
Notes payable	4,209,819,518.55	4,209,819,518.55	4,209,819,518.55		
Accounts payable	12,041,543,179.65	12,041,543,179.65	12,041,543,179.65		
Other payables	1,805,454,346.03	1,825,527,508.42	1,825,527,508.42		
Other Current liabilities	2,319,406,114.26	2,319,406,114.26	2,319,406,114.26		
Bonds payable	6,940,139,194.75	7,349,697,590.15	103,719,333.90	283,043,603.50	6,962,934,652.75
Lease liabilities	64,102,350.00	67,396,609.31	40,225,630.47	25,445,978.84	1,725,000.00
Long-term payables	6,677,564,071.92	7,351,649,760.49	2,276,965,658.64	2,060,062,943.96	3,014,621,157.89

Subtotal	81,264,499,105.29	84,650,820,569.76	51,639,185,468.20	16,561,999,336.09	16,449,635,765.47
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### (III) Market risk

Market risk refers to the risk that the fair value or future cash flow of financial instruments will fluctuate due to changes in market prices. Market risks include interest rate risk and foreign exchange risk.

#### 1. Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flow of financial instruments will fluctuate due to changes in market interest rates. The interest-bearing financial instruments with a fixed interest rate put the Company at the interest rate risk of fair value, and those with a floating interest rate put the Company at the interest rate risk of cash flow. The Company determines the proportion of financial instruments with a fixed interest rate and financial instruments with a floating interest rate according to the market environment, and maintains an appropriate combination of financial instruments through regular review and monitoring. The Company's exposure to cash flow interest rate risk relates primarily to the Company's bank borrowings which bear interest at floating rates.

As of December 31, 2025, the Company's bank loans with floating interest rates totaled RMB 22,438,359,688.89 (December 31, 2024: RMB 23,369,916,939.26). If interest rates had been 50 basis points higher/lower and all other variables were held constant, this would result in a/an decrease/increase in the Company's shareholders' equity of RMB 112,191,800 (December 31, 2024: a/an decrease/increase of RMB 116,849,600) and a/an decrease/increase in net profit of RMB 112,191,800 (2024: a/an decrease/increase of RMB 116,849,600).

#### 2. Foreign exchange risk

Foreign exchange risk refers to the risk that the fair value or future cash flow of financial instruments will fluctuate due to the change of foreign exchange rate. The risk of changes in foreign exchange rates faced by the Company is mainly related to the Company's foreign currency assets and liabilities. For foreign currency assets and liabilities, if there is a short-term imbalance, the Company will buy and sell foreign currency at market exchange rates as necessary to ensure that the net risk exposure is maintained at an acceptable level.

For the details on the monetary assets and liabilities in foreign currency of the Company at the end of the period, please see the particulars contained in "81. Monetary Items in Foreign Currency", "VII. Notes to the Consolidated Financial Accounts", "Section VIII Financial Report".

## 2. Hedging

### (1) The Company conducts hedging activities for risk management.

√ Applicable □ Not Applicable

Items	Corresponding risk management strategies and objectives	Qualitative and quantitative information on the hedged risks	Economic relationship between the hedged items and related hedging instruments	Effective achievement of expected risk management objectives	Impact of corresponding hedging activities on risk exposure.
Fair value hedge - Futures contracts	To avoid the risks to the Company's production and operations caused by price changes of commodity metals such as nickel, lithium and cobalt, so as to achieve stable operations	The hedging risk is the price fluctuation risk of nickel, lithium, and cobalt. Quantitative information can be found in "3. Derivative Financial Assets", "10. Inventory", "68. Investment Income", and "Gain from Changes in Fair	The hedged item and the hedging instrument generally fluctuate in opposite directions, which indicates that the hedging is effective, otherwise the hedging is ineffective.	Gains or losses on hedging instruments can offset the value changes of the hedged items, and the expected risk management objectives are effectively achieved.	Effectively reduce the risk exposure

		Value" under "VII. Notes to Consolidated Financial Statements" of "Section VIII Financial Report" of the report.			
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Other explanations:

 Applicable  Not Applicable

**(2) The Company conducts qualified hedging activities and applies hedge accounting.**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Carrying amount related to hedged items and hedging instruments	Cumulative fair value hedge adjustments of hedged items included in the carrying amount of recognized hedged items	Hedge effectiveness and sources of ineffective portion	Relevant effects of hedge accounting on the Company's financial statements
<b>Types of hedging risk</b>				
Price fluctuation risk of nickel, lithium, and cobalt	For relevant details, please see the particulars contained in "3. Derivative Financial Assets", and "10. Inventory", "VII. Notes to the Consolidated Financial Accounts", "Section VIII Financial Report".	1,481,624,783.38	Whether the hedging instrument and hedged item fluctuate in the opposite directions	Losses on hedging instruments in the current period were RMB 1,220,891,175.08, gains on the hedged items arising from hedging risks were RMB 1,481,624,783.38, and gains on ineffective hedges were RMB 260,733,608.30 (including gains from close position of RMB 215,423,600.06 and gains from open position of RMB 41,820,959.51).
<b>Hedging category</b>				
Fair value hedge	For relevant details, please see the particulars contained in "3. Derivative Financial Assets", and "10. Inventory", "VII. Notes to the Consolidated Financial Accounts", "Section VIII Financial Report".	1,481,624,783.38	Whether the hedging instrument and hedged item fluctuate in the opposite directions	Losses on hedging instruments in the current period were RMB 1,220,891,175.08, gains on the hedged items arising from hedging risks were RMB 1,481,624,783.38, and gains on ineffective hedges were RMB 260,733,608.30 (including gains from close position of RMB 215,423,600.06 and gains from open position of RMB 41,820,959.51).

Other explanations:

 Applicable  Not Applicable

**(3) The Company engages in hedging activities for risk management purposes and expects to achieve its risk management objectives, but has not applied hedge accounting.**

Applicable  Not Applicable

Other explanations:

Applicable  Not Applicable

**3. Transfer of financial assets**

**(1) Classification of transfer method**

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Transfer method	Nature of transferred financial assets	Amount of transferred financial assets	Derecognition situation	Basis for determining derecognition
Notes discount	Financing funds receivables	8,789,837,759.98	Derecognition	Nearly all the risks and rewards have been transferred
Notes endorsement	Financing funds receivables	2,594,297,568.94	Derecognition	Nearly all the risks and rewards have been transferred
Total	/	11,384,135,328.92	/	/

**(2) Financial assets with termination of recognition due to transfer**

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Transfer method of financial assets	Amount of financial assets with termination of recognition	Gains or losses related to termination recognition
Financing funds receivables	Discount	8,789,837,759.98	-29,925,098.27
Financing funds receivables	Endorsed	2,594,297,568.94	
Total	/	11,384,135,328.92	-29,925,098.27

**(3) Transfer of financial assets continuing to be involved**

Applicable  Not Applicable

Other explanations:

Applicable  Not Applicable

**XIII. Disclosure of fair value**

**1. The ending fair value of assets and liabilities measured at fair value**

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Ending fair value			Total
	The first level of fair value	The second level of fair value	The third level of fair value	

	measurement	measurement	measurement	
<b>I. Continuous fair value measurement</b>				
(I) Held-for-trading financial assets	1,392,328,142.64		97,743,164.16	1,490,071,306.80
1. Financial assets at fair value through profit or loss	1,392,328,142.64		97,743,164.16	1,490,071,306.80
(1) Debt instruments investment				
(2) Equity instruments investment			6,573,600.00	6,573,600.00
(3) Derivative financial assets	1,392,328,142.64		11,169,564.16	1,403,497,706.80
(4) Short financial products			80,000,000.00	80,000,000.00
2. Financial assets designated as at fair value through profit or loss				
(1) Debt instruments investment				
(2) Equity instruments investment				
(II) Other debt investments				
(III) Other equity investments			393,906,682.81	393,906,682.81
(IV) Investment properties				
1. Land use rights for lease				
2. Leased constructions				
3. Land use rights held for transfer after appreciation				
(V) Biological assets				
1. Consumable biological assets				
2. Productive biological assets				
(VI) Receivables financing			1,647,571,042.81	1,647,571,042.81
(VII) Inventory - Changes in the fair value of hedged items		1,970,008,768.81		1,970,008,768.81
<b>Total assets measured continuously at fair value</b>	1,392,328,142.64	1,970,008,768.81	2,139,220,889.78	5,501,557,801.23
(VI) Held-for-trading financial liabilities				
1. Financial liabilities at fair value through profit or loss				
in which: held-for-trading bonds issued				

derivative financial liabilities				
others				
2. Financial liabilities designated as at fair value through profit or loss				
<b>Total liabilities measured continuously at fair value</b>				
<b>II. Non-continuous fair value measurement</b>				
(I) Assets held for sale				
<b>Total assets not measured continuously at fair value</b>				
<b>Total liabilities not measured continuously at fair value</b>				

**2. Determination basis for the market price of continuous and non-continuous first-level fair value measurement items**

Applicable  Not Applicable

Items	Ending fair value	Valuation techniques
Derivative financial assets	1,392,328,142.64	The fair value of futures contracts is determined based on the closing settlement price determined in futures transactions.

**3. Qualitative and quantitative information on the valuation techniques and important parameters used in continuous and non-continuous second-level fair value measurement items**

Applicable  Not Applicable

Items	Ending fair value	Valuation techniques
Inventory - Changes in the fair value of hedged items	1,970,008,768.81	The fair value of hedged items is determined based on closing quoted price in spot market.

**4. Qualitative and quantitative information on the valuation techniques and important parameters used in continuous and non-continuous third-level fair value measurement items**

Applicable  Not Applicable

Items	Ending fair value	Valuation techniques

Derivative financial asset	11,169,564.16	Accrued fair value of forward foreign exchange settlement and sale contract = Amount of foreign currency sold *(Contractual forward exchange rate – Forward exchange rate at the end of the period for an approximate delivery date of the forward contract) / (1 + Discount rate × Number of days from the balance sheet date to the delivery date / 360)
Other non-current financial assets - Investments in equity instruments	6,573,600.00	The carrying amount is used as the fair value as there is little difference between them.
Financial assets held for trading - Short-term bank financial products	80,000,000.00	The principal plus expected income as of the balance sheet date.
Financing funds receivables	1,647,571,042.81	The carrying amount is used as the fair value as there is little difference between them.
Investment in other equity instruments	393,906,682.81	For Inner Mongolia Sinuo, Hanaq Company, Shengyin Technology, China General Nuclear New Energy, Zhejiang CosMX and Hualong Electric Power, the carrying amount is used as the fair value as there is little difference between them.

**5. Adjustment information and sensitivity analysis of non-observable parameters between beginning and ending book value for continuous third-level fair value measurement items**

Applicable  Not Applicable

**6. For continuous fair value measurement items, if the conversion occurs among different levels within the current period, the reasons for the conversion and the policy for determining the conversion time point**

Applicable  Not Applicable

**7. Changes in valuation techniques during the current period and the reasons for the changes**

Applicable  Not Applicable

**8. Fair value of financial assets and financial liabilities not measured at fair value**

Applicable  Not Applicable

**9. Others**

Applicable  Not Applicable

**XIV. Related parties and related transactions**

**1. Information about the parent company of the Company**

Applicable  Not Applicable

Unit: Ten thousand yuan Currency: RMB

Parent company name	Registration place	Business nature	Registered capital	Shareholding ratio of parent company to the Company (%)	Proportion of parent company's voting rights to the Company (%)
Huayou Holding	Tongxiang City, Zhejiang Province.	Commercial service	7,500.00	16.27	16.27

Explanation of the parent company of the Company

N/A

The ultimate controlling party of this company is Chen Xuehua, who directly holds and indirectly holds a total of 20.62% of the company's equity through Huayou Holdings.

Other explanations:

N/A

## 2. Information on subsidiaries of the Company

For the details on subsidiaries of the Company, please see the particulars contained in “X. Interests in Other Entities”, “Section VIII Financial Report”.

Applicable  Not Applicable

## 3. Information on joint ventures and associated enterprises of the Company

For details of significant joint ventures and associates of the Company, see Note "X. Equities in other entities", “Section VIII Financial Report”.

Applicable  Not Applicable

Information about other joint ventures or associated enterprises that have related transactions with the Company in the current period, or have balance resulting from related transactions with the Company in the previous period is as follows

Applicable  Not Applicable

Name of joint ventures and associated enterprises	Relationship with the Company
Quzhou Zhiyou	Joint venture
Puhua Company	Associated enterprise
Leyou Company	Associated enterprise
Hunan Yacheng.	Associated enterprise
Hunan Yacheng Hengyuan New Energy Co., Ltd. (“Hengyuan New Energy”)	Subsidiary of the associate Hunan Yacheng
Ningbo Ruihua	Associated enterprise
Zhejiang Times Li-ion Material Co., Ltd. (“Times Li-ion Company”)	The associates Quzhou Xinhua and Quzhou Anyou hold 35.30% and 17.88% of Times Li-ion Company, respectively, making them the first and second largest shareholders of Times Li-ion Company.
Zhejiang Huayou Li-ion Material Co., Ltd. (“Huayou Li-ion Company”)	Subsidiary of the associate Tongxiang Lithium Times
Quzhou Electric Investment Huayou Smart Energy Co., Ltd. (“Quzhou Electric Investment”)	Subsidiary of the associate Zhejiang Electric Investment.
Tongxiang Electric Investment Huayou Smart Energy Co., Ltd. (Tongxiang Electric Investment”).	Subsidiary of the associate Zhejiang Electric Investment.
Guangxi Times Huineng Lithium Battery Material Technology Co., Ltd. (“Guangxi	Subsidiary of the associate Guangxi Times Li-ion Industry Fund

Times Huineng")	
Yulin Times Blue Sky Gas Co., Ltd. ("Yulin Times Blue Sky")	Subsidiary of the associate Guangxi Times Li-ion Industry Fund
Guangxi Times Lithium Battery Material Technology Co., Ltd. ("Guangxi Times Lithium Battery ")	Subsidiary of the associate Guangxi Times Li-ion Industry Fund
Yulin Times Juneng	Originally subsidiary of the associate Guangxi Times Lithium Battery, the Company acquired all its equity in July 2025
Yulin Times Green Water	Originally subsidiary of the associate Guangxi Times Lithium Battery, the Company acquired all its equity in July 2025
IWIP Company	Associated enterprise
Newstride Technology	Associated enterprise
PT.WEDABAY NICKEL INDONESIA ("WBN Company").	Subsidiary of the associate Newstride Technology
Veinstone	Associated enterprise
PT.WEDA BAY ENERGI ("WBE Company")	Subsidiary of the associate Veinstone
Indonesia Huatuo	Associated enterprise
Eternal Nickel Industry	Associated enterprise
WKM Company	Associated enterprise
PT SULAWESI CAHAYA MINERAL ("SCM Company")	Subsidiary of the associate MBM Company
PT.BUKIT SMELTER INDONESIA ("BSI Company")	Subsidiary of the associate MBM Company
PT.CAHAYA SMELTER INDONESIA ("CSI Company")	Subsidiary of the associate MBM Company
PT.HUANENG METAL INDUSTRY ("HNMI Company")	Subsidiary of the associate MBM Company
PT.MERDEKA TSINGSHAN INDONESIA ("MTI Company")	Subsidiary of the associate MBM Company
BCM Company	Associated enterprise
PHC Company	The entity was originally an associated enterprise. In May 2025, Huayou International Mining (Holdings) Co., Limited transferred all of its equity interests in the entity. Therefore, the entity has ceased to be an associated enterprise of a related party of the Company since May 2025.
JOH CO.,LTD	Associated enterprise
PT.IWIP GREEN INDUSTRY	Associated enterprise
Zongxu Huayou	Associated enterprise
Quzhou Hangyang	Associated enterprise

Other explanations:

N/A

Other explanations:

Applicable  Not Applicable

#### 4. Information of other related parties

Applicable  Not Applicable

Name of other related parties	Relationship between other related parties and the Company
Guangxi Huayou Construction Operation Management Co., Ltd. ("Guangxi Huayou	Controlled by the controlling shareholder Huayou Holdings

Construction")	
Yunnan Youtian New Energy Technology Co., Ltd. ("Yunnan Youtian")	Controlled by the controlling shareholder Huayou Holdings
Inner Mongolia Shengfan Technology New Energy Co., Ltd. ("Inner Mongolia Shengfan")	Controlled by the controlling shareholder Huayou Holdings
Guangxi Huachuang New Material Copper Foil Co., Ltd. ("Guangxi Huachuang")	Controlled by the controlling shareholder Huayou Holdings
Guangxi Times New Energy Lithium Battery Material Technology Co., Ltd. ("Guangxi Times New Energy")	Controlled by the controlling shareholder Huayou Holdings
Guangxi Times Chuangneng New Material Technology Co., Ltd. ("Guangxi Times Chuangneng")	Controlled by the controlling shareholder Huayou Holdings
Zhejiang Youshan New Materials Technology Co., Ltd. ("Youshan New Materials")	Controlled by the controlling shareholder Huayou Holdings
Guangxi Youshan Resource Recycling Company Limited ("Guangxi Recycling")	Controlled by the controlling shareholder Huayou Holdings
Anhui Huachuang New Material Co., Ltd. ("Anhui Huachuang ")	Controlled by the controlling shareholder Huayou Holdings
Guizhou Yayou New Material Co., Ltd. ("Guizhou Yayou")	Controlled by the controlling shareholder Huayou Holdings.
Youshan New Material Technology (Guizhou) Co., Ltd. ("Guizhou Youshan New Material")	Controlled by the controlling shareholder Huayou Holdings
Zhijin Youshan Phosphorus Industry Co., Ltd. ("Zhijin Youshan")	Controlled by the controlling shareholder Huayou Holdings
Inner Mongolia Huajing New Material Co., Ltd. ("Huajing New Material")	Controlled by the controlling shareholder Huayou Holdings
Jiangxi Huachuang New Material Co., Ltd. ("Jiangxi Huachuang")	Controlled by the controlling shareholder Huayou Holdings
Zhejiang Youshan New Energy Technology Co., Ltd. ("Youshan New Energy")	Controlled by the controlling shareholder Huayou Holdings
PT YOUSHAN NICKEL INDONESIA ("Youshan Nickel")	Originally associate of the controlling shareholder Huayou Holdings, but in 2024, Huayou Holdings transferred all its equity, so the company was no longer a related party of the Company since then
Zhejiang Beilinde Enterprise Management Co., Ltd. ("Beilinde Company")	Originally associate of the controlling shareholder Huayou Holdings, but in 2025, Huayou Holdings transferred all its equity, so the company was no longer a related party of the Company since then
Zhejiang Xinhua Polymer Materials Co., Ltd. ("Xinhua Polymer Materials")	An associate of the controlling shareholder Huayou Holdings

Other explanations:

N/A

## 5. Information on related transactions

### (1). Related transactions of purchasing and selling goods, providing and receiving labor services

Statement of purchasing goods/accepting labor services

√ Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Related parties	Related transaction content	Amount incurred in the current period	Approved trading limit (if applicable)	Exceed the trading limit or not (if applicable)	Amount incurred in the previous period
IWIP Company	Service charges	935,291,073.01			356,926,342.36
Puhua Company	Goods	30,819,854.45			1,956,919.56
Leyou Company	Goods	20,004,472.05			33,264,378.71
WBE Company	Energy Fees	392,532,074.86			436,003,331.33
Guangxi Times Huineng	Goods	40,669,015.79			451,377,462.27
Guangxi Times Huineng	Charges for processing				12,304,914.36
Guangxi Times Huineng	Service charges	3,179,151.81			1,664,989.26
Guangxi Times Huineng	Energy Fees	25,641,456.07			4,130,634.54
Inner Mongolia Shengfan	Goods				3,615.04
Times Li-ion Company	Goods	715,963,982.85			341,253,860.39
Times Li-ion Company	Charges for processing	4,442.36			123,211.73
Times Li-ion Company	Service charges	11,497,634.87			3,373,945.78
Times Li-ion Company	Energy Fees	560,492.18			937,559.49
WBN Company	Goods	2,050,010,716.52			1,752,499,358.02
Guangxi Times New Energy	Goods	453,201.18			1,053,788.58
Guangxi Times New Energy	Service charges				61,080.85
Guangxi Times New Energy	Energy Fees	132,030,134.15			11,282,672.33
Guangxi Times New Energy	Charges for processing	829,013.59			
Hunan Yacheng	Goods				2,801,769.91
Quzhou Electric Investment	Energy Fees	6,012,164.84			4,245,718.36
Youshan Nickel	Goods				317,571,306.51
Yulin Times Juneng	Energy Fees	47,014,018.39			86,734,148.97
Yulin Times Juneng	Goods				10,354.00
Yulin Times Green Water	Service charges	37,251,045.62			25,807,027.26
Yulin Times Green Water	Energy Fees	4,577.36			152,352.62
Yulin Times Green Water	Goods	90.33			23,896.09
Yulin Times Sky Blue	Energy Fees	161,696,065.60			157,754,899.66
Yulin Times Sky Blue	Service charges	1,749,548.78			1,227,312.29
PHC Company	Goods				20,005,197.71
SCM Company	Goods	1,321,287,090.77			1,270,500,731.99

Guangxi Huachuang	Service charges	117,198.11			63,792.51
Guangxi Huachuang	Energy Fees	729,546.69			168,198.59
Huayou Li-ion Company	Service charges				472,989.49
Tongxiang Electric Investment	Energy Fees	990,774.43			668,252.07
CSI Company	Service charges	4,084.10			
HNMI Company	Service charges	4,295.94			
JOH CO.,LTD	Goods	6,494.56			
JOH CO.,LTD	Service charges	163,779.58			
Guangxi Recycling	Goods	111,347.75			
Guizhou Yazhou	Goods	67,699.11			
Hengyuan New Energy	Goods	10,963,504.43			
PT.IWIP GREEN INDUSTRY	Service charges	100,385,152.88			
Xinhua Polymeric Materials	Goods	11,241.38			
Youshan New Material	Service charges	62,971.62			
Youshan New Material	Charges for processing	5,448,279.68			
Total		6,053,567,687.69			5,296,426,012.63

In addition, in some transactions, the company sold raw materials to related parties, and then repurchased processed finished products or raw materials from them.

In this period, the company sold raw materials to Guangxi Times Huineng, Times Li-ion Company and Eternal Nickel Industry of RMB 924,253,599.08, RMB 3,566,274,344.37 and RMB 1,523,710,261.54 respectively, and repurchased finished products or raw materials from them for amounts of RMB 2,541,196,595.37、RMB 5,949,494,590.07 and RMB 1,670,943,627.47 respectively. In the same period last year, the company sold raw materials to Guangxi Times Huineng, Times Li-ion Company and Hunan Yacheng for amounts of RMB 286,765,408.01, RMB 1,559,433,476.70 and RMB 177,514,159.29 respectively, and repurchased finished products or raw materials from them for amounts of RMB 669,832,632.73, 1,568,410,474.09 and 177,514,159.27 respectively. The financial statements have been presented on a net basis.

Besides, the company has sold engineering materials such as equipment and spare parts to Quzhou Zhiyou and then purchased them back from it. In this period, the company sold engineering materials such as equipment and spare parts to Quzhou Zhiyou of RMB 1,499,316,845.87, and repurchased them for amount of RMB 1,623,474,713.77 (including freight, insurance and other fees borne by Quzhou Zhiyou). The financial statements have been presented on a net basis.

Statement of sales of goods/provision of services

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Related parties	Related transaction content	Amount incurred in the current period	Amount incurred in the previous period
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Puhua Company	Service charges and use fee	12,981,346.65	11,352,698.72
Leyou Company	Goods	38,747,969.05	176,819,883.87
Leyou Company	Service charges	346,771.80	380,579.29
Beilinde Company[Note]	Goods	58,776,042.47	
Beilinde Company[Note]	Service charges	22,720.63	2,874.11
Times Li-ion Company	Goods	160,222,840.05	149,640,494.31
Times Li-ion Company	Service charges	84,640,377.02	51,872,285.89
Times Li-ion Company	Charges for processing	29,552,213.10	2,797,684.96
Huayou Holding	Goods	10,238.80	9,970.14
Huayou Holding	Service charges	801,605.84	634,575.90
Inner Mongolia Shengfan	Goods	2,421,326.01	29,320.35
Inner Mongolia Shengfan	Service charges	233,982.13	125.26
WBE Company	Charges for processing	19,851,671.56	23,354,754.98
Guangxi Huachuang	Goods	128,725.67	
Guangxi Huachuang	Service charges	1,382,106.10	820,885.85
Guangxi Times Huineng	Goods	1,188,774.97	103,283,590.07
Guangxi Times Huineng	Service charges	29,499,568.35	27,962,967.97
Guangxi Times Huineng	Charges for processing	1,821,274.32	1,363,421.02
Guangxi Times New Energy	Goods	15,633,148.49	1,755,604.97
Guangxi Times New Energy	Service charges	12,702,096.09	14,230,038.42
Yulin Times Juneng	Goods	27,829.79	41,331.19
Yulin Times Juneng	Service charges	4,802,993.90	10,406,412.22
Yulin Times Green Water	Goods	8,819.34	16,442.54
Yulin Times Green Water	Service charges	1,815,811.66	3,062,001.03
Yulin Times Sky Blue	Goods	283,524.90	2,867.24
Yulin Times Sky Blue	Service charges	4,005,369.81	6,735,842.96
BCM Company	Goods	116,515,529.15	709,045,210.39
BCM Company	Service charges	2,559,631.11	2,917,947.03
Guangxi Times Chuangneng	Goods	26,033.09	
Guangxi Times Chuangneng	Service charges	448,384.81	
Guangxi Recycling	Goods	3,757,854.39	3,386,194.96
Guangxi Recycling	Service charges	2,088,019.07	1,660,422.88
Guangxi Recycling	Charges for processing	1,278,148.67	
Huayou Li-ion Company	Goods	3,934.27	5,419.09
Huayou Li-ion Company	Service charges	6,572,499.98	20,703,212.61
Xinhua Polymeric Materials	Goods	282,452.05	489,665.73
Youshan New Material	Goods	796,161,786.63	477,276,657.42
Youshan New Material	Service charges	1,205,111.89	3,050,613.68
Youshan New Material	Charges for processing	20,840.71	
Yunnan Youtian	Service charges	16,532.28	136,460.94
Yunnan Youtian	Goods	8,980.53	4,964.60
Eternal Nickel Industry	Goods	2,399,247,167.54	55,506,999.26
SCM Company	Service charges	740,294.08	466,321.68
Anhui Huachuang Zhejiang Branch	Service charges	250,795.19	1,000.47
Guizhou Yayou	Goods	166,017.70	28,327.43
Guizhou Yayou	Service charges	162,466.27	

Huajing New Material	Service charges	1,728,631.67	1,146.10
Huajing New Material	Goods	209,102.65	16,879.65
Jiangxi Huachuang	Goods		26,982.00
Jiangxi Huachuang	Service charges	6,956.00	
Guizhou Youshan New Material	Goods	91,757.86	
Guizhou Youshan New Material	Service charges	4,944,053.72	2,693.28
Youshan New Energy	Goods	16,249.56	2,601.77
Youshan New Energy	Service charges	98,377.40	
Zhijin Youshan	Service charges	87,700.00	
Zongxu Huayou	Goods	17,955,012.97	
Quzhou Zhiyou	Service charges	50,009.96	
MTI Company	Goods	234,734.57	
MTI Company	Service charges	3,880.09	
JOH CO.,LTD	Goods	647,904.99	
JOH CO.,LTD	Service charges	35,404.76	
BSI Company	Service charges	49.89	
CSI Company	Service charges	617.04	
HNMI Company	Service charges	1,104.53	
Total		3,839,533,175.57	1,861,306,374.23

Explanation of related party transactions in purchasing and selling goods, providing and receiving labor services

Applicable  Not Applicable

[Note] Refers to amount incurred in the current period from sales of goods/provision of services

In addition, in some transactions, the company sold raw materials to related parties, and then repurchased processed finished products or raw materials from them. Please refer to Related transactions of purchasing and selling goods, providing and receiving labor services for details.

In this period, the company has receivables for energy fees from Puhua Company, Guangxi Times Huineng, Guangxi Times New Energy amounting to RMB 23,822,545.51, RMB 605,427.61 and RMB 976,922.83 respectively; in the previous period, the company has receivables for energy fees from Puhua Company, Guangxi Times Huineng, Guangxi Recycling and Yulin Times Green Water amounting to RMB 6,360,713.96, 132,332.54, RMB 75,656.81 and RMB 987,492.47. The financial statements have been presented on a net basis.

## (2). Related entrusted management/contracting and entrusted management/outsourcing

Statement of entrusted management/contracting of the Company:

Applicable  Not Applicable

Explanation of related trusteeship/contracting

Applicable  Not Applicable

Statement of entrusted management/outsourcing of the Company

Applicable  Not Applicable

Explanation of related management/outsourcing

Applicable  Not Applicable

## (3). Information of related lease

The Company acts as the lessor:

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Name of lessee	Types of leased assets	Lease income recognized in current period	Lease income recognized in last period
Huayou Li-ion Company	Machinery equipment	40,534.52	24,431.87
Guangxi Times New Energy	Means of transport	9,600.00	
Total		50,134.52	24,431.87

The Company acts as the lessee:

 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Name of lessor	Types of leased assets	Amount incurred in the current period					Rental expense on short-term leases and leases of low-value assets with simplified treatment (if applicable)	Amount
		Rental expense on short-term leases and leases of low-value assets with simplified treatment (if applicable)	Variable lease payments not included in the measurement of the lease liability (if applicable)	Rental paid	Interest expense on lease liabilities assumed	Increase in use right assets		
Guangxi Huachuang	Houses and buildings	1,385,235.27					357,798.15	
Guangxi Huachuang	Means of transport	415,417.94					5,907.07	
Guangxi Times Huineng	Houses and buildings	2,232,988.30					5,973,287.31	
Guangxi Times Huineng	Machinery equipment	6,648,620.14						
Guangxi Times Huineng	Means of transport	65,518.74					303,600.07	
Guangxi Times New Energy	Means of transport						37,168.16	
Times Li-ion Company	Houses and buildings	682,751.76	6,758,400.00		438,850.54		167,875.61	6,758
Times Li-ion Company	Other equipment						279,100.91	
Yulin Times Juneng	Means of transport	13,274.35					45,132.73	
Yulin Times Green Water	Means of transport	17,800.00					124,692.46	
Yulin Times Sky Blue	Means of transport						47,787.58	
Huayou Holding	Means of transport	324,000.00					600,000.00	
Youshan New Material	Machinery equipment	828,000.00						
Total		12,613,606.50	6,758,400.00		438,850.54		7,942,350.05	6,758

Explanation of related lease

 Applicable  Not Applicable

**(4). Information of related guarantee**

The Company acts as the warrantee

√ Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Secured party	Amount of guarantee	Starting date of guarantee	Maturity date of guarantee	Whether the guarantee has been performed fully
Eternal Nickel Industry	396,266,942.32	2024.12.27	2030.12.27	No
Eternal Nickel Industry	37,998,199.95	2024.12.27	2030.12.27	No
Quzhou Hangyang	174,444,000.00	2025.9.10	2032.8.20	No
Quzhou Zhiyou	75,000,000.00	2025.12.31	2026.10.31	No
Quzhou Zhiyou	50,000,000.00	2025.12.22	2026.7.15	No
Quzhou Zhiyou	86,600,000.00	2025.10.29	2026.12.18	No

Explanation of related guarantee

√ Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Guarantor	Amount of guarantee	Starting date of guarantee	Maturity date of guarantee	Whether the guarantee has been performed fully
Chen Xuehua	400,000,000.00	2025.7.25	2026.12.1	No
Chen Xuehua	300,000,000.00	2025.9.19	2026.3.12	No
Chen Xuehua	55,000,000.00	2025.6.20	2026.6.18	No
Chen Xuehua	830,000,000.00	2024.6.24	2027.12.9	No
Chen Xuehua	300,000,000.00	2025.5.23	2026.5.23	No
Chen Xuehua	400,000,000.00	2025.3.10	2026.12.8	No
Chen Xuehua	408,839,630.08	2025.2.12	2026.3.26	No
Chen Xuehua	380,000,000.00	2025.4.3	2026.6.16	No
Chen Xuehua	45,186,803.05	2024.6.5	2027.3.21	No
Chen Xuehua	17,884,861.33	2021.11.1	2027.3.21	No
Chen Xuehua	261,408,934.44	2021.10.27	2027.3.21	No
Chen Xuehua	90,379,944.35	2024.6.13	2027.3.21	No
Chen Xuehua	180,748,370.20	2024.5.29	2028.9.21	No
Chen Xuehua	169,600,000.00	2023.7.24	2030.6.21	No
Chen Xuehua	678,400,000.00	2023.7.24	2030.6.21	No
Chen Xuehua	402,800,000.00	2023.7.20	2030.6.21	No
Chen Xuehua	1,187,200,000.00	2023.7.20	2030.6.21	No
Chen Xuehua	593,600,000.00	2023.7.21	2030.6.21	No
Chen Xuehua	530,000,000.00	2023.7.21	2030.6.21	No
Chen Xuehua	538,750,000.00	2025.5.16	2027.1.24	No
Chen Xuehua	366,000,000.00	2025.7.9	2026.8.12	No
Chen Xuehua	223,655,384.88	2025.7.23	2026.2.25	No
Chen Xuehua	95,000,000.00	2025.7.10	2027.7.8	No
Chen Xuehua	550,000,000.00	2025.6.11	2026.6.6	No
Chen Xuehua	50,000,000.00	2025.6.11	2026.6.5	No
Chen Xuehua	107,700,000.00	2025.9.18	2026.3.17	No
Chen Xuehua	100,000,000.00	2025.3.26	2026.3.25	No
Chen Xuehua	955,892,168.35	2024.7.30	2027.6.17	No
Chen Xuehua	54,467,247.21	2025.10.21	2026.6.30	No
Chen Xuehua	99,000,000.00	2025.3.6	2027.2.19	No
Chen Xuehua	327,250,000.00	2025.8.15	2027.8.14	No

Chen Xuehua	230,039,505.55	2025.8.11	2026.4.30	No
Chen Xuehua	251,320,754.53	2025.7.30	2026.12.17	No
Chen Xuehua	134,000,000.00	2025.1.22	2026.2.28	No
Chen Xuehua	13,541,226.41	2025.7.7	2026.2.28	No
Chen Xuehua	139,880,000.00	2024.1.26	2026.5.27	No
Chen Xuehua	130,000,000.00	2025.5.19	2026.5.16	No
Chen Xuehua	294,300,000.00	2025.4.23	2026.4.30	No
Chen Xuehua	500,000.00	2025.9.25	2026.3.15	No
Chen Xuehua	119,500,000.00	2025.5.22	2026.7.16	No
Chen Xuehua	168,000,000.00	2025.9.18	2026.10.16	No
Chen Xuehua	72,000,000.00	2025.6.17	2026.6.17	No
Chen Xuehua	163,000,000.00	2025.11.20	2026.11.20	No
Chen Xuehua	37,000,000.00	2025.4.23	2026.4.20	No
Chen Xuehua	74,100,000.00	2024.12.11	2026.1.9	No
Chen Xuehua	351,440,000.00	2023.3.10	2026.3.9	No
Huayou Holdings	67,000,000.00	2025.9.28	2026.9.19	No
Huayou Holdings	318,554,911.34	2025.7.14	2026.6.25	No
Huayou Holdings	49,630,161.50	2025.6.26	2026.6.25	No
Huayou Holdings	178,127,953.98	2025.10.22	2026.6.10	No
Huayou Holdings	192,000,000.00	2025.2.13	2026.3.18	No
Huayou Holdings	39,424,720.00	2025.11.25	2026.5.25	No
Huayou Holdings	500,500,000.00	2021.4.23	2027.5.27	No
Huayou Holdings	299,700,000.00	2024.1.4	2026.1.3	No
Huayou Holdings	200,000,000.00	2025.2.25	2026.3.19	No
Huayou Holdings	351,298,531.95	2025.7.14	2026.5.24	No
Huayou Holdings	10,000,000.00	2025.12.15	2026.6.15	No
Huayou Holdings	193,726,188.22	2022.8.4	2026.12.20	No
Huayou Holdings	100,000,000.00	2025.12.24	2026.12.23	No
Huayou Holdings	80,000,000.00	2025.12.25	2026.12.24	No
Huayou Holdings	66,979,050.00	2025.8.19	2026.5.5	No
Huayou Holdings	97,087,504.00	2025.7.18	2026.6.26	No
Huayou Holdings	86,400,000.00	2025.7.3	2026.6.2	No
Huayou Holdings	73,976,864.50	2025.9.29	2026.3.29	No
Huayou Holdings	80,000,000.00	2025.1.14	2026.1.12	No
Huayou Holdings	373,500,000.00	2025.5.30	2031.5.29	No
Huayou Holdings	444,430,000.00	2025.5.29	2031.5.29	No

Information of related guarantee

Applicable  Not Applicable

1. The Company provides guarantees for Chengdu B&M, Tianjin B&M, Zhejiang B&M and Huachi Hong Kong, and Huayou Holdings provides counter-guarantees for the Company;

2. Additionally, in accordance with the sales contract signed by the subsidiary Huachi Hong Kong in December 2024, Huayou Mining Hong Kong undertakes a performance commitment for Huachi Hong Kong to fulfill all its obligations under the Master Contract, with the commitment period ending on the date when the Master Contract is fully performed. Huayou Holdings provides a joint and several liability counter-guarantee for Huayou Mining Hong Kong in proportion to its shareholding (including related parties).

#### (5). Borrowing of related party funds

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Related parties	Borrowing amount	Starting date	Maturity date	Notes
Borrowing				

Newstride Technology	10,653,674.82	2020/12/31	2025/12/22	
Newstride Technology	5,326,837.41	2021/4/13	2025/12/22	
Newstride Technology	181,180,881.41	2022/6/27	2025/12/22	
Newstride Technology	36,876,512.63	2022/6/1	2025/12/22	
Newstride Technology	61,460,854.38	2022/7/11	2025/7/11	
Newstride Technology	49,168,683.50	2022/8/1	2025/8/1	
Newstride Technology	9,833,736.70	2022/8/8	2025/8/8	
Newstride Technology	61,460,854.38	2022/9/1	2025/8/31	
Newstride Technology	36,876,512.63	2022/10/11	2025/10/11	
Newstride Technology	49,168,683.50	2022/10/31	2025/10/31	
Newstride Technology	34,725,311.92	2022/12/13	2025/12/13	
Newstride Technology	105,712,669.53	2023/1/5	2025/12/22	
<b>Lending</b>				
IWIP Company	195,260,064.00	2023/6/27	2028/6/26	
Veinstone	115,047,398.40	2023/6/27	2028/6/26	
Indonesia Huatuo	2,811,520.00	2023/6/27	2025/5/6	
Indonesia Huatuo	702,880.00	2023/6/27	2028/6/26	
Eternal Nickel Industry	301,535,520.00	2025/11/20	2028/11/19	
Eternal Nickel Industry	54,824,640.00	2024/8/26	2027/8/25	

[Note 1] It includes the impact of exchange rate fluctuations resulting from foreign currency conversion

#### (6). Information of asset transfer and debt restructuring of related parties

√ Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Related parties	Related transaction content	Amount incurred in the current period	Amount incurred in the previous period
Huayou Holding	Sales of long-term assets		23,164.62
Huayou Holding	Purchase of long-term assets		16,427.99
Guangxi Times New Energy	Sales of long-term assets	115,319.26	349,285.65
Guangxi Times New Energy	Purchase of long-term assets	283,185.84	
Times Li-ion Company	Sales of long-term assets	11,083.85	3,028,275.74
Times Li-ion Company	Purchase of long-term assets	1,678,097.61	4,137,667.14
Yulin Times Green Water	Purchase of long-term assets	7,840.31	10,799.01
Guangxi Times Huineng	Sales of long-term assets	4,034,216.82	257,310.23
Guangxi Times Huineng	Purchase of long-term assets	7,774,395.00	23,291,631.47

Guangxi Recycling	Sales of long-term assets		891,561.78
Guangxi Recycling	Purchase of long-term assets	1,487,101.16	
Huayou Li-ion Company	Sales of long-term assets		216,945.00
Huayou Li-ion Company	Purchase of long-term assets	529,253.35	69,513.39
Youshan New Material	Sales of long-term assets	7,810,917.19	587,910.42
Huajing New Material	Sales of long-term assets	5,699.10	
Yulin Times Juneng	Sales of long-term assets	3,976.98	130,079.76
Yulin Times Juneng	Purchase of long-term assets	7,495.94	5,202.24
Yunnan Youtian	Sales of long-term assets	2,346.77	179,009.89
Yulin Times Sky Blue	Sales of long-term assets		40,688.68
Yulin Times Sky Blue	Purchase of long-term assets	147,462.39	262,555.53
Youshan New Energy	Sales of long-term assets	512,039.94	
Guizhou Youshan New Material	Sales of long-term assets	569,992.55	
Guangxi Times Lithium Battery	Purchase of equity of Yulin Times Green Water	70,679,864.00	
Guangxi Times Lithium Battery	Purchase of equity of Yulin Times Juneng	271,715,437.00	
Total		367,375,725.06	33,498,028.54

#### (7). Remuneration of key management personnel

√ Applicable □ Not Applicable

Unit: Ten thousand yuan Currency: RMB

Items	Amount incurred in the current period	Amount incurred in the previous period
Remuneration of key management personnel	6,570.63	6,997.25

Note: Excluding remuneration of supervisors

In accordance with the relevant provisions of the Company Law and the Articles of Association of the Company, the Company no longer has a supervisory board. Therefore, the remuneration of key management personnel for the current period does not include the remuneration of supervisors.

#### (8). Other related party transactions

√ Applicable □ Not Applicable

Pursuant to the decision of the General Manager's Office Meeting of the Company, in November 2025, the Company, together with Huayou Holdings, jointly bid for Plot Tongchengwei [2019-171] at a price of RMB 131,784,000.00, and each party paid the relevant land transfer fees and taxes in accordance with the State-owned Land Grant Agreement. In light of the relevant provisions including the Listing Rules of the Shanghai Stock Exchange and the Articles of Association of the Company, this bidding transaction constitutes a connected transaction.

### 6. Status of unsettled items such as receivables and payables from related parties

#### (1). Accounts receivable items

√ Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Related parties	Closing balance		Opening balance	
		Book balance	Bad-debt provision	Book balance	Bad-debt provision
Accounts receivable	Leyou Company	10,418,525.51	520,926.28	10,734,909.38	536,745.47
Accounts	Puhua	1,829.03	91.45	3,783,267.42	189,163.37

receivable	Company				
Accounts receivable	Times Li-ion Company	295,875,260.48	14,793,763.02	756,824,231.84	37,841,211.59
Accounts receivable	Guangxi Huayou Construction			12,672,276.89	2,534,455.38
Accounts receivable	Guangxi Times Huineng	233,729,060.20	11,686,453.01	54,332,664.89	2,720,081.13
Accounts receivable	Guangxi Times New Energy	6,684,323.06	334,216.15	32,632,902.39	3,904,084.47
Accounts receivable	Inner Mongolia Shengfan	245,987.84	12,299.39	50.35	2.52
Accounts receivable	Guangxi Recycling	337,040.27	16,852.01	12,993,120.45	1,596,252.31
Accounts receivable	Huayou Li-ion Company	12,566.50	628.33	4,143,027.73	207,151.39
Accounts receivable	Youshan New Material	101,990,198.50	5,099,509.93	22,126,884.77	3,601,366.19
Accounts receivable	Eternal Nickel Industry	263,893,511.54	13,194,675.58	60,660,865.30	3,033,043.27
Accounts receivable	BCM Company			125,357,098.66	6,267,854.93
Accounts receivable	SCM Company			232,985.32	11,649.27
Accounts receivable	Anhui Huachuang	1,995.50	99.78	1,060.50	53.03
Accounts receivable	Hunan Yacheng			935,214.17	46,760.71
Accounts receivable	Huajing New Material	1,811,615.26	90,580.76	174.71	8.74
Accounts receivable	Huayou Holding	83,115.66	4,155.78	38,818.20	1,940.91
Accounts receivable	Jiangxi Huachuang	996.40	49.82	30,489.66	1,524.48
Accounts receivable	Guizhou Youshan New Material	4,240,911.55	212,045.58	2,854.88	142.74
Accounts receivable	Yunnan Youtian	424.00	21.20		
Accounts receivable	Quzhou Zhiyou	941,934,826.63	47,096,741.33		
Accounts receivable	WBE Company	3,642,958.30	182,147.91		
Accounts receivable	BSI Company	2.95	0.15		
Accounts receivable	CSI Company	228.93	11.45		
Accounts receivable	HNMI Company	1,198.48	59.92		
Accounts receivable	Guizhou Yayou	168,201.86	8,410.09		
Accounts receivable	Youshan New Energy	88,996.18	4,449.81		
Accounts receivable	Zhijin Youshan	92,962.00	4,648.10		
Accounts receivable	Guangxi Times Chuangneng	89,211.99	4,460.60		
Accounts receivable	JOH CO.,LTD	398,026.89	19,901.34		
Accounts receivable	Yulin Times Sky Blue	318,586.87	15,929.34		
Subtotal		1,866,062,562.38	93,303,128.11	1,097,502,897.51	62,493,491.90
Financing funds	Guangxi Times Huineng	6,384,249.99			

receivables					
Financing funds receivables	Times Li-ion Company	95,779,078.40		200,672,680.00	
Financing funds receivables	Guangxi Times New Energy	544,627.40		39,260,851.94	
Subtotal		102,707,955.79		239,933,531.94	
Prepayments	WKM Company			16,335,345.60	
Prepayments	Times Li-ion Company			22,012,096.52	
Prepayments	Yulin Times Sky Blue	5,895,038.05		3,996,915.20	
Prepayments	Eternal Nickel Industry	170,089,421.17			
Prepayments	Youshan New Material	13,400,000.00			
Prepayments	Guangxi Times Huineng	189,172.62			
Prepayments	Zongxu Huayou	200,000.00			
Subtotal		189,773,631.84		42,344,357.32	
Dividends receivable	Ningbo Ruihua			2,587,982.40	
Subtotal				2,587,982.40	
Other receivables	Indonesia Huatuo	702,880.00	702,880.00	3,594,200.00	3,594,200.00
Subtotal		702,880.00	702,880.00	3,594,200.00	3,594,200.00
Long-term receivables	IWIP Company	195,260,064.00		199,693,752.00	
Long-term receivables	Veinstone	115,047,398.40		117,659,731.20	
Long-term receivables	Eternal Nickel Industry	356,360,160.00		56,069,520.00	
Subtotal		666,667,622.40		373,423,003.20	

## (2). Payable items

√ Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Items	Related parties	Book balance at the end of the period	Book balance at the beginning of the period
Accounts payable	Times Li-ion Company	1,519,839,799.90	1,476,021,906.64
Accounts payable	WBN Company	566,906,966.21	375,891,296.32
Accounts payable	Guangxi Times Huineng	371,864,827.51	204,479,122.71
Accounts payable	SCM Company	159,022,255.57	126,985,707.54
Accounts payable	WBE Company	30,708,346.99	56,418,762.66
Accounts payable	IWIP Company	129,087,775.30	16,616,485.70
Accounts payable	Yulin Times Juneng		9,965,202.45
Accounts payable	Yulin Times Green Water		8,492,332.31
Accounts payable	Guangxi Times New Energy	6,717,372.54	5,658,847.07
Accounts payable	Leyou Company		4,524,383.25
Accounts payable	Quzhou Electric Investment	338,870.90	262,755.64
Accounts payable	Tongxiang Electric Investment	52,102.22	56,364.32
Accounts payable	Inner Mongolia Shengfan	33,185.84	33,185.84
Accounts payable	Inner Mongolia Shengfan		14,910.00

Accounts payable	Yulin Times Sky Blue	1,278.94	12,000.00
Accounts payable	Huayou Holding		2,450.69
Accounts payable	Huayou Li-ion Company	88,680.30	1,388.23
Accounts payable	Youshan New Material	5,650,524.09	
Accounts payable	Quzhou Zhiyou	1,414,709,204.64	
Accounts payable	Guangxi Recycling	3,235.20	
Accounts payable	PT.IWIP GREEN INDUSTRY	18,543,539.57	
Subtotal		4,223,567,965.72	2,285,437,101.37
Notes payable	Guangxi Times Huineng	1,052,837,151.15	885,342,710.99
Notes payable	Times Li-ion Company	1,330,919,372.63	382,163,524.12
Notes payable	Hunan Yacheng.		161,285,700.00
Notes payable	Yulin Times Sky Blue		8,367,400.00
Subtotal		2,383,756,523.78	1,437,159,335.11
Contract liabilities	Yulin Times Green Water		1,153,149.73
Contract liabilities	Yulin Times Juneng		987,794.67
Contract liabilities	Yulin Times Sky Blue	3,044,370.99	590,263.22
Contract liabilities	PHC Company		33,789.10
Contract liabilities	Puhua Company	10,064.65	
Contract liabilities	Zongxu Huayou	564,112.50	
Contract liabilities	JOH CO.,LTD	39,178.67	
Subtotal		3,657,726.81	2,764,996.72
Other payables	Newstride Technology		642,445,212.80
Other payables	Times Li-ion Company	21,700.97	873,209.08
Other payables	Guangxi Times Huineng		1,316.60
Other payables	Zongxu Huayou	300,000.00	
Subtotal		321,700.97	643,319,738.48
Non-current liabilities due within one-year	Times Li-ion Company		6,700,442.37
Subtotal			6,700,442.37

### (3). Other projects

Applicable  Not Applicable

### 7. Commitment of related parties

Applicable  Not Applicable

### 8. Others

Applicable  Not Applicable

## XV. Share-based payment

### 1. Equity instruments

#### (1) Details

Applicable  Not Applicable

#### (2) Stock options and other equity instruments outstanding at the end of the period

Applicable  Not Applicable

### 2. Equity-settled share-based payment

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Equity-settled share-based payment objects	Company staff
Determination method of the fair value of equity instruments on grant date	Based on the closing price of the company's stock on the grant date
Important parameters of the fair value of equity instruments on grant date	Based on the closing price of the company's stock on the grant date
Basis for determining the quantity of feasible equity instruments	Adjustments to the share-based payments are determined based on the granted restricted stock amount, taking into account fluctuations in the number of eligible employees on each balance sheet date, company performance metrics across various vesting periods, and individual performance evaluations.
Reason for significant difference with estimation in the current period and estimation in the previous period	N/A
Cumulative amount of share-based payments settled in equity included in capital reserve	954,599,563.23

Other explanations:

N/A

### 3. Share-based payment settled in cash

 Applicable  Not Applicable

### 4. Expenses of share-based payment in the current period

 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Category of grant recipients	Expenses of equity-settled share-based payment	Expenses of share-based payment settled in cash
Management personnel	31,526,226.32	
R&D personnel	7,430,554.21	
Sales personnel	3,963,367.10	
Production and manufacturing personnel	6,201,610.73	
Total	49,121,758.36	

Other explanations

N/A

### 5. Modification and termination of share-based payment

 Applicable  Not Applicable

### 6. Others

 Applicable  Not Applicable

## XVI. Commitments and contingencies

### 1. Important commitments

 Applicable  Not Applicable

Important external commitments, nature and amount existing at the balance sheet date

In compliance with the investment agreement and relevant regulations, the Company fulfills its guarantee obligations as a shareholder based on its shareholding ratio in SGM. To meet the

aforementioned guarantee obligations, as of December 31, 2025, the Company has issued guarantee letters totaling RMB 84,293,342.27.

## 2. Contingencies

### (1). Important contingencies on the balance sheet date

Applicable  Not Applicable

As of December 31, 2025, the progress of the land dispute between GENILAND and the subsidiary CDM is as follows:

GENILAND sued CDM Company for encroaching on its long-term lease rights (land) in the mining area of mining right No. 527, demanding compensation of 22.65 million US dollars from CDM Company. According to the judgment made by the court in the Democratic Republic of the Congo (DRC), CDM Company was ordered to pay GENILAND a total of 9,935,084 US dollars in compensation for losses and fines. In response to the above judgment, CDM Company has filed an objection and an appeal. The aforementioned judgment is currently in a state of suspension. According to a legal opinion issued in August 2020, GENILAND's claim for damages based on CDM's alleged illegal occupation of its long-term lease concession (land) lacks legal basis.

Based on the above, the company believes it is not liable for the claimed damages and has therefore not recorded any provision for contingent liabilities.

### (2). Even if the Company does not have important contingencies to be disclosed, it shall also state:

Applicable  Not Applicable

## 3. Others

Applicable  Not Applicable

## XVII. Events after balance sheet day

### 1. Important non-adjustment matters

Applicable  Not Applicable

### 2. Profit distribution

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Profits or dividends to be distributed	948,363,748.50
Profits or dividend declared after deliberation and approval	

### 3. Sales return

Applicable  Not Applicable

### 4. Explanation of other events after the balance sheet date

Applicable  Not Applicable

## XVIII. Other important matters

### 1. Correction of early accounting errors

N/A

### 2. Significant debt restructuring

Applicable  Not Applicable

**3. Asset replacement****(1). Exchange of non-monetary assets** Applicable  Not Applicable**(2). Replacement of other assets** Applicable  Not Applicable**4. Annuity plan** Applicable  Not Applicable**5. Termination of operation** Applicable  Not Applicable**6. Segment information****(1). Determination basis and accounting policy of reportable segment** Applicable  Not Applicable

The main business of the company is the production and sale of cobalt products, copper products, nickel products, lithium products, ternary precursors, cathode materials, and nickel intermediates. The company manages and evaluates the operational results of this business as a whole. Therefore, the company is not required to disclose segment information. For details on the company's operating income and operating costs classified by product/region, please refer to the "Section VIII Financial Report" in this report, specifically "VII. Notes to the Consolidated Financial Statements" under "61. Operating Income and Operating Costs."

**(2). Financial information of the reportable segment** Applicable  Not Applicable**(3). If the Company has no reportable segment, or cannot disclose the total assets and liabilities of each reportable segment, the reasons shall be explained** Applicable  Not Applicable**(4). Other explanations** Applicable  Not Applicable**7. Other important transactions and matters that have an impact on investors' decisions** Applicable  Not Applicable**8. Others** Applicable  Not Applicable**XIX. Notes on Main Items in Financial Statements of the Parent Company****1. Accounts receivable****(1). Disclosed by account receivable age** Applicable  Not Applicable

Unit: Yuan Currency: RMB

Aging	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year (inclusive)	460,006,571.64	1,226,292,855.13
1 to 2 years	15,797,299.94	6,693,293.84
2-3 years	2,453,765.85	98,062,160.87
Over 3 years	98,329,750.20	463,014.77
3 to 4 years		
4 to 5 years		
Over 5 years		
<b>Total</b>	<b>576,587,387.63</b>	<b>1,331,511,324.61</b>

**(2). Disclosed by the classification of bad debt accrual method**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad-debt provision		Book value	Book balance		Bad-debt provision		Book value
	Amount	Proportion (%)	Amount	Provision proportion (%)		Amount	Proportion (%)	Amount	Provision proportion (%)	
Provision for bad debts accrued by item	402,048.00	0.07	402,048.00	100.00			402,048.00	0.03	402,048.00	100.00
Including:										
Accounts receivable whose single amount is not significant but whose single provision for bad debts is made	402,048.00	0.07	402,048	100.00			402,048.00	0.03	402,048.00	100.00
Provision for bad debts by portfolio	576,185.39	99.93	15,633.26	2.71	560,552.07	1,331,109.27	99.97	13,346.54	1.00	1,317,762.73
Including:										
Aging portfolio	311,506.92	54.03	15,633.26	5.02	295,873.66	25,244,529.12	1.90	1,516.87	6.01	23,727,658.38
Related party group within the scope of consolidation	264,678.46	45.90			264,678.46		-			-
<b>Total</b>	<b>576,587.38</b>	<b>/</b>	<b>16,035.32</b>	<b>/</b>	<b>560,552.07</b>	<b>1,331,511.32</b>	<b>/</b>	<b>13,748.59</b>	<b>/</b>	<b>1,317,762.73</b>

Provision for bad debts accrued by item:

 Applicable  Not Applicable

No important accounts receivable for provision for bad debts on a single basis at the end of the period

Provision for bad debts by portfolio:

Applicable  Not Applicable

Provision by portfolio:

Unit: Yuan Currency: RMB

Name	Closing balance		
	Book balance	Bad-debt provision	Provision ratio (%)
Within 1 year	311,445,956.53	15,572,297.83	5.00
1-2 years			
Over 3 years	60,966.77	60,966.77	100.00
Total	311,506,923.30	15,633,264.60	5.02

Explanation of provision for bad debts by portfolio:

Applicable  Not Applicable

If bad debt provision is accrued according to the general model of expected credit loss

Applicable  Not Applicable

Criteria for dividing each stage and the bad-debt reserves calculation and withdrawal proportion

N/A

Explanation of significant changes in book balance of receivables with changes in provision for loss in the current period:

Applicable  Not Applicable

### (3). Information of bad-debt provision

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Amount of change in the current period				Closing balance
		Provision	Withdrawal or write-back	Charge-off or write-off	Other changes	
Provision for bad debts accrued by item	402,048.00					402,048.00
Provision for bad debts by portfolio	13,346,542.84	2,286,721.76				15,633,264.60
Total	13,748,590.84	2,286,721.76				16,035,312.60

Among them, significant amount of bad-debt provision withdrawn or written back in the current period:

Applicable  Not Applicable

Other explanations:

N/A

### (4). Accounts receivable actually written off in the current period

Applicable  Not Applicable

Among them, information of accounts receivable significantly written off

Applicable  Not Applicable

Explanation of the write-off of the account receivable:

Applicable  Not Applicable

**(5). The status of accounts receivable and contracted assets in the top five of the ending balance collected according to debtors**

Applicable  Not Applicable

Other explanations:

Applicable  Not Applicable

The aggregate amount of the top five accounts receivable at the end of the period is RMB 420,459,668.85, accounting for 72.92% of the total accounts receivable at the end of the period, with the aggregate amount of the corresponding provision for bad debts on accounts receivable of RMB 12,163,037.26.

**2. Other receivables**

**List by item**

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Interests receivable		
Dividends receivable		752,587,982.40
Other receivables	5,046,887,464.77	2,213,031,875.46
Total	5,046,887,464.77	2,965,619,857.86

Other explanations:

Applicable  Not Applicable

**Interests receivable**

**(1). Classification of interest receivable**

Applicable  Not Applicable

**(2). Significant overdue interest**

Applicable  Not Applicable

**(3). Disclosed by the classification of bad debt accrual method**

Applicable  Not Applicable

Provision for bad debts accrued by item:

Applicable  Not Applicable

Explanation of bad debt provision by item:

Applicable  Not Applicable

Provision for bad debts by portfolio:

Applicable  Not Applicable

**(4). If bad debt provision is accrued according to the general model of expected credit loss**

Applicable  Not Applicable

Criteria for dividing each stage and the bad-debt reserves calculation and withdrawal proportion  
 N/A

Explanation of significant changes in book balance of interest receivables with changes in provision for loss in the current period:

Applicable  Not Applicable

**(5). Information of bad-debt provision**

Applicable  Not Applicable

Among them, significant amount of bad-debt provision withdrawn or written back in the current period:

Applicable  Not Applicable

Other explanations:

N/A

**(6). Interests receivable actually written off in the current period**

Applicable  Not Applicable

Among them, information on interests receivable significantly written off

Applicable  Not Applicable

Explanation of the write-off:

Applicable  Not Applicable

Other explanations:

Applicable  Not Applicable

**Dividends receivable**

**(1) Dividends receivable**

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Project (or Invested Unit)	Closing balance	Opening balance
Huayou New Energy		750,000,000.00
Ningbo Ruihua		2,587,982.40
Total		752,587,982.40

**(2) Important dividends receivable with an age of more than 1 year**

Applicable  Not Applicable

**(3) Disclosed by the classification of bad debt accrual method**

Applicable  Not Applicable

Provision for bad debts accrued by item:

Applicable  Not Applicable

Explanation of bad debt provision by item:

Applicable  Not Applicable

Provision for bad debts by portfolio:

Applicable  Not Applicable

**(4) If bad debt provision is accrued according to the general model of expected credit loss**
 Applicable  Not Applicable

Criteria for dividing each stage and the bad-debt reserves calculation and withdrawal proportion  
 N/A

Explanation of significant changes in book balance of dividend receivables with changes in provision for loss in the current period:

 Applicable  Not Applicable

**(5) Information of bad-debt provision**
 Applicable  Not Applicable

Among them, significant amount of bad-debt provision withdrawn or written back in the current period:

 Applicable  Not Applicable

Other explanations:

N/A

**(6) Dividend receivables actually written off in the current period**
 Applicable  Not Applicable

Among them, information on dividend receivables significantly written off

 Applicable  Not Applicable

Explanation of the write-off:

 Applicable  Not Applicable

Other explanations:

 Applicable  Not Applicable

**Other receivables**
**(1) Disclosed by account receivable age**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Aging	Book balance at the end of the period	Book balance at the beginning of the period
Within 1 year (inclusive)	4,644,186,560.69	1,382,531,633.07
1 to 2 years	106,259,485.34	622,793,454.73
2-3 years	218,016,889.56	128,346,891.70
Over 3 years	82,217,555.53	81,540,218.46
3 to 4 years		
4 to 5 years		
Over 5 years		
Total	5,050,680,491.12	2,215,212,197.96

**(2) Classification by nature of payment**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Nature of payment	Book balance at the end of the period	Book balance at the beginning of the period
-------------------	---------------------------------------	---

Security deposit	12,332,816.90	13,575,981.16
Temporary loans	5,037,659,050.57	2,200,850,930.79
Reserve fund		777,659.85
Others	688,623.65	7,626.16
Total	5,050,680,491.12	2,215,212,197.96

**(3) Provision for bad debts**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Bad-debt provision	First stage	Second stage	Third stage	Total
	Expected credit losses over the next 12 months	Expected credit loss for the entire duration (no credit impairment occurred)	Expected credit loss for the entire duration (credit impairment has occurred)	
Balance as at January 1, 2025	424,977.32	905,446.60	849,898.58	2,180,322.50
Balance as at January 1, 2025 in the current period				
--Transferred to the second stage	-389,880.80	389,880.80		
--Transferred to the third stage		-722,341.32	722,341.32	
--Returned to the second stage				
--Returned to the first stage				
Accrual in the current period	27,243.90	986,537.11	598,922.84	1,612,703.85
Amount written back in the current period				
Current write off				
Amount written off in the current period				
Other changes				
Balance as at December 31, 2025	62,340.42	1,559,523.19	2,171,162.74	3,793,026.35

Criteria for dividing each stage and the bad-debt reserves calculation and withdrawal proportion

Criteria for dividing each stage: Other receivables with an age of less than one year and those owed by related parties within the consolidation scope are considered to have not significantly increased credit risk since initial recognition (Stage One). Other receivables aged between one and two years are deemed to have experienced a significant increase in credit risk but have not yet incurred credit impairment (Stage Two). Lastly, other receivables aged over two years and those for which bad debt provisions are made individually are recognized as having already suffered credit impairment since initial recognition (Stage Three).

Explanation of significant changes in book balance of other receivables with changes in provision for loss in the current period:

 Applicable  Not Applicable

The amount of bad debt provision in the current period and the basis for evaluating whether the credit risk of financial instruments increases significantly:

Applicable  Not Applicable

**(4) Information of bad-debt provision**

Applicable  Not Applicable

Among them, significant amount of bad-debt provision written back or withdrawn in the current period:

Applicable  Not Applicable

Other explanations:

N/A

**(5) Other receivables actually written off in the current period**

Applicable  Not Applicable

Wherein, write-off of other important receivables:

Applicable  Not Applicable

Explanation on write-off of other receivables:

Applicable  Not Applicable

**(6) Other receivables of the top five ending balances collected by debtor**

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Company name	Closing balance	Ratio in the total ending balance of other receivables (%)	Nature of payment	Aging	Bad-debt provision Closing balance
Zhejiang Huayou Import & Export Co., Ltd. (“Huayou Import & Export”)	1,550,989,271.44	30.71	Temporary loans	Within 1 year	
Guangxi Huayou Lithium Industry Co., Ltd. (“Guangxi Lithium”)	1,278,327,601.75	25.31	Temporary loans	Within 1 year	
Huayou New Energy	1,100,614,758.82	21.79	Temporary loans	RMB 1,097,809,464.07 within 1 year, RMB 2,805,294.75 within 1-2 years	
Zhejiang Like Cobalt Nickel Co., Ltd. (“Like Cobalt”)	225,104,057.70	4.46	Temporary loans	Within 1 year	
Zhejiang Huayou Recycling Technology Co., Ltd. (“Huayou Recycling”)	200,341,523.03	3.97	Temporary loans	Within 1 year	
Total	4,355,377,212.74	86.24	/		

**(7) Reported under other receivables due to centralized management of funds**
 Applicable  Not Applicable

Other explanations:

 Applicable  Not Applicable

**3. Long-term equity investments**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investments in subsidiaries	33,072,400,930.60		33,072,400,930.60	28,995,064,449.60		28,995,064,449.60
Investment in joint ventures and associates	4,345,634,803.83		4,345,634,803.83	4,270,672,695.29		4,270,672,695.29
Total	37,418,035,734.43		37,418,035,734.43	33,265,737,144.89		33,265,737,144.89

**(1). Investments in subsidiaries**
 Applicable  Not Applicable

Unit: Yuan Currency: RMB

Invested entity	Opening balance (book value)	Opening balance of impairment provision	Increase or decrease in the current period				Ending balance (book value)	Ending balance of provision for impairment
			Addition investment	Investment decrease	Provision for impairment reserve	Others		
Like Cobalt Nickel	33,171,333.03		-			33,171,333.03		
Huayou Import & Export	100,587,951.00		-			100,587,951.00		
Huayou Hong Kong	458,040,203.00		2,181,641,180.00			2,639,681,383.00		
CDM Company	480,447,838.92		-			480,447,838.92		
ORIENT INTERNATIONAL MINERALS & RESOURCE (PROPRIETARY) LIMITED	3,958,802.50		-			3,958,802.50		
MIKAS Company	263,815,386.00		-			263,815,386.00		
Huayou Quzhou	2,488,000,000.00		-			2,488,000,000.00		
Huayou Mining Hong Kong	12,828,585,186.34		-			12,828,585,186.34		
New Energy Quzhou	2,725,950		-			2,725,950		

	,684.93					,684.93	
Huayou Recycling	1,250,000,000.00		-			1,250,000,000.00	
Huayou New Energy	2,466,270,463.88		-			2,466,270,463.88	
Zhejiang Youqing Trading Co., Ltd.	5,700,000.00		-			5,700,000.00	
Tongxiang Hua'ang Trading Co., Ltd.	2,850,000.00		-			2,850,000.00	
Beijing Youhong	1,710,000.00		-			1,710,000.00	
Guangxi Huayou Engineering Project Management Co., Ltd.	50,000.00		-			50,000.00	
Guangxi B&M	2,621,000,000.00	140,000,000.00				2,761,000,000.00	
Hualing Import & Export (Tongxiang) Co., Ltd.	18,040,800.00		-			18,040,800.00	
Huawang Import & Export (Tongxiang) Co., Ltd.	18,040,800.00		-			18,040,800.00	
Huashan Import & Export (Wenzhou) Co., Ltd.	25,500,000.00		-			25,500,000.00	
Tianjin B&M	1,351,200,000.00		-			1,351,200,000.00	
Resource Recycling	138,000,000.00		-			138,000,000.00	
Guangxi Lithium	560,000,000.00		-			560,000,000.00	
Huashan Import & Export (Tongxiang) Co., Ltd.	5,100,000.00		-			5,100,000.00	
Huazheng Import & Export (Tongxiang) Co., Ltd.	34,695,000.00		-			34,695,000.00	
Guangxi Huayou New Materials	570,000,000.00	1,030,000,000.00				1,600,000,000.00	
Shanghai Xinsheng	17,500,000.00		-			17,500,000.00	
Tongxiang Huashi Import & Export Co., Ltd.	10,000,000.00		-			10,000,000.00	
Huaxun Import & Export (Tongxiang) Co., Ltd.	7,000,000.00		-			7,000,000.00	
Huake Import & Export (Wenzhou) Co., Ltd.	7,000,000.00		-			7,000,000.00	
Zhejiang Huayou Catering Management Co., Ltd.	28,000,000.00	3,000,000.00				31,000,000.00	
Zhejiang Huayou Property Management Co., Ltd.	21,000,000.00		-			21,000,000.00	

Zhejiang New Materials	180,500,000.00		40,000,000.00				220,500,000.00	
Zhejiang Huayou Supply Chain Co., Ltd.	1,000,000.00		1,000,000.00				2,000,000.00	
Guangxi Huayou Enterprise Investment	10,000,000.00		339,000,000.00				349,000,000.00	
Shanghai Huayou Jintian Enterprise Management Co., Ltd.	10,000,000.00		-				10,000,000.00	
Hangzhou Haoyue Equity Investment Partnership (Limited Partnership)	202,400,000.00		-				202,400,000.00	
Tongxiang Hualan Information Technology Consulting Co., Ltd.	-		200,000.00				200,000.00	
Huayong Zhiyuan Information Technology Consulting (Beijing) Co., Ltd.	-		100,000.00				100,000.00	
Yulin Times Juneng	-		271,715,437.00				271,715,437.00	
Yulin Times Green Water	-		70,679,864.00				70,679,864.00	
<b>Total</b>	<b>28,995,064,449.60</b>		<b>4,077,336,481.00</b>				<b>33,072,400,930.60</b>	

**(2). Investment in joint ventures and associates**

√ Applicable □ Not Applicable

Unit: Yuan Currency: RMB

Investment Unit	Opening Balance (book value)	Increase or decrease in the current period							Ending Balance (book value)	Closing balance of impairment provision	
		Additional investment	Investment decrease	Recognized investment gain and loss under equity method	Other comprehensive income adjustments	Other changes in equity	Declared payment of cash dividends or profits	Provision for impairment reserve			Others
<b>I. Joint ventures</b>											
Quzhou Zhiyuan		100,000,000.00		2,336,573.37						102,336,573.37	
Subtotal		100,000,000.00		2,336,573.37						102,336,573.37	
<b>II. Associates</b>											

Quzhou Anyou	586,807,796.20			4,806,935.04						591,614,731.24
Guanxi Times Lithium Battery Investment Management Center	690,677,935.81			5,399,878.27						696,077,814.08
Guanxi Times Lithium Battery Industry Fund	635,870,303.35			9,595,918.57						645,466,221.92
Hunan Yacheng.	97,274,839.93			-6,804,772.80						90,470,067.13
Quzhou Xinhua	1,168,704,553.87			9,750,338.45						1,178,454,892.32
Zhejiang Electric Investment	10,398,968.67	3,088,800.00		2,497,817.43						15,985,586.10
Tongxiang Lithium Times	162,505,677.22	17,800,000.00		-3,268,262.36						177,037,414.86
Ningbo Ruihua	61,203,353.62		59,850,000.00	283,937.22						1,637,290.84
Haigang Pingyou	88,665,000.00			-5,280,333.04						83,384,666.96
LG-H	695,071			-22,95	6,121,					678,233

Y BCM.	,136.10			9,065.2 3	620.78					,691.65	
Quzh ou Hang yang	73,493, 130.52			11,442, 722.84						84,935, 853.36	
Subto tal	4,270,6 72,695. 29	20,888, 800.00	59,850 ,000.0 0	5,465,1 14.39	6,121, 620.78					4,243,2 98,230. 46	
Total	4,270,6 72,695. 29	120,88 8,800.0 0	59,850 ,000.0 0	7,801,6 87.76	6,121, 620.78					4,345,6 34,803. 83	

### (3) Impairment testing of long-term equity investment

Applicable  Not Applicable

Other explanations:

N/A

## 4. Operating income and operating cost

### (1). Information on operating income and operating costs

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Amount incurred in the current period		Amount incurred in the previous period	
	Income	Cost	Income	Cost
Main business	4,955,694,718.11	4,276,238,035.40	5,157,780,238.00	4,668,423,349.80
Other business	192,604,215.65	54,954,103.46	352,083,035.83	133,250,946.05
Total	5,148,298,933.76	4,331,192,138.86	5,509,863,273.83	4,801,674,295.85

### (2). Breakdown of the operating income and operating cost

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Classification of contracts	Parent company		Total	
	Operating income	Operating cost	Operating income	Operating cost
Product types				
Cobalt products	2,161,983,692.41	1,335,549,680.29	2,161,983,692.41	1,335,549,680.29
Nickel products	2,724,023,373.35	2,895,611,741.16	2,724,023,373.35	2,895,611,741.16
Others	256,811,308.67	99,573,878.46	69,687,652.35	99,573,878.46
Subtotal	5,142,818,374.43	4,330,735,299.91	4,955,694,718.11	4,330,735,299.91
Classified according to operation regions				
Domestic	4,498,392,514.14	3,934,117,207.69	4,311,268,857.82	3,934,117,207.69
Overseas	644,425,860.29	396,618,092.22	644,425,860.29	396,618,092.22
Subtotal	5,142,818,374.43	4,330,735,299.91	4,955,694,718.11	4,330,735,299.91
Market or customer type				
Contract type				
Classification by time of transfer of goods				

Income recognized at a certain point	5,142,818,374.43	4,330,735,299.91	4,955,694,718.11	4,330,735,299.91
Subtotal	5,142,818,374.43	4,330,735,299.91	4,955,694,718.11	4,330,735,299.91
Classified according to term of contract				
Classified according to sales channel				
Total	5,142,818,374.43	4,330,735,299.91	4,955,694,718.11	4,330,735,299.91

Other explanations:

Revenue included in the opening book value of contract liabilities during the reporting period is RMB 1,190,006,698.54.

**(3). Explanation of performance obligations**

Applicable  Not Applicable

**(4). Explanation of remaining performance obligations allocated**

Applicable  Not Applicable

**(5). Significant contract changes or significant transaction price adjustments**

Applicable  Not Applicable

Other explanations:

N/A

**5. Investment income**

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Amount incurred in the current period	Amount incurred in the previous period
Long-term equity investment income calculated by cost method [Note 1]	1,587,428,308.81	1,217,028,308.81
Long-term equity investment income accounted by equity method	7,801,687.76	37,483,804.76
Investment income from disposal of long-term equity investments		
Investment income of tradable financial assets during holding period		
Dividend income from investment in other equity instruments during the holding period		
Interest income from debt investment during the holding period [Note 2]	55,789,706.39	116,922,527.47
Interest income from other debt investments during the holding period		
Investment income from disposal of financial assets held for trading	31,277,733.42	16,156,566.58
Investment income from disposal of investment in other equity instruments		

Investment income from disposal of debt investment		
Investment income from disposal of other debt investment		
Gains of debt restructuring		
Discounted loss of receivables financing	-3,056,716.23	-691,922.50
Losses related to termination recognition of accounts receivable	-13,669,840.28	-4,382,260.00
Investment income of other non-current financial assets during holding period	141,354,669.21	
Total	1,806,925,549.08	1,382,517,025.12

Other explanations:

[Note 1] It is the dividend payment of RMB 1,587,428,308.81 from the subsidiaries within the consolidation scope.

[Note 2] It is the borrowing interest of RMB 55,789,706.39 for the subsidiaries within the consolidation scope.

## 6. Others

Applicable  Not Applicable

## XX. Supplementary information

### 1. Statement of non-recurring gains and losses for the current period

Applicable  Not Applicable

Unit: Yuan Currency: RMB

Items	Amount	Notes
Profits or losses from disposal of non-current assets (including the write-off for the accrued impairment of assets)	54,835,386.99	
The government subsidies included in the current profits and losses (excluding the government subsidies closely related to regular businesses of the Company, in line with national policies, enjoyed according to established standards, and that have a continuous impact on the Company's profits and losses)	133,534,710.32	
Profit and loss from changes in fair value of financial assets and liabilities held by non-financial enterprises, and profit and loss from the disposal of financial assets and liabilities, except for effective hedging operations related to the Company's normal business operations	252,414,484.07	
Fund possession cost charged to non-financial enterprises included in the current profits and losses	27,741,273.16	
Gains or losses from investment or asset management entrusted to others		
Gains and losses from external entrusted loans		
Losses on assets due to force majeure factors, such as natural disasters		
Reversal of the receivables Provision for impairment for separate impairment test		
Income enjoyed by the Company generated by the fair value of the identifiable net assets of the invested entity if the investment cost of acquiring subsidiaries, associates and joint ventures is less than the investments acquired		
Net profit and loss for the current period of subsidiaries from the beginning of the period to the date of merger arising from the business combination under common control		

Gains and losses of non-monetary assets exchange		
Gains or losses from debt restructuring		
One-time expenses incurred by the company due to the discontinuation of related business activities, such as expenditures for employee relocation, etc.		
One-time impact on current profits and losses due to adjustments in laws and regulations related to taxation, accounting, etc.		
One-time recognition of share-based payment expenses due to the cancellation or modification of the equity incentive plan.		
For cash-settled share-based payments, the gains and losses arising from changes in the fair value of the payable employee compensation after the exercise date		
Gains and losses arising from changes in the fair value of investment real estate that are subsequently measured by the fair value model		
Profits generated from transactions with unfairly priced transactions		
Gains and losses arising from contingencies unrelated to the normal operation of the Company		
Trustee fee income from entrusted operation		
Non-operating revenue and expenses other than the above	-46,919,924.19	
Other items of profit and loss complying with the definition for non-recurring profit and loss		
Less: Impact of income tax	26,000,835.73	
Affected amount of minority shareholders' equity (after tax)	78,158,362.19	
Total	317,446,732.43	

Where the Company recognizes items not listed in the *Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Securities to the Public - Non-recurring Gains and Losses* as non-recurring gains and losses items with significant amounts, or defines non-recurring gains and losses listed in the *Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Securities to the Public - Non-recurring Gains and Losses* as recurring gains and losses, it should give the reasons.

Applicable  Not Applicable

Other explanations:

Applicable  Not Applicable

## 2. Net assets income rate and earnings per share

Applicable  Not Applicable

Profit during the reporting period	Weighted average net assets returns ratio (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	13.70	3.34	3.33
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring gains and losses	12.99	3.17	3.16

## 3. Differences in accounting data under domestic and foreign accounting standards

Applicable  Not Applicable

**4. Others**

Applicable  Not Applicable

Chairman: Chen Xuehua

Date of submission approved by the board of directors: April 6, 2026

**Revision information**

Applicable  Not Applicable