

**2023 Semi-Annual Report  
of  
Zhejiang Huayou Cobalt Co., Ltd.**



August, 2023

## Important Notes

- I. The Board of Directors, Board of Supervisors, directors, supervisors and senior officers of the Company warrant the truthfulness, accuracy and completeness of the contents of this semi-annual report 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. This semi-annual report is unaudited.**
- 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) guarantee that the financial statements in this semi-annual report are true, accurate and complete**
- V. The profit distribution plan or the plan for converting provident fund to share capital for the reporting period adopted by the Board of Directors**

None

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

Applicable  Not applicable

Forward-looking statements, including future plans and development strategies contained in the report, do not constitute any commitment of the Company to investors. Investors should be reminded of 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 guarantees provided in violation of the prescribed decision-making procedures**

None

**IX. Statement on whether there are more than half of the directors who are unable to guarantee the authenticity, accuracy, and completeness of the semi-annual report disclosed by the Company**

None

**X. Major risks warnings**

The Company has provided a detailed description of the existing risk factors in this report. Please refer to “(I) Possible risks”, “V. Other disclosures”, “Section III Management Discussion and Analysis” for details.

**XI. Others**

Applicable Not applicable

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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)
Directory of reference documents	Original copies of all corporate documents and announcements publicly disclosed on the websites designated by the CSRC during the reporting period.

## Section I Definitions

Unless the context otherwise requires, these terms shall have the following meanings when used herein:

The Company, Company, or Huayou Cobalt	Zhejiang Huayou Cobalt Co., Ltd.
Huayou Holding	Huayou Holding Group Co., Ltd.
CDM Company	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	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	HUAYOU (HONGKONG) CO., LIMITED, with the Chinese name “华友（香港）有限公司”
OIM Company	ORIENT INTERNATIONAL MINERALS & RESOURCE (PROPRIETARY) LIMITED, with the Chinese name “东方国际矿业有限公司”
Huayou Import & Export	Zhejiang Huayou Import & Export Co., Ltd.
Huayou Quzhou	Quzhou Huayou Cobalt New Materials Co., Ltd.
Huayou Mining Hong Kong or Huayou International	HUAYOU INTERNATIONAL MINING(HONGKONG) LIMITED, with the Chinese name “华友国际矿业（香港）有限公司”
Huayou Mining Holding or Huayou International Holding	HUAYOU INTERNATIONAL MINING HOLDING LIMITED, with the Chinese name “华友国际矿业控股有限公司”
Huayou International Cobalt	Huayou International Cobalt (Hong Kong) Company Limited
Huayou New Energy Quzhou	Huayou New Energy Technology (Quzhou) Co., Ltd.
Huayou Recycling	Zhejiang Huayou Recycling Technology Co., Ltd.
Resource Recycling	Quzhou Huayou Resource Recycling Technology Company Limited
Huayou New Energy Technology	Zhejiang Huayou New Energy Technology Co., Ltd.
Jiangsu Huayou	Jiangsu Huayou Energy Technology Co., Ltd.
Huayou Singapore	HUAYOU RESOURCES PTE.LTD.
Shanghai Feicheng	Shanghai Feicheng Metal Materials Co., Ltd.
Huajin Company	Huajin New Energy Materials (Quzhou) Co., Ltd.
Huayou Puxiang	Zhejiang Huayou Puxiang New Energy Materials Co., Ltd.
Leyou Company	Leyou New Energy Materials (Wuxi) Co., Ltd.
Puhua Company	Zhejiang Puhua New Energy Materials Co., Ltd
Huayue Company	PT.HUAYUE NICKEL COBALT
Huake Company	PT.HUAKE NICKEL INDONESIA
Huafei Company	PT.HUAFEI NICKEL COBALT
Huashan Company	PT.HUASHAN NICKEL COBALT
KNI Company	PT KOLAKA NICKEL INDONESIA
Prospect Lithium	PROSPECT LITHIUM ZIMBABWE (PVT) LTD
Tianjin B&M	Tianjin B&M Science Technology Co., Ltd
Chengdu B&M	Chengdu B&M Technology Co., Ltd
Guangxi B&M	Guangxi B&M Technology Co., Ltd
Zhejiang B&M	Zhejiang B&M Science and Technology Co., Ltd
Guangxi Lithium Industry	Guangxi Huayou Lithium Industry Co., Ltd
GDR	Global Depositary Receipts

## Section II Company Overview and Major Financial Indicator

### 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	Wang Guangpu
Contact address	18 Wuzhen East Road, Tongxiang Economic Development Zone Phase II, Zhejiang Province	18 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	wgp@huayou.com

### III. Change of company address

Registered address	18 Wuzhen East Road, Tongxiang Economic Development Zone Phase II, Zhejiang Province
Office address	18 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 location change

Newspaper selected by the Company for information disclosure	China Securities News, Shanghai Securities Journal, Securities Times, Securities Daily
Website for publication of semi-annual reports	www.sse.com.cn
Place where the semi-annual reports of the Company are available for inspection	Office of the Securities Management Department of the Company

### V. Company stock

Stock type	Stock exchange	Stock abbreviation	Stock code	Stock abbreviation before change
A shares	Shanghai Stock Exchange	华友钴业	603799	None
GDR	SIX Swiss Exchange	Zhejiang Huayou Cobalt Co., Ltd.	HUAYO	None

### VI. Other relevant information

Applicable Not applicable

### VII. Major accounting data and financial indicators of the Company

#### (I) Major accounting data

Monetary unit: Yuan Currency: RMB

Major accounting data	The current period (January to June)	The same period last year	Increase/decrease compared with the same period last year (%)
Operating income	33,345,537,519.76	31,018,304,267.06	7.50
Net profit attributable to shareholders of the listed company	2,085,104,942.66	2,255,513,730.90	-7.56
Net profit attributable to shareholders of the listed company after deducting non-recurring profits and losses	1,839,200,954.15	2,192,290,161.57	-16.11
Net cash flow from operating activities	1,794,476,677.55	-1,057,411,058.52	269.70
	End of the current period	End of last year	Increase or decrease at the end of the current period compared with the end of last year (%)
Net assets attributable to the shareholders of the listed company	28,630,994,949.14	25,893,158,131.43	10.57
Total assets	124,420,791,074.26	110,592,418,711.85	12.50

## (II) Major financial indicators

Major financial indicators	The current period (January to June)	The same period last year	Increase/decrease compared with the same period last year (%)
Basic earnings per share (RMB/share)	1.32	1.41	-6.38
Diluted earnings per share (RMB/share)	1.32	1.35	-2.22
Basic earnings per share after deducting non-recurring gains and losses (RMB/share)	1.16	1.37	-15.33
Weighted average return on net assets (%)	7.63	10.53	-2.90
Weighted average return on net assets after deducting non-recurring gains and losses (%)	6.73	10.24	-3.51

Description of the Company's major accounting data and financial indicators

Applicable Not applicable

## VIII. Differences of accounting data under Chinese and overseas accounting standards

Applicable Not applicable

## IX. Items and amounts of non-recurring gains and losses

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Non-recurring gains and losses	Amount	Remark (if applicable)
Profit or loss from disposal of non-current assets	-11,324,161.80	
Tax refund or reduction approved beyond one's authority, or without formal approval documents, or of occasional nature		
Government subsidies included into the current profit or	157,469,972.63	

loss (except for the government subsidies that are closely related to the Company's business and continuously enjoyed in accordance with the government policies with fixed or quantitative amount per certain standards)		
Fund occupancy fees charged to non-financial enterprises included in the current profit or loss		
Income from disposing of subsidiaries, associates and joint ventures whose investment costs at the time of acquisition are lower than the fair value of their identifiable net assets that the Company may obtain at the time of disposal		
Profit or loss from exchange of non-monetary assets		
Profit or loss from entrusting others to invest or manage assets		
Provision for impairment of various assets accrued in connection with force majeure, such as natural disasters		
Profit or loss from debt restructuring		
Enterprise restructuring costs, such as expenses for employee re-settlement, consolidation costs, etc.		
Gain or loss arising from transactions with significantly unfair transaction prices that exceed fair value		
Current net profit or loss of subsidiaries arising from business combination under the common control from the beginning of the period to the combination date		
Profit or loss arising from contingencies unrelated to the normal operation of the Company		
In addition to the effective hedging business related to the normal business of the Company, the profit or loss from changes in fair value arising from held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities and derivative financial liabilities, as well as the income from the disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other creditors' right investments	154,889,082.99	
Reversal of the provision for impairment of accounts receivable under separate impairment test and the provision for impairment of contract assets		
Gain or loss from external entrusted loans		
Gain or loss arising from changes in the fair value of investment real estate that are subsequently measured using the fair value model		
Impact amount of one-time adjustment to current profit or loss in accordance with tax, accounting, and other laws and regulations on current profit or loss		
Trustee fee income from entrusted operation		
Non-operating income and expenses other than the said items	-8,937,112.14	
Other items of gains and losses complying with the definition for non-recurring gains and losses		
Less: impact amount of income tax	29,919,188.72	
Impact amount of minority equity (after tax)	16,274,604.45	
Total	245,903,988.51	

Explain the reason if the investments Company classifies the non-recurring profits and losses items determined by the Company in accordance with the definition thereof, as well as the non-recurring profits and losses items listed, in the *Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public - Non-recurring Profits and Losses* into recurring

profits and losses items.

Applicable Not applicable

**X. Others**

Applicable Not applicable

## Section III Management Discussion and Analysis

### I. Overall situation of the Company's industry and primary business during the reporting period

#### (I) Main business conditions

The Company is mainly engaged in the R&D and production of new energy lithium-ion battery materials and new cobalt materials products. It is a high-tech enterprise with a vertically integrated business model from the development of nickel, cobalt and lithium resources to the production of lithium-ion battery materials, and is committed to the development of low-carbon and environment-friendly new energy lithium-ion batteries materials.

After more than two decades of development and endeavors, the Company has secured its supply of raw overseas, expanded its production and operation across China, and marketed and sold its products globally. The Company's business model is underpinned by its three major business segments, namely, new energy business, new material business and resource business. The three major businesses have formed a vertically integrated business model within the Company. At the same time, the Company is also planning its lithium-ion battery recycling business, and is striving to create a kind of new energy lithium-ion battery industry ecology from the development of nickel, cobalt and lithium resources, green smelting and processing, production of ternary precursor and cathode material to the recycling of resources.

#### (II) Business model

##### 1. New energy business

The Company's new energy business mainly focuses on the R&D, production, and sale of lithium battery cathode materials, including ternary cathode materials and lithium-cobalt oxide materials. The products are mainly used in the production of lithium-ion batteries for electric vehicles, energy storage systems, consumer electronics, etc. The cathode materials products are mainly produced by the processes of mixing, high-temperature sintering, comminution and sieving iron removal, and so on. Raw materials required for the production of cathode materials are mainly sourced from the internal supply of subsidiaries and market-oriented procurement. Lithium-ion battery manufacturers, who mainly adopt the direct selling model, are the customers of cathode materials. With respect to sales pricing, the Company mainly conducts comprehensive

pricing based on the technical content of products and market supply and demand, as well as the market prices of nickel, cobalt, manganese, and lithium metals.

Adhering to the positioning of “rapid development, making a breakthrough in high-end products, benefit-oriented, obtaining the leading strategic position of new energy lithium-ion battery materials” and the competitive strategy of “product leadership and cost leadership”, the new energy business, supported by scientific and technological innovation, has achieved the industry-leading level in terms of production capacity, product quality and product innovations by continuously improving the production organization capacity and product quality control level. Cathode materials for lithium-ion battery materials have been widely applied in the international high-end brand automobile industry chain, international energy storage market, and consumer electronics market. The Company’s ternary cathode materials have been supplied in large quantities to global head power battery customers such as CATL and LG Energy Solution, forming a rich industrial ecological chain, and are widely used in domestic and international well-known electric vehicles brands. The Company’s lithium-cobalt oxide are gradually upgraded to rate type and high voltage, and have fully entered the global mainstream consumer electronics supply chain, covering terminal mobile phone factories such as Samsung, Apple, Huawei, Xiaomi, VIVO, etc. As the strategic focus of the Company’s transition to the field of new energy lithium-ion battery materials, the Company’s new energy business will play a leading role in the Company’s future industrial development.

## **2. New material business**

The Company’s new material business primarily includes the research, development, production, and sale of ternary precursor materials, cobalt, nickel and lithium new materials products, which are primarily used in cathode materials for new energy vehicle batteries and consumer electronics. The ternary precursor products are mainly produced by synthesis, deterring, dehydration, and other processes. The raw materials needed for the production of ternary precursors are mainly supplied internally and supplemented by outsourcing. Lithium-ion battery cathode material manufacturers, which mainly adopt the direct selling model, are the main customers of the ternary precursors. With respect to sales pricing, the Company mainly conducts comprehensive pricing based on the technical content of products and market supply and demand, as well as the market prices of nickel, cobalt, and manganese metals. The price for the procurement of cobalt and nickel raw materials is determined based on a certain discount to the market transaction price of such metals. The

cobalt products are sold basically under a direct sales model in the domestic and European markets, and under a distribution mode in the markets of Japan and the United States, and under both the direct sales model and distribution mode in the Korean market. Nickel products are sold mainly under a direct sales model. Sales prices are determined by the Company based on supply and demand in various markets, as well as international and domestic market prices for metals such as cobalt and nickel.

The new material business complements and serves as the backbone of the Company's vertically integrated business model as it bridges the Company's resources business and new energy business by converting upstream nickel and cobalt resources into new energy materials. In accordance with the positioning of “creating an industry benchmark with resource conservation, environmental friendliness, and leading efficiency”, the new material business has become an industry benchmark with advanced and green manufacturing, and leading efficiency by continuously improving its scientific and technological innovation, product R&D, intelligent manufacturing capability and cost control level. The Company's ternary precursor products have entered into the core industrial chains of global head power batteries, such as LGES, SK, CATL, and BYD, and have begun to be widely applied to high-end electric vehicles in Europe and the United States, such as Volkswagen MEB, Renault Nissan Group, Volvo and Jaguar Land Rover. The Company has also signed a supply framework agreement with Tesla to enable the ternary precursor products to enter into Tesla's core supply chain. The Company's new material business further consolidates its leading position in the industry, enabling the Company to fully enjoy the benefit of synergy and cost advantages. The Company offers mainstream products which suit the needs of mainstream customers in such markets. The rapid growth of its ternary precursor business makes it a leading supplier in the industry and ensures a stable supply of raw materials for its new energy business. The Company's new material business also provides highly competitive quality products, laying a solid foundation for its business expansion into the new energy lithium-ion battery material industry.

### **3. Resources business**

The Company's resources business consists primarily of the extraction, selection, and primary processing of non-ferrous metals such as cobalt, nickel, lithium, and copper. The main products of the cobalt and copper business are crude cobalt hydroxide and electrolytic copper. At present, the African resource sector has formed a business model that is

guaranteed by its own mines and supplemented by sourcing from local mines and mining companies in D. R. Congo. After the cobalt and copper ores are mined, copper-cobalt concentrates are produced by mineral processing, and crude cobalt hydroxide and electrolytic copper products are produced by HPAL. Copper-cobalt materials are supplied from the Company's own mines and purchased from local mining companies, and the purchase price of cobalt-containing raw materials is determined based on a certain discount from the MB price. The purchase price of copper raw materials is also mainly linked to the price of copper in the international market. The crude cobalt hydroxide products are primarily used for the production of refined cobalt products for domestic new material business. The electrolytic copper products are generally sold to international commodity trading houses and are primarily priced based on the LME copper price. The main products of the nickel business are crude nickel hydroxide, high-grade matte nickel, and other nickel intermediates. The supply of nickel ore materials is primarily secured through mines in which the Company has non-controlling interests and long-term supply cooperation agreements, supplemented by market-based sourcing. Nickel intermediate products are mainly used as raw materials for the domestic new material business and are mainly priced based on international and domestic public market prices. The lithium business is conducted through the mining and beneficiation of the Company's own mines in Zimbabwe, with the main products being spodumene concentrates and petalite concentrates. Spodumene concentrates and petalite concentrates are mainly used for the smelting of lithium salts in the domestic new material business.

The resource business is the source of the Company's vertically integrated business model. Through years of resource development in Africa, the Company has established a cobalt copper resource guarantee system integrating mining, beneficiation, and smelting in D. R. Congo. It has invested in the construction of the Arcadia lithium mine project in Zimbabwe, providing domestic manufacturing platforms with low-cost competitive advantages and a stable and reliable cobalt and lithium raw material guarantee. In 2018, the Company started the development of laterite nickel resources in Indonesia. In recent years, the development of nickel resources in Indonesia has been further promoted and achieved leapfrog development. Huayue Company's HPAL project has maintained stable and overproduction. Huake Company's high-grade matte nickel project basically reached its designed capacity. Huafei Company's HPAL project was put into trial operation. The preliminary work for Huashan Company's 120,000 ton laterite nickel HPAL project and

Pomalaa HPAL project has been carried out in an orderly manner. The strategic cooperation with Volkswagen, Ford Motor, PT Vale Indonesia, and Tsingshan Holding Group on the development of nickel and cobalt resources in Indonesia has been continuously promoted. With the further development of the nickel and cobalt resource distribution in Indonesia, these projects will provide nickel and cobalt raw materials with more cost-competitive advantages for the development of the Company's high-nickel lithium-ion battery materials, and further consolidate the competitive advantages of the vertically integrated business model. The Company's low-cost, large-scale, stable and reliable resource guarantee has laid a solid raw material foundation for the Company to become the industry leader in the new energy lithium-ion battery material industry.

In addition, the Company actively planned the lithium battery recycling business, and its subsidiaries, Huayou New Energy Technology (Quzhou) Co., Ltd., Quzhou Huayou Resource Recycling Technology Company Limited, and Jiangsu Huayou Energy Technology Co., Ltd., were respectively included in the first, second and fourth batch of the list of enterprises meeting the *Requirements of Industry Standards for the Comprehensive Utilization of Waste Power Batteries for New Energy Vehicles* issued by the Ministry of Industry and Information Technology of the People's Republic of China. The Company innovated its business models through the establishment of a recycling network system, ladder-style utilization and development, resource utilization, waste material exchange, and battery maintenance and remanufacturing, and established cooperation relationship with mainstream automobile production enterprises and battery leaders both in China and abroad such as BMW, Volkswagen, Toyota, LG New Energy, FAW, Chang'an, GAC, SAIC, NIO, and Li Auto, and provided customers with global, harmless and sustainable waste battery solutions. With the development of business, the Company is building a kind of new energy lithium-ion battery industry ecology from the development of nickel, cobalt and lithium resources, green smelting and processing, production of ternary precursor and cathode material to the recycling of resources recycling.

In its development strategic plan, the Company proposes to adhere to the development of the new energy lithium-ion battery material industry, focus on the overall idea of "controlling resources, expanding the market and enhancing capabilities", comprehensively implement the strategy of "lithium-ion battery materials and cobalt new materials, and high-end products, industrial integration, and internationalization of operations", and strive to become a global leader in the new energy lithium-ion battery material industry.

### (III) Industry situation

The development of new energy vehicles carries an important mission for addressing climate change, reshaping the energy pattern and building an ecological civilization. In the past few years, under the dual promotion of policy and market, China's new energy vehicles had continued to grow rapidly, with the market penetration rate reaching 25.6% in 2022 and the production and sales being the first for eight consecutive years in the world. The new energy vehicle industry in China is moving from the stage of rapid development to a new stage of large-scale and global high-quality development, and the global new energy vehicle market is also booming with the support of policies.

During the reporting period, in order to consolidate and expand the development advantages of new energy vehicles, China continued to introduce policies and measures to promote the high-quality development of the new energy vehicle industry. At a meeting of the State Council in June, it was proposed to continue the purchase tax reduction and exemption policy for new energy vehicles to further stabilize market expectations and maintain policy intensity. The Ministry of Commerce launched the Auto Festival "City Linkage" and the action of new energy vehicles to the countryside "Counties and Towns" to further promote vehicle consumption and release consumption potential. According to the data from CAAM, in the first half of 2023, the production and sales of new energy vehicles in China were 3.788 million and 3.747 million respectively, an increase of 42.4% and 44.1% year-on-year respectively, with the market penetration rate being 28.3%. However, due to the increasing production and sales base, the growth rate of domestic new energy vehicles in the first half of the year was lower than that for the same period last year. From a global perspective, the certainty of the new energy vehicle industry has also continued to be strengthened. In February 2023, the European Parliament officially adopted the "Agreement for Zero Emissions of New Fuel Cars and Minivans in Europe in 2035"; 27 EU member states have introduced corresponding policies to guide the development of new energy vehicles. In June 2023, US President Joe Biden said he planned to invest USD 2 billion from the *Inflation Reduction Act* adopted last year to accelerate domestic electric vehicle manufacturing. According to the data from Marklines, the global sales volume of new energy vehicles in the first half of 2023 was about 5.967 million, an increase of 42.8% year-on-year.

The broad market prospect of new energy vehicles has brought huge business opportunities for the whole industry chain of lithium-ion battery materials. Upstream and

downstream enterprises in the industry chain have announced the expansion of production capacity to cope with the growing market demand. During the reporting period, with the slowdown in the growth rate of new energy vehicles and the gradual release of built capacity, the supply-demand relationship between electrical batteries and lithium-ion battery materials reversed, and there was a phased and structural excess capacity. The data from GGII shows that in the first half of 2023, the market shipment of ternary cathode materials in China was 303,000 tons, an increase of only 6.3% year-on-year, but the market demand for high-nickel ternary materials is still increasing at a high rate due to their significant advantages in energy density, light weight and low temperature performance. In the first half of the year, the market shipment of high-nickel ternary cathode materials in China was 154,000 tons, accounting for 50.8% of that of ternary cathode materials. At the same time, under the high-nickel trend of ternary materials, the demand for nickel for batteries has been growing rapidly. According to the data from SMM, in the first half of 2023, domestic nickel sulfate production was about 195,400 metal tons, an increase of 34.76% year-on-year. In the future, under the combined influence of factors such as the rapid development of high-nickel ternary materials and the large-scale promotion and application of 4680 battery technology, the demand for nickel sulfate and upstream nickel raw materials is expected to maintain rapid growth.

During the reporting period, the overall sales of high-end digital consumer products were weak, but with the economy entering the process of accelerating recovery and restarting growth, consumer electronics demand has ushered in an inflection point. According to data from CAICT and Canalys, the total shipment of mobile phones in the domestic market from January to June 2023 was 130 million, down 4.8% year-on-year; the shipment of PCs in the world in the first half of 2023 was 116 million, down 38.3% year-on-year, but the decline in the second quarter of 2023 has slowed down, and the shipment increased by 11.9% compared with that in the first quarter, indicating that the market recovery is expected to accelerate in the second half of this year. Although consumer electronic products have entered the mature stage, the growth rate of the lithium battery market demand has slowed down, but because the market size of consumer electronic products is large and the replacement is fast, it will still maintain a stable market demand and occupy a considerable market share in lithium battery consumption. During the reporting period, the new generation of mobile communication 5G developed rapidly, and the penetration rate of 5G mobile phones continued to increase. According to the data from

CAICT, the shipment of 5G mobile phones in the domestic market from January to June 2023 was 102 million, accounting for 78.9% of that of mobile phones for the same period. The promotion of 5G technology will further increase the demand for battery capacity of mobile phones, thus driving the market demand for cobalt-containing lithium batteries. In the future, 5G, 6G, and AI technologies will be more widely used in the interconnection and intelligence of all kinds of terminals, with huge development potential, and such terminal products will maintain rapid growth in the market demand for lithium battery consumption.

In summary, in the context of the great development of the new energy lithium battery industry and the intelligent terminal industry represented by 5G, the new energy lithium-ion battery material industry and cobalt and nickel new material industry engaged in by the Company are emerging industries supported by the national development strategy and industrial policy, and the products made by the Company are the core materials necessary for new energy materials such as ternary electrical batteries. The future of the industry in which the company is engaged is very bright, and management is very confident about it. The Company will be committed to continuously deepening the layout of integrated industry chain, enhancing the core competitiveness of integration, creating value for global customers, and contributing to the lithium battery industry.

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

Applicable Not applicable

There were no significant changes in the Company's core competitiveness during the reporting period. Please refer to "Analysis of Core Competitiveness during the Reporting Period", "Section III Management Discussion and Analysis" of the 2022 annual report for details.

## **III. Business discussion and analysis**

During the reporting period, in the face of the industry environment where the growth rate of new energy vehicles was slowing down and the competition in lithium-ion battery materials was intensifying, the Company firmly grasped the characteristics of the stage, seized the development opportunities, firmly implemented the competitive strategy "two leading" and the business strategy "to be among the best", implemented the business idea of comprehensively planning, strengthening security, optimizing the structure and controlling risks, strengthened the overall planning for production, supply and market,

strengthened the matching of resources, production capacity and demand, consolidated the business foundation, improved the quality of development, enhanced innovation ability, strived for excellence and improved quality, so that the market share of main products further increased, good business performance was achieved, and a strong development trend was maintained, which laid a solid foundation for the completion of the annual targets.

During the reporting period, the Company mainly completed the following tasks based on the business plan formulated at the beginning of the year:

### **1. Prudent operation, main product growth against the trend**

During the reporting period, in the face of the rapidly reversing relationship between supply and demand, the Company strengthened the overall planning for production, supply and market, strengthened market analysis and judgment, business activity analysis and integrated industrial cooperation, deeply integrated into the global new energy vehicle supply system, vigorously expanded the international lithium-ion battery materials market, strengthened the matching of resources, production capacity and demand, increased load, stabilized production line, and operated in a prudent manner, achieving steady growth in shipments of main products. The shipment of cathode materials was about 46,000 tons, where the total shipment of ternary cathode materials was 40,900 tons, an increase of about 23.11% year-on-year; the shipment of high-nickel ternary cathode materials (8-series and 9-series or above) was about 33,900 tons, accounting for about 82.81% of the total shipment of ternary materials, where the shipment of ultra-high-nickel cathode materials (9-series or above) was 17,600 tons, an increase of 59.70 % year-on-year; the shipment of lithium-cobalt oxide was 5,200 tons, an increase of 1.18% year-on-year; the shipment of ternary precursors was about 52,500 tons (including those supplied internally), an increase of 42.40% year-on-year; the shipment of cobalt products was about 20,500 tons (including those processed as entrusted and supplied internally), an increase of 10.96% year-on-year; the shipment of nickel products was about 53,700 tons (including those processed as entrusted and supplied internally), an increase of 236.58% year-on-year, and the Company's electrolytic nickel products were successfully registered as delivery brand on Shanghai Futures Exchange and London Metal Exchange. At the same time, the Company continued to optimize the customer structure, signed a ternary precursor supply agreement with POSCO Chemical and Puhua Company, and signed the "Term Sheet of PCAM Supply" with Ford Motor. Its main products have covered the world's top ten enterprises in

terms of installed capacity of electrical batteries such as CATL, BYD, LGES, and CALB, and have been applied to Tesla, Volvo, Land Rover, Jaguar and other high-end electric vehicles. The Company's market position has steadily improved.

## **2. Open development, further progress in global layout**

During the reporting period, the Company, based on the principle of value creation and benefit sharing, adhered to the open concept of “cooperation and joint development, common benefit for future”, continued to promote openness in all aspects of the lithium-ion battery material industry chain such as resource development, material manufacturing and recycling, and deepened the cooperative relationship with customers, suppliers and other partners to promote high-quality development with a high level of openness and achieve common benefit for future through cooperation and joint development. In January, the Company signed a long-term ternary precursor supply agreement with POSCO Chemical and Puhua Company to further strengthen the Company's competitiveness in the field of new energy lithium-ion battery materials. In March, on the basis of previous cooperation, the Company signed relevant agreements with Vale Indonesia and Ford Motor to jointly develop Pomalaa HPAL project. In April, it signed an investment memorandum of understanding with LG Chemical and other companies, planning to invest in the establishment of a battery material production plant in South Korea. In May, it signed an investment memorandum of understanding with POSCO FUTURE M and other companies, planning to invest in the establishment of a battery material nickel sulfate refining and precursor production plant in South Korea. In June, it started the investment in the construction of the Hungary B&M's project of ternary cathode materials for high-nickel electrical batteries in Hungary. In July, the joint venture POSCO HY CLEAN METAL was successfully completed. In August, it signed a joint venture agreement with LG New Energy to establish two joint ventures Pretreatment and Recycled Metallurgy in Nanjing and Quzhou respectively; it held the delivery ceremony of “Huachen BMW new energy vehicles produced with Huayou recycled lithium-ion battery materials” with Huachen BMW to jointly build a closed-loop recycling system for the whole life cycle of lithium batteries. Under the background of the deep adjustment of global industrial division of labor, the introduction of overseas industry protection policies, and the increasingly fierce competition for supply chain dominance, the Company actively promoted the open and international cooperation in industry chain and the global layout, built the business pattern of overseas resources, domestic manufacturing, and global market, and deeply integrated

with the world's new energy vehicle industry, becoming an important force to maintain industrial stability and smooth supply.

### **3. Innovation-driven, steady improvement in technology**

During the reporting period, the Company focused on the production and operation and the competitive strategy of “product leadership and cost leadership”, focused on the mainstream market, mainstream customers and mainstream products, and strengthened the application of new technologies, the research on new processes and the development of new products to support the rapid development of the Company with scientific and technological innovation such as new technologies, new processes and new products. The Company's technology center was identified as the national enterprise technology center. The Company was selected as one of the top 100 enterprises in R&D investment among Zhejiang listed companies. Chengdu B&M Testing Center Laboratory passed the site assessment by China National Accreditation Service for Conformity Assessment. The Company and Huayou New Energy Quzhou's Zhejiang Postdoctoral Workstation was upgraded to national postdoctoral workstation. Jiangsu Huayou has been recognized as a high-tech enterprise. The Company's invention patent “A nickel-cobalt-manganese hydroxide with special micro-nano structure and its preparation method” won the China Patent Excellence Award, indicating that the Company's independent innovation ability was further enhanced. During the reporting period, the Company vigorously promoted IPD product research and development, improved the technical capabilities in new product development, competed for supply and orders, and expanded the market, with a number of new precursor products transferred to mass production. The high-nickel ternary precursors were successfully applied to a new generation of high-nickel single crystal cathode materials for batteries and put into mass production, a number of sodium electric precursors were developed, and high-voltage cobalt tetraoxide 4.50V and 4.53V new products were developed. Cathode material products were developed for important customers at home and abroad, and a number of new products were put into small experiment, pilot scale test and mass production. A number of 4.48V, 4.50V and 4.53V new tablet and mobile phone products in which lithium-cobalt oxide was used are under pilot scale test and mass production. The development and mass production of new products have further enhanced the Company's competitive advantage of “product leadership” and provided strong support for expanding the market and increasing orders.

### **4. Coordinated construction, orderly progress in key projects**

During the reporting period, the Company closely grasped the characteristics of the industry, combined with the actual situation of the enterprise, coordinated production capacity planning, project construction and park implementation, and promoted key projects at home and abroad in an orderly manner as planned, further enhancing the Company's development momentum. Huafei Company 120,000 tons nickel metal HPAL project was put into trial production in June. Huake 45,000 tons high-nickel matte pyrometallurgy project basically reached design capacity. SCM mineral processing plant and Huayue long distance pipeline were advanced in an orderly manner. Preparations for Huashan 120,000 tons nickel metal HPAL project and Pomalaa HPAL project were made in an orderly manner. The Arcadia lithium mine project in Zimbabwe in the African region was rapidly constructed in accordance with the principle of early completion, early production and early creation of benefits, and was officially put into trial production at the end of March this year, with the first batch of products made successfully. Guangxi battery-grade lithium salt project with an annual output of 50,000 tons was put into trial production in June, and the first batch of lithium salt products was offline in July. The preliminary work of Hungary ternary cathode material project in the European quarter progressed smoothly. Nickel sulfate, electrolytic nickel, precursor, cathode materials and other projects in Tongxiang, Quzhou, Guangxi and other places were constructed according to plan, and some projects were put into production line commissioning or commissioning trial production. In addition, the Company also coordinated the construction of parks in Indonesia, Guangxi, Zhejiang, Sichuan and other places in accordance with the principle of planning first, enterprise cluster and project cluster, integrated and park-based, and six-integration, and continued to build an integrated advanced manufacturing base for lithium-ion battery materials that is internationally competitive.

### **5. Green development, an ESG benchmark in the industry**

During the reporting period, the Company vigorously promoted green manufacturing, actively fulfilled social responsibilities, further improved the level of ESG management, and took the road of green and sustainable development. The Company was selected as Forbes 2022 TOP50 Sustainable Industrial Enterprises, 2023 ESG Inspiration Cases and Hurun China's Top 100 Private Enterprises for Sustainable Development. Huayou New Energy Quzhou won the title of national green factory, was rated as a water-saving enterprise in Zhejiang Province, and passed the "carbon neutral" audit and certification by SGS, the international authoritative testing and certification body, becoming the fourth

“zero carbon factory” of the Company after Chengdu B&M, Resource Recycling and Jiangsu Huayou. Resource Recycling was awarded green low-carbon factory in Zhejiang Province and carbon neutral certificate issued by SGS again. The lithium nickelate-cobaltate-manganate NCM523 independently developed by Chengdu B&M was included in the national green design product list. Huayou Recycling and Volkswagen Group (China) achieved cooperation results in the comprehensive utilization of decommissioned electrical batteries and successfully transferred cooperation products; cascade products and technical solutions were provided to Huachen BMW to realize green electricity recycling. During the reporting period, the Company further strengthened ESG management and comprehensively communicated with stakeholders based on the principles of integrity, equality and transparency, identified major ESG issues related to the business, made policy commitments and determined goals, carried out effective risk management by formulating and implementing comprehensive ESG policies and management systems, and thus further improved ESG management capabilities and levels. In addition, the company continued to carry out integrity and rule of law education, made donations to the earthquake-hit areas in Indonesia to support post-disaster reconstruction. Prospect Lithium sponsored Zimbabwe’s National Independence Day event. Quzhou Industrial Park carried out unpaid blood donation activities to dedicate the love of Huayou people with practical actions.

#### **6. Strong foundation, continuous improvement in basic management**

During the reporting period, the Company implemented the management philosophy of specialization, refinement and management optimization, and continuously consolidated the management foundation and improved the management quality. In terms of cost reduction and efficiency improvement, the Company comprehensively carried out activities of increasing, saving and decreasing, established a management office and an expert review committee for increasing, saving and decreasing, and gradually established a management system for increasing, saving and decreasing. In terms of financial management, the Company optimized the financial management system, divided independent accounting units, and consolidated the responsibilities of the business entities to make independent accounting truthful and accurate. In terms of safety and environmental protection, the Company always adhered to the concept of “safety and environmental protection is the most important” to further improve the safety management system, strengthen the construction of the safety and environmental protection team, and improve the management

level of safety and environmental protection. In terms of compliance control, the Company continued to improve the level of business policies and compliance capabilities in customs, taxation, import and export, processing trade, etc., established a contract management platform, strengthened data security compliance, strengthened business compliance audits, promoted the construction of compliance management system, and comprehensively improved the Company's compliance operation level. In terms of intelligent manufacturing, the Company carried out information construction such as digital operation platforms, SAP system reconstruction, and safety and environmental management systems. A batch of intelligent manufacturing projects such as intelligent control platforms, intelligent logistics vehicle management systems, and data collection and production monitoring systems were carried out in an orderly manner. In terms of team building, the Company implemented the management principle of "three unification", and enhanced the team's cultural leadership, concept identification and mission responsibility to gather striving force for Huayou cause.

#### **7. Integration of industry and finance, new driving force from cross-border financing**

During the reporting period, the Company continued to adhere to the development strategy of integrating industry and finance, closely followed the time window of the capital market, obtained the approval of the China Securities Regulatory Commission on the Company's application for issuing GDRs and listing on the SIX Swiss Exchange at the end of March, and successfully completed the issuance GDRs in early July. The raised funds (i.e., USD 583 million) were mainly used for the acquisition, development and operation of upstream resources, expansion of the Company's production capacity of new energy battery materials, both in domestic and overseas markets. The successful issuance of the GDRs further broadens the Company's financing channels, optimizes the Company's shareholder structure, enhances the Company's international influence, and plays an important role in promoting the development of the Company's international management strategy. During the reporting period, the Company also continued to strengthen the linkage between banks and enterprises, completed the formation of a RMB8.4 billion syndicate for Huafei's HPAL project, and completed the first withdrawal in July. The Company achieved rolling issuance of SCPs with advantageous prices. The successful implementation of the above financing projects and the in-depth promotion of bank-enterprise cooperation have provided a solid financial guarantee for the high-quality development of the Company.

**Major changes in the Company's business during the reporting period, and events occurring during the reporting period that have a significant impact on the Company's business and are expected to have a significant impact in the future**

Applicable Not applicable

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

##### (I) Analysis of primary business

##### 1. Analysis of changes in relevant items of the financial statements

Monetary unit: Yuan Currency: RMB

Item	Amount in the current period	Amount in the same period of last year	Change ratio (%)
Operating income	33,345,537,519.76	31,018,304,267.06	7.50
Operating costs	28,372,311,948.40	25,057,734,232.15	13.23
Selling and distribution expenses	64,306,725.80	33,257,395.17	93.36
General and administrative expenses	1,115,686,302.41	760,962,088.23	46.62
Financial expenses	538,714,362.86	352,444,119.80	52.85
R&D expenses	759,738,617.49	839,734,971.25	-9.53
Net cash flow from operating activities	1,794,476,677.55	-1,057,411,058.52	269.70
Net cash flow from investing activities	-8,937,502,406.53	-12,074,683,344.50	25.98
Net cash flow from financing activities	7,805,047,664.23	19,454,262,397.39	-59.88
Taxes and surcharges	220,240,292.44	285,398,869.80	-22.83
Investment income	788,520,751.65	570,759,901.75	38.15
Income from changes in fair value	131,980,619.08	-96,073,107.00	237.38
Loss from credit impairment	-71,078,135.82	-218,340,909.98	-67.45
Loss from assets impairment	-19,818,834.87	-537,000,710.94	-96.31
Income tax expenses	289,596,293.99	538,663,395.17	-46.24

Reasons for changes in operating income: Mainly due to an increase in the amount of operating income caused by the increase in products' sales volume

Reasons for changes in operating costs: Mainly due to an increase in the amount of operating costs caused by the increase in products' sales volume

Reasons for changes in selling and distribution expenses: Mainly due to an increase in salaries and related expenses caused by business expansion

Reasons for changes in general and administrative expenses: Mainly due to an increase in employee salaries, share-based payment expenses, etc. caused by business expansion

Reasons for changes in financial expenses: Mainly due to an increase in the interests and handling charges in the current period

Reasons for changes in R&D expenses: Mainly due to a decrease in the cost of materials consumed in research and development caused by the decrease in raw material prices

Reasons for changes in net cash flow from operating activities: Mainly due to a decrease in the cash occupied by inventoried in the current period

Reasons for changes in net cash flow from investing activities: Mainly due to a decrease in the cash paid for the acquisition of subsidiaries in the current period

Reasons for changes in net cash flow from financing activities: Mainly due to a decrease in cash received from borrowings in the current period

Reasons for changes in taxes and surcharges: Mainly due to a decrease in mineral tax in the current period

Reasons for changes in investment income: Mainly due to an increase in the income from long-term equity investments calculated under the equity method

Reasons for changes in income from changes in fair value: Mainly due to the floating profit caused by forward future exchange contracts directly related to production and operation

Reasons for changes in loss from credit impairment: Mainly due to the decrease in the provision for bad debts of accounts receivable in the current period compared to the same period last year

Reasons for changes in loss from assets impairment: Mainly due to a decrease in the provision for inventory impairment in the current period

Reasons for changes in income tax expenses: Mainly due to an increase in the proportion of profits

contributed by low tax rate entities

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

Applicable Not applicable

**(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

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 (%)	Proportion of change (%)	Detailed description
Derivative financial assets	922,943,639.96	0.74	608,711,611.68	0.55	51.62	Mainly due to the floating profit formed by the Company's position in nickel futures contracts at the end of the period
Construction in progress	23,965,567,757.69	19.26	14,281,929,827.36	12.91	67.80	Mainly due to an increase in new projects and investments in ongoing projects
Held-for-trading financial liabilities	82,840,808.91	0.07	40,024,798.40	0.04	106.97	Mainly due to an increase in derivative financial liabilities
Advance from customers	0.00	0.00	492,117,670.03	0.44	-100.00	Refund the previous equity advance payment in the current period
Other comprehensive income	1,493,056,438.34	1.20	776,405,562.87	0.70	92.30	Mainly due to the increase in translation differences in foreign currency statements

Other information  
None

**2. Overseas assets**

Applicable Not applicable

**(1) Asset size**

Including: overseas assets 51,640,766,499.88 (Monetary unit: Yuan Currency: RMB), accounting for 41.50% of the total assets.

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

Applicable Not applicable

Other information

None

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

Applicable Not applicable

Item	Ending book value	Reason for restriction
Cash and bank balances	5,774,551,004.71	The RMB 5,774,551,004.71 is other cash and bank balances, including the bank acceptance deposit of RMB 3,736,964,573.19, letter of credit deposit of RMB 594,226,255.96, letter of guarantee deposit of RMB 6,052,500.00, loan deposit of RMB 1,187,604,570.24, forward foreign exchange settlement deposit of RMB 23,943,279.13, and other deposits of RMB 10,270,826.19.
Held-for-trading financial assets	207,705,323.09	Being used as pledge guarantee for bank financing
Receivables financing	507,584,900.22	Being used as pledge guarantee for bank financing
Inventories	426,352,239.19	Being used as pledge guarantees for financing of financial institutions and inventory corresponding to after-sales repurchase
Fixed assets	13,716,062,708.72	Being used as mortgage guarantees for bank financing and fixed assets corresponding to after-sales leaseback
Construction in progress	4,494,031,887.05	Being used as mortgage guarantees for bank financing and construction in progress corresponding to after-sales leaseback
Intangible assets	283,450,947.97	Being used as mortgage guarantee for bank financing
Total	25,409,739,010.95	

**4. Other information**

Applicable Not applicable

**(IV) Analysis of investments**
**1. Overall analysis of equity investments**

Applicable Not applicable

1. On January 5, 2023, the General Manager's Office Meeting of the Company decided to approve the joint establishment of Huaxiang Refining (Indonesia) Co., Ltd. with a registered capital of USD 1 million by wholly-owned subsidiaries Huayao International Investment Co., Ltd. and LINDO Investment PTE. Ltd. in Indonesia. After the establishment, the Company will hold 98% equity in Huaxiang Refining (Indonesia) Co., Ltd.

2. On January 10, 2023, the General Manager's Office Meeting of the Company decided to approve the joint establishment of Huali Nickel Industry (Indonesia) Co., Ltd. with a registered capital of USD 1 million by wholly-owned subsidiaries Huabin (Hong Kong) Co., Ltd. and Huaqun (Hong Kong) Co., Ltd. in Indonesia. After the establishment, the Company will hold 100% equity in Huali Nickel Industry (Indonesia) Co., Ltd.

3. On February 8, 2023, the General Manager's Office Meeting of the Company decided to approve the joint establishment of Sulawesi Manganese Recycling Co., Ltd. with a registered capital of USD 1 million by wholly-owned subsidiaries Huayao International Investment Co., Ltd. and LINDO Investment PTE. Ltd. in Indonesia. After the establishment, the Company will hold 98% equity in Sulawesi Manganese Recycling Co., Ltd.
4. On March 10, 2023, the General Manager's Office Meeting of the Company decided to approve the joint establishment of Huayou International Investment Co., Ltd. with a registered capital of USD 1 million by Huayou International and Zhejiang Youshan New Materials Co., Ltd. in Singapore. After the establishment, the Company will hold 65% equity in Huayou International Investment Co., Ltd.
5. On March 19, 2023, the General Manager's Office Meeting of the Company decided to approve the exercise of Askari Company's options by its wholly-owned subsidiary Huayou International Resources (Hong Kong) Co., Ltd. at an exercise price of AUD 0.25 per share, totaling AUD 2475000. After the completion of the subscription, the Company will hold 6.03% equity in Askari Company.
6. On March 24, 2023, the General Manager's Office Meeting of the Company decided to approve the joint establishment of Jintang B&M Technology Co., Ltd. with a registered capital of RMB 1.2 billion by the controlling subsidiaries Chengdu B&M and Chengdu Major Industrialization Project (Phase I) Equity Investment Fund Co., Ltd. and Jintang County Zhijin New Materials Technology Partnership Enterprise (Limited Partnership). After the establishment, Chengdu B&M will hold 22.5% equity in Jintang B&M Technology Co., Ltd.
7. On May 7, 2023, the General Manager's Office Meeting of the Company decided to approve the transfer of 100% equity in Guangxi Huayou Resource Recycling Technology Co., Ltd. to Zhejiang Youshan New Materials Co., Ltd. by the wholly-owned subsidiary Huayou Recycling at the consideration of RMB 0.
8. On June 21, 2023, the General Manager's Office Meeting of the Company decided to approve to establish Shanghai Huayou Jintian Enterprise Management Co., Ltd. with a registered capital of RMB 10 million. After the establishment, the Company will hold 100% equity in Shanghai Huayou Jintian Enterprise Management Co., Ltd.
9. On June 30, 2023, the General Manager's Office Meeting of the Company decided to: agree to the Company's acquisition of the contractual status, rights and obligations under the New Share Subscription Contract signed between Tianjin B&M Science Technology Co., Ltd. and LGBCM Co., Ltd. (that is, the Company has the right to subscribe for the ordinary shares issued by LGBCM Co., Ltd., and hold 49% equity in LGBCM Co., Ltd. after the new share subscription is completed); and agree to the Company's acquisition of the contractual status, rights, and obligations under the Shareholders' Agreement signed between Tianjin B&M Science Technology Co., Ltd. and LG Chemical Co., Ltd. (that is, after the acquisition is completed, the Company will jointly construct a 66,000 ton NCMA cathode material project with LG Chemical Co., Ltd. in Guiwei City, South Korea, with a total investment of approximately KRW 437.1 billion).

**(1) Major equity investments**
Applicable Not applicable

**(2) Major non-equity investments**
Applicable Not applicable

Project name	Project amount	Project progress	Investment amount during the reporting period	Accumulated actual investment amount	Project revenue
Project of ternary cathode for high-nickel electrical batteries owned by Bamo Technology Hungary Kf in Hungary	The total planned investment is EUR 1.278 billion, with a total planned investment of EUR 252 million for the first phase	Preliminary preparation work	RMB 97,833.58	RMB 97,833.58	After the first phase of the project achieves the planned capacity, the Company will add an annual capacity of approximately 25000 tons of high-nickel ternary cathode.

1. On June 21, 2023, the Company held the fourth meeting of its sixth board of directors and approved the *Proposal on Foreign Investments*, agreeing that the Company, through Bamo Technology Hungary Kf, its controlling subsidiary, invests in the construction of a ternary cathode project for high-nickel electrical batteries in Hungary. Please refer to the Company's announcement No. 2023-086 for details. After preliminary calculation, the total planned investment of the project is EUR 1.278 billion (including a total planned investment of EUR 252 million for the first phase), with a construction scale of 25000 tons per year for the first phase.

**(3) Financial assets measured at fair value**
Applicable Not applicable

Please refer to the contents of "XI. Disclosure of Fair Value" in "Section X Financial Report" of this report for details.

Securities investments

Applicable Not applicable

Securities investments

Applicable Not applicable

Private fund investments

Applicable Not applicable

Derivatives investments

Applicable Not applicable

**(V) Sales of major assets and major equity**
Applicable Not applicable

**(VI) Analysis of major holding companies and participating companies**
Applicable Not applicable

Name of subsidiary	Business nature	Main products or services	Registered capital	Total assets	Liabilities	Net assets	Operating income	Net profits
Huayou Hong Kong	Trade and wholesale industry	Trade of cobalt and copper raw materials and products	HKD 469.092 million	18,536,024,269.68	14,687,516,199.35	3,848,508,070.34	8,434,272,932.61	1,233,901,043.23
Huayou Quzhou	Manufacturing	R&D, production and sales of cobalt, copper and nickel products	RMB 2,016.0173 million	19,215,230,442.22	14,482,443,217.87	4,732,787,224.35	11,659,907,662.12	-175,227,674.68
Huayou Mining Hong Kong	Business and service industries	African mining development and investment platform	HKD 10,000	20,150,730,629.71	12,049,048,820.55	8,101,681,809.15	0.00	-63,352,080.94
Huayou New Energy Quzhou	Manufacturing	Production and sales of ternary precursor materials	RMB 2,265,786,600	13,712,145,627.83	10,055,499,809.91	3,656,645,817.92	5,257,743,140.43	247,233,554.87
Huayou Singapore	Trade and wholesale industry	Trade of cobalt, copper and nickel products	USD 15 million	2,599,740,568.05	2,349,542,053.84	250,198,514.21	4,173,487,181.35	94,481,204.84
Huayue Company	Manufacturing	Manufacturing of non ferrous base metals; bulk trade in metals and metal ores; bulk trade in cement, lime, sand and gravel; and bulk trade in materials and basic chemicals	USD 260 million	13,969,353,685.72	8,601,325,867.47	5,368,027,818.25	3,734,338,241.50	829,638,342.93
Huake Company	Manufacturing	Bulk trade in metals and metal ores, non-ferrous metal manufacturing industry	USD 103.182 million	5,193,802,259.30	3,750,767,968.46	1,443,034,290.83	2,614,790,242.92	556,086,088.44
Chengdu B&M	Manufacturing	R&D, production and sales of electronic components and communication equipment; R&D and product of high-tech battery material products, etc	RMB 1,030 million	17,638,093,434.93	14,145,108,988.90	3,492,984,446.03	14,817,347,030.09	387,356,464.26
Huafei Company	Manufacturing	Non-ferrous base metal manufacturing/industry	USD 540 million	14,860,518,829.85	10,995,089,310.78	3,865,429,519.06	0.00	-6,318,286.88

**(VII) Structural entities controlled by the Company**
Applicable Not applicable

## V. Other disclosures

### (I) Possible risks

Applicable Not applicable

#### 1. Risk of fluctuations in the product price

The Company's main products include lithium-ion cathode materials, precursor products, nickel, cobalt and lithium new material products, and copper products. Due to the influence of various factors such as global economy, supply and demand, market expectations and speculative speculation, the prices of cobalt, nickel, lithium and copper metals present high volatility feature, which in turn leads to product market price fluctuations. During the reporting period, the prices of cobalt and nickel products fluctuated and declined overall. Lithium product prices first fell and then rose, while copper product prices fluctuated at high levels. The increase in prices to some extent improved the Company's profitability, while the decrease in prices also weakened the Company's profitability. If there is a significant decline in the prices of cobalt, nickel, 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.

#### 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. During the reporting period, the exchange rate of RMB against USD fluctuated greatly. The above settlement method generally resulted in exchange gains for the Company. However, if further exchange rate fluctuations occur, it 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 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**

During the reporting period, the Company organized R&D for a series of products such as ternary and single crystal applications of various models. 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 has secured its supply of raw materials overseas, expanded its production and operation across China, and marketed and sold its products globally, and has formed its business model which underpinned by its three major business segments, namely, new energy business, new material business and resource business. The characteristics of the transnational and trans-regional, wide variety of products, and long industrial chain 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, with terminal markets mainly concentrated in places such as China, Europe and the United States. 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. 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.

**(II) Other disclosures**

Applicable Not applicable

## Section IV Corporate Governance

### I. General information about the shareholders' meeting

Session	Date of meeting	Query index of the designated website on which the poll results is disclosed	Date on which the poll results is disclosed	Poll results of the meeting
The First Extraordinary Shareholders' Meeting in 2023	January 20, 2023	Website of the Shanghai Stock Exchange <a href="http://www.sse.com.cn">http://www.sse.com.cn</a>	January 21, 2023	Announcement of the Poll Results of the First Extraordinary Shareholders' Meeting of Huayou Cobalt in 2023 (2023-017)
2022 Annual Shareholders' Meeting	May 18, 2023	Website of the Shanghai Stock Exchange <a href="http://www.sse.com.cn">http://www.sse.com.cn</a>	May 19, 2023	Announcement of the Poll Results of the 2022 Annual Shareholders' Meeting of Huayou Cobalt (2023-067)
The Second Extraordinary Shareholders' Meeting in 2023	August 15, 2023	Website of the Shanghai Stock Exchange <a href="http://www.sse.com.cn">http://www.sse.com.cn</a>	August 16, 2023	Announcement of the Poll Results of the Second Extraordinary Shareholders' Meeting of Huayou Cobalt in 2023 (2023-113)

**Whether there is the situation that preferred shareholders with voting rights resumed request to convene an extraordinary shareholder' meeting**

Applicable Not applicable

Description of the shareholders' meeting

Applicable Not applicable

## II. Changes in directors, supervisors, and senior officers of the Company

√Applicable □Not applicable

Name	Position	Details of change
Chen Xuehua	Chairman	Election
Chen Hongliang	Director and General Manager	Election
Fang Qixue	Vice Chairman and Vice General Manager	Election
Wang Jun	Director, Deputy General Manager, Chief Financial Officer	Election
Zhu Guang	Independent Director	Election
Dong Xiuliang	Independent Director	Election
Qian Bolin	Independent Director	Election
Zhang Jiangbo	Supervisor	Election
Xi Hong	Supervisor	Election
Tao Yiwen	Supervisor	Election
Chen Yaozhong	Deputy General Manager	Appointment
Xu Wei	Deputy General Manager	Appointment
Gao Baojun	Deputy General Manager	Appointment
Qian Xiaoping	Deputy General Manager	Appointment
Fang Yuan	Deputy General Manager	Appointment
Wu Mengtao	Deputy General Manager	Appointment
Lu Feng	Deputy General Manager	Appointment
Li Rui	Secretary of the Board of Directors	Appointment
Qian Xiaoping	Director	Resignation
Yuan Zhong	Supervisor	Resignation
Shen Jianrong	Supervisor	Resignation
Hu Yanhui	Deputy General Manager and Chief Financial Officer	Resignation
Zhou Qifa	Deputy General Manager	Resignation
Zhang Binghai	Deputy General Manager	Resignation

### Changes in directors, supervisors, and senior officers of the Company

√Applicable □Not applicable

- On February 22, 2023, the Company held the 50th meeting of the 5th Board of Directors and approved the *Proposal on the Appointment of Deputy General Manager*, appointing Mr. Wang Jun as the Deputy General Manager of the Company.
- On April 26, 2023, the Company held an employee representative meeting and elected Mr. Zhang Jiangbo and Ms. Tao Yiwen as the Employee Representative Supervisors of the 6th Board of Supervisors.
- On May 18, 2023, the Company held the 2022 Annual Shareholders' Meeting and reviewed and passed the *Proposal on the Election of Non-Independent Director Candidates for the Board of Directors*, the *Proposal on the Election of Independent Director Candidates for the Board of Directors*, and the *Proposal on the Election of Non-Employee Representative Supervisors for the Board of Supervisors*, electing Mr. Chen Xuehua, Mr. Chen Hongliang, Mr. Fang Qixue and Mr. Wang Jun as Non-Independent Directors of the 6th Board of Directors, electing Mr. Zhu Guang, Mr. Dong Xiuliang and Mr. Qian Bolin as the Independent Directors of the 6th Board of Directors of the Company, and electing Ms. Xi Hong as a Non-Employee Representative Supervisor of the 6th Board of Supervisors of the Company.
- On May 18, 2023, the Company held the first meeting of the 6th Board of Directors and approved the *Proposal on the Election of the Chairman of the 6th Board of Directors*, the *Proposal on the Election of the Vice Chairman of the 6th Board of Directors*, the *Proposal on the Engagement of the President*, the *Proposal on the Engagement of the Vice President and Chief Financial Officer*, and the *Proposal on the Engagement of the Secretary of the Board of Directors*, electing Mr. Chen Xuehua as the Chairman of the 6th Board of Directors of the Company, electing Mr. Fang Qixue as the Vice Chairman of the 6th Board of Directors of the Company, engaging Mr. Chen Hongliang as the General Manager of the

Company, engaging Mr. Fang Qixue, Mr. Chen Yaozhong, Mr. Xu Wei, Mr. Gao Baojun, Mr. Wang Jun, Mr. Qian Xiaoping, Mr. Fang Yuan, Mr. Wu Mengtao and Mr. Lu Feng as the Vice Presidents of the Company, engaging Mr. Wang Jun as the Chief Financial Officer of the Company, and engaging Mr. Li Rui as the Secretary of the Board of Directors of the Company.

5. On May 18, 2023, the Company held the first meeting of the 6th Board of Supervisors and passed the Proposal on the Election of the Chairman of the 6th Board of Supervisors, electing Mr. Zhang Jiangbo as the Chairman of the 6th Board of Supervisors of the Company.

### III. Plan for profit distribution or conversion of capital reserve into share capital

#### Formulated semi-annual plan for profit distribution or conversion of capital reserve into share capital

Is there any profit distribution or conversion of capital reserve into share capital	No
Number of bonus shares distributed per 10 shares	0
Amount of dividends distributed per 10 shares (RMB) (tax inclusive)	0
Number of additional shares converted per 10 shares	0
Relevant information of the plan for profit distribution or conversion of capital reserve into share capital	
The Company will not distribute profits or convert capital reserves into share capital in the first half of 2023.	

### IV. The Company's equity incentive plans, employee stock ownership plans or other employee incentive measures, as well as their impacts

#### (I) Equity incentive matters which have been disclosed in an interim announcement and there is no progress or change in subsequent implementation thereof

Applicable Not applicable

Overview of the matter	Query index
<p>On November 18, 2022, the Company convened the 45th meeting of the 5th Board of Directors and deliberated and approved the <i>Proposal on Adjusting Matters Related to the Grant of Reserved Part of the 2022 Restricted Stock Incentive Plan</i> and the <i>Proposal to Grant the Reserved Part of Restricted Stock to the Incentive Target</i>. The meeting also approved to grant 2,645,800 restricted stocks to 574 incentive targets at a grant price of RMB 31.61 per share, with November 18, 2022 as the grant date for the reserved part of the restricted stock. Registration for the grant of the reserved part of the restricted stock under the Incentive Plan was completed on January 18, 2023. WHEREAS, due to the fact that some of the employees did not participate in the subscription of some or all of the restricted stocks within the specified time during the process of making payment after the grant date, The number of incentive targets granted with the reserved part of the restricted stock under the incentive plan was adjusted from 574 to 441, and the number of reserved incentive stocks granted was adjusted from 2,645,800 to 2,035,800.</p>	<p>For more information, please refer to the <i>Announcement of Huayou Cobalt on the Grant of the Reserved Part of the Restricted Stock to the Incentive Target (2022-172)</i> disclosed on November 19, 2022 and the <i>Announcement of Huayou Cobalt on the Results of the Grant of the Reserved Part of the Restricted Stock to the Incentive Targets (2023-015)</i> disclosed on January 20, 2023.</p>

#### (II) Incentives matters which are not disclosed in an interim announcement 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

## Section V Environmental and Social Responsibility

### I. Environmental information

#### (I) Description of environmental protection situation of the Company and its subsidiaries belonging to the key pollutant discharging units announced by the environmental protection department

√Applicable □Not applicable

During the reporting period, the Company was a key unit for the supervision of water environment, soil pollution and environmental risks announced by the ecological environment department, Huayou Quzhou was a key unit for the supervision of water environment, groundwater pollution, atmospheric environment, soil pollution and environmental risks announced by the ecological environment department, and Huayou New Energy Quzhou was a key unit for the supervision of water environment, atmospheric environment, soil pollution and environmental risks announced by the ecological environment department, Huayou Puxiang is a key unit for the supervision of water environment announced by the ecological environment department, Resource Recycling is a key unit for the supervision of water environment, soil pollution and environmental risk announced by the ecological environment department, and Huajin Company is a key unit for the supervision of water environment announced by the ecological environment department.

#### 1. Pollution discharge information

√Applicable □Not applicable

Name of the Company or its subsidiary	Main pollutants and characteristic pollutants	Discharge method	Number of discharge outlets	Distribution of discharge outlets	Average discharge concentration	Pollutant discharge standards	Actual total discharge	Approved total discharge	Excessive discharge
Huayou Cobalt	COD	Intermittent discharge	1	Main discharge outlet of the factory	41.84mg/L	50mg/L	2.95t	30.77t	None
	Ammonia nitrogen				0.15mg/L	5mg/L	0.05t	3.08t	None
	Nitrogen oxide	Organized discharge	10	Waste gas generation points in each workshop	7.5mg/m <sup>3</sup>	100mg/m <sup>3</sup>	0.45t	1.73t	None
	Sulfur dioxide				10.2mg/m <sup>3</sup>	100mg/m <sup>3</sup>	0.60t	2.07t	None
	Particulate matter				1mg/m <sup>3</sup>	10mg/m <sup>3</sup>	0.09t	13.20t	None
	Non-methane hydrocarbon				30.12 mg/m <sup>3</sup>	120mg/m <sup>3</sup>	2.17t	15.84t	None
Huayou Quzhou	COD	Intermittent discharge	2	Discharge outlet for production wastewater and nickel line wastewater	44.0603mg/L	60mg/L	86.88t	278.31t	None
	Ammonia nitrogen				1.0362mg/L	8(15) mg/L	2.03t	42.50t	None
	Sulfur dioxide	Organized discharge	10	Waste gas generation points in each workshop	10.344mg/m <sup>3</sup>	100mg/m <sup>3</sup>	9.18t	196.07t	None
	Nitrogen oxide		6	Waste gas generation points in each workshop	21.2376mg/m <sup>3</sup>	100mg/m <sup>3</sup>	12.72t	443.16t	None
			2	Waste gas generation points in each workshop	28.85mg/m <sup>3</sup>	300mg/m <sup>3</sup>	1.24t		None
Non-methane hydrocarbon	6	Waste gas generation points in	7.9979mg/m <sup>3</sup>	120mg/m <sup>3</sup>	1.11t	59.37t	None		

	Particulate matter		1	each workshop	Non-production	60mg/m <sup>3</sup>	Non-production		None
			37	Waste gas generation points in each workshop	3.8419mg/m <sup>3</sup>	10mg/m <sup>3</sup>	5.09t	73.76t	None
			4		20mg/m <sup>3</sup>	120mg/m <sup>3</sup>	4.15t		None
			2		2mg/m <sup>3</sup>	30mg/m <sup>3</sup>	0.08t		None
Huayou New Energy Quzhou	COD	Intermittent discharge	2	Main discharge outlet of the factory	44.0603mg/L	60mg/L	63.64t	380.75t	None
	Ammonia nitrogen			1.0362mg/L	8(15) mg/L	1.50t	41.22t	None	
	Nitrogen oxide	Organized discharge	24	Exhaust gas generation point of spray workshop	Non-production	100mg/m <sup>3</sup>	Non-production	0.67t	None
	Sulfur dioxide					100mg/m <sup>3</sup>		0.20t	None
	Ammonia (ammonia gas)			Waste gas generation points in each workshop	2.223mg/m <sup>3</sup>	10mg/m <sup>3</sup>	0.12t	14.60t	None
	Particulate matter				2.96mg/m <sup>3</sup>	10mg/m <sup>3</sup>	0.54t	15.92t	None
Huayou Puxiang	COD	Intermittent discharge	1	Main discharge outlet of the factory	8.876mg/L	50mg/L	1.45t	39.27t	None
	Ammonia nitrogen				1.638mg/L	5mg/L	0.18t	3.93t	None
	Particulate matter	Organized discharge	7	Waste gas generation points in each workshop	Non-production	10mg/m <sup>3</sup>	Non-production	3.19t	None
Resource Recycling	COD	Intermittent discharge	1	Main discharge outlet of the factory	44.0603mg/L	60mg/L	18.45t	53.91t	None
	Ammonia nitrogen				1.0362mg/L	8(15) mg/L	0.43t	5.39t	None
	Particulate matter	Organized discharge	6	Waste gas generation points in each workshop	3.62mg/m <sup>3</sup>	10mg/m <sup>3</sup>	2.28t	4.12t	None
	Non-methane hydrocarbon				5.62mg/m <sup>3</sup>	120mg/m <sup>3</sup>	0.11t	7.80t	None
	Nitrogen oxide				<3mg/m <sup>3</sup>	100mg/m <sup>3</sup>	0.05t	20.83t	None
	Sulfur dioxide				<3mg/m <sup>3</sup>	100mg/m <sup>3</sup>	0.05t	2.22t	None
Huajin Company	COD	Intermittent discharge	1	Main discharge outlet of the factory	26.5mg/L	50mg/L	0.19t	9.22t	None
	Ammonia nitrogen				1.0362mg/L	5(8)mg/L	0.0046t	1.20t	None
	Particulate matter	Organized discharge	11	Waste gas generation points in each workshop	3.29mg/m <sup>3</sup>	10mg/m <sup>3</sup>	0.67t	2.00t	None

Remark: In the discharge concentration of ammonia nitrogen, the values outside the parentheses are the control indicators when the water temperature is greater than 12°C, and the values inside the parentheses are the control indicators when the water temperature is less than or equal to 12°C.

## 2. Construction and operation of pollution prevention and control facilities

√Applicable □Not applicable

During the reporting period, the pollution prevention and control facilities and systems of the Company and the said subsidiaries have been functioning normally. The production wastewater and domestic sewage were treated and discharged to the standard; the production waste gas was treated and discharged to the standard by the corresponding waste gas treatment facilities; the solid wastes were collected and stored separately according to the relevant regulations, among which the domestic wastes were handed over to the sanitation department for disposal, the general industrial solid wastes were handed over to the recycler with technical ability for recycling, and the hazardous wastes were handed

over to the unit with hazardous waste management license for disposal; and the noise at boundary of the factory were in compliance with the relevant emission standards.

Name of the Company or its subsidiary	Construction and operation of pollution prevention and control facilities
Huayou Cobalt	<p><b>Waste gas treatment facilities:</b> All of the 10 sets of waste gas treatment facilities, including dust removal devices, water washing spray towers, secondary alkali spraying, VOC treatment facilities, are in normal operation;</p> <p><b>Wastewater treatment facilities:</b> The 1 set of wastewater treatment facilities, which use advanced oxidation technology to treat wastewater to make them meet standards, is in normal operation;</p> <p><b>Solid waste treatment measures:</b> Household wastes are entrusted to the environmental sanitation department for paid cleaning and transportation. General industrial solid wastes such as non-ferrous metal ash are entrusted to third-party units with technical capabilities for recycling and comprehensive utilization, while hazardous wastes such as waste paint barrels, waste paint brushes, third-phase residues, phosphorus removal residues, waste mineral oil and waste reagent bottles are entrusted to qualified units for treatment;</p> <p><b>Noise treatment measures:</b> Noise reduction measures such as soundproof rooms and replacement of silent equipment are taken, and the noises at boundary of the factory meet the requirements of the <i>Emission Standard for Industrial Enterprises Noise at Boundary</i> (GB12348-2008).</p>
Huayou Quzhou	<p><b>Waste gas treatment facilities:</b> All of the 102 sets of waste gas treatment facilities, including dust removal devices, acid alkali spray towers and RTO combustion treatment facilities, are in normal operation;</p> <p><b>Wastewater treatment facilities:</b> The 2 sets of wastewater treatment facilities, which use pre-treatment methods such as ammonia recovery tower, multiple heavy metal removal, phosphorus removal, flocculation and COD removal to pre-treat the wastewater and let the wastewater enter the Juhua Huanke Wastewater Treatment Plant for treatment after reaching the discharge standard, are in normal operation;</p> <p><b>Solid waste treatment measures:</b> Household wastes are entrusted to the environmental sanitation department for paid cleaning and transportation. General industrial solid wastes such as non-ferrous metal ash and gypsum slag are entrusted to third-party units for comprehensive utilization, while hazardous wastes such as waste activated carbon and three-phase residues are entrusted to qualified units for treatment;</p> <p><b>Noise treatment measures:</b> Noise reduction and vibration reduction measures such as reasonable arrangement of noise equipment, selection of low-noise models of equipment, installation of sound insulation covers, installation of silencers, building sound insulation, are taken and help effectively reduce the impact of noise. The noise at boundary of the factory meets the emission limit requirements of Class 3 functional areas in the <i>Emission Standard for Industrial Enterprises Noise at Boundary</i> (GB12348-2008).</p>
Huayou New Energy Quzhou	<p><b>Waste gas treatment facilities:</b> All of the 26 sets of waste gas treatment facilities, including acid spray, bag/metal film dust removal, water mist dust removal and calciner flue gas treatment system, are in normal operation;</p> <p><b>Wastewater treatment facilities:</b> The 3 sets of wastewater treatment facilities, which use two-stage precision filtration, stripping deamination tower, water quality regulation and other methods to meet the standards for wastewater treatment, are in normal operation;</p> <p><b>Solid waste treatment measures:</b> Household wastes are entrusted to the environmental sanitation department for paid cleaning and transportation. Hazardous wastes such as waste packaging materials, cloth and felt contaminated with materials, waste filter cloth, empty chemical reagent bottles, waste lubricating oil, are entrusted to qualified units for treatment;</p> <p><b>Noise treatment measures:</b> Noise reduction measures such as selection of low noise equipment, building soundproof rooms and installation of soft cushions are taken, and the noises at boundary of the factory meet the requirements of the <i>Emission Standard for Industrial Enterprises Noise at Boundary</i> (GB12348-2008).</p>
Huayou	<p><b>Waste gas treatment facilities:</b> All of the 14 sets of waste gas treatment facilities,</p>

Puxiang	<p>including dust removal devices and secondary spray towers, are in normal operation;</p> <p><b>Wastewater treatment facilities:</b> The 3 sets of wastewater treatment facilities, including 2 sets of process wastewater pre-treatment devices which use multi-stage membrane filtration + deamination heavy + MVR combined process, and 1 set of biochemical treatment system which uses anoxic + MBR combined process to meet the standards for wastewater treatment, are in normal operation;</p> <p><b>Solid waste treatment measures:</b> Household wastes are entrusted to the environmental sanitation department for paid cleaning and transportation. General industrial solid wastes such as waste outer packaging bags and biochemical sludge are entrusted to third-party units with technical capabilities for recycling and comprehensive utilization, while hazardous wastes such as waste inner packaging bags and waste cloth bags are entrusted to qualified units for treatment;</p> <p><b>Noise treatment measures:</b> Noise reduction measures such as selection of low noise equipment, installation of shockproof pads and sound insulation covers are taken, and the noises at boundary of the factory meet the requirements of the <i>Emission Standard for Industrial Enterprises Noise at Boundary</i> (GB12348-2008).</p>
Resource Recycling	<p><b>Waste gas treatment facilities:</b> All of the 19 sets of waste gas treatment facilities, including acid-base spraying, RTO combustion treatment, water film dust removal, bag dust removal, desulfurization and denitrification facilities, are in normal operation;</p> <p><b>Wastewater treatment facilities:</b> The 1 set of wastewater treatment facilities, which use methods such as heavy metal removal, fluoride removal, phosphorus removal, Fenton method for COD removal, pH adjustment, etc. to treat the wastewater to make it meet the standards, is in normal operation y;</p> <p><b>Solid waste treatment measures:</b> Household wastes are entrusted to the environmental sanitation department for paid cleaning and transportation. Hazardous waste such as waste activated carbon, waste engine oil and third-phase residue are entrusted to qualified units for treatment.</p> <p><b>Noise treatment measures:</b> Noise reduction measures such as selection of low noise equipment, installation of soundproof rooms and soft cushions are taken, and the noises at boundary of the factory meet the requirements of the <i>Emission Standard for Industrial Enterprises Noise at Boundary</i> (GB12348-2008).</p>
Huajin Company	<p><b>Waste gas treatment facilities:</b> All of the 22 sets of waste gas treatment facilities, including tertiary dust removal devices and secondary spray towers, are in normal operation;</p> <p><b>Wastewater treatment facilities:</b> The 2 sets of wastewater treatment facilities, including deamination system and MVR system, which uses ammonia evaporation, pH adjustment, evaporation and other processes to make the wastewater meet the standard, are in normal operation;</p> <p><b>Solid waste treatment measures:</b> Household wastes are entrusted to the environmental sanitation department for paid cleaning and transportation. General industrial solid wastes such as waste outsourcing tapes and waste wrapping films are entrusted to third-party units with technical capabilities for recycling and comprehensive utilization, while hazardous wastes such as waste packaging materials and waste filter cloth are entrusted to qualified units for treatment;</p> <p><b>Noise treatment measures:</b> Noise reduction measures such as selection of low noise equipment, installation of silencers and sound insulation covers are taken, and the noises at boundary of the factory meet the requirements of the <i>Emission Standard for Industrial Enterprises Noise at Boundary</i> (GB12348-2008).</p>

### 3. Environmental impact assessment of construction projects and other administrative permits for environmental protection with respect thereto

Applicable Not applicable

Name of the Company or its subsidiary	Environmental impact assessment of construction projects and other administrative permits for environmental protection with respect thereto during the reporting period
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Huayou Cobalt	/
Huayou Quzhou	The change project with an annual output of 30,000 tons (metallometry) of nickel sulfate for high-purity ternary electrical batteries (nickel ice cobalt and alloy leaching sub-project) passed the independent acceptance inspection on April 27, 2023. The project with an annual output of 30,000 tons (metallometry) of nickel sulfate for high-purity ternary electrical batteries (Phase II sub-project of hazardous solid waste recycling and sub-project of waste material recycling) passed the independent acceptance inspection on May 31, 2023. The project of green intelligent manufacturing of 7,000ta (cobalt metallometry) high-voltage cobalt trioxide was approved by Quzhou Ecological Environment Bureau on January 18, 2023 (Qu Huan Zhi Zao Jian [2003] No. 6). The project with an annual output of 50,000 tons (metallometry) of high-purity nickel sulfate (Phase I) was approved by Quzhou Ecological Environment Bureau on March 24, 2023 (Qu Huan Zhi Zao Jian [2013] No. 18).
Huayou New Energy Quzhou	The project with an annual output of 50,000 tons of ternary precursor materials for high-nickel electrical batteries passed the independent acceptance inspection on June 13, 2023.
Huayou Puxiang	/
Resource Recycling	/
Huajin Company	/

The environmental impact assessments of new, renovation or and expansion projects of Huayou Cobalt, Huayou Quzhou, Huayou New Energy Quzhou, Huayou Puxiang, Resource Recycling and Huajin Company over the years are summarized in the following table:

Approval Form for Environmental Impact Assessment of Existing Projects

S/N	Project name	Approval document after environmental impact assessment	Construction situation	Remarks
1	Tongxiang Huayou Cobalt Nickel New Material Co., Ltd	Approval Form for Construction Projects after Environmental Impact Assessment [02-0440]	Completed	Huayou Cobalt
2	Project of treatment of wastewater from synthesis workshop of Zhejiang Huayou Cobalt Nickel Materials Co., Ltd.	Approval Form for Construction Projects after Environmental Impact Assessment [08-0176]	Completed	
3	Technical transformation construction project of Zhejiang Huayou Cobalt Co., Ltd.	Tong Huan Jian [2008] No. 77	Completed	
4	Post-environmental impact assessment of the technical transformation construction project of Zhejiang Huayou Cobalt Co., Ltd	Tong Huan Jian Han [2010] No. 114	Completed	
5	Technical transformation project with an annual output of 1,750 tons (metallometry) of cobalt products	Jia Huan Jian Han [2012] No. 78	Completed	

6	New project with an annual output of 950 tons (metallometry) cobalt products	Jia Huan Jian Han [2014] No. 33	Completed	Huayou Quzhou
7	Energy saving technical transformation project with an annual output of 600 tons (metallometry) cobalt products	Tong Huan Jian [2016] No. 0234	Completed	
8	Project of the construction of Cobalt Nickel New Materials Research Institute	Tong Huan Bei [2018] No. 252	In progress	
9	2,600 tons of battery-grade cobalt sulfate upgrading and transformation project	Tong Huan Jian [2018] No. 0114	Completed	
10	Project of construction of Huayou Headquarters Research Institute (Tongxiang District)	Jia Huan Tong Bei [2020] No. 134	In progress	
11	10,000 tons (cobalt metallometry) of new material project	Zhe Huan Jian [2011] No. 53	Completed	
12	Project of 20,000t/a ternary cathode material precursor for lithium-ion batteries	Qu Huan Ji Jian [2014] No. 1	Completed	
13	3,500 t/a (cobalt metallometry) cobalt new material project	Qu Huan Ji Jian [2014] No. 12	Completed	
14	100,000 tons/year ammonium sulfate wastewater recycling project	Qu Huan Ji Jian [2015] No. 10	Completed	
15	13,000 tons cobalt new material technology transformation project	Qu Huan Ji Jian [2016] No. 8	Completed	
16	Project of wastewater treatment optimization and comprehensive utilization of renewable resources	Qu Huan Ji Jian [2016] No. 6	Completed	
17	Demonstration project for multi-component high-value clean recycling of cobalt containing waste	Qu Huan Ji Jian [2017] No. 4	Completed	
18	20000t/a battery-grade anhydrous iron phosphate project	Qu Huan Ji Jian [2017] No. 11	Completed	
19	Ammonium sulfate wastewater recycling project (Phase II)	Qu Ji Huan Jian [2017] No. 32	Completed	
20	Project of construction of Cobalt Nickel New Materials Research Institute - Cobalt Nickel Series Lithium-ion Battery New Materials Research	Qu Ji Huan Jian [2017] No. 41	Completed	

	and Development Center		
21	30,000 tons cobalt (metallometry) new material technology transformation project	Qu Ji Huan Jian [2018] No. 30	Completed
22	Project of construction of Huayou Science and Technology Innovation Center	Qu Ji Huan Jian [2018] No. 66	Partially completed
23	Project with an annual output of 30,000 tons (metallometry) of nickel sulfate for high purity ternary electrical batteries	Qu Huan Ji Jian [2019] No. 35	Partially completed
24	Pilot project for the research of new products of 201M and 501M cobalt powder and the development of green new processes for the treatment of cobalt nickel intermediate products using gas phase reaction technology	Qu Huan Ji Jian [2020] No. 5	Completed
25	Intelligent manufacturing project with an annual output of 35,000 tons (metallometry) of key materials for cobalt lithium batteries	Qu Huan Ji Jian [2021] No. 2	Partially completed
26	Change of the project with an annual output of 30,000 tons (metallometry) of nickel sulfate for high-purity ternary electrical batteries	Qu Huan Zhi Zao Jian [2021] No. 6	Partially completed
27	Project with an annual output of 50,000 tons (metallometry) of nickel sulfate for high-nickel electrical batteries	Qu Huan Zhi Zao Jian [2021] No. 53	Partially completed
28	Project of medium experimental line for 2,000t/a electrified battery crushing and selection	Qu Huan Zhi Zao Jian [2021] No. 57	Completed
29	Project with an annual output of 10,000 tons (metallometry) of nickel sulfate for electrical batteries	Qu Huan Zhi Zao Jian [2022] No. 1	In progress
30	New 7,000t/a (cobalt metallometry) high-voltage cobaltosic oxide green intelligent manufacturing project	Qu Huan Zhi Zao [2023] No. 6	In progress
31	Project with an annual	Qu Huan Zhi Zao Jian	In progress

	output of 50,000 tons of (metallometry) high purity nickel sulfate (Phase I)	[2023] No. 18		
32	Project of 20,000t/a of ternary cathode material precursor for lithium-ion batteries	Qu Huan Ji Jian [2014] No. 1	Completed	Huayou New Energy Quzhou
33	Huahai's project with an annual output of 50,000 tons of ternary precursor new materials for electrical batteries	Qu Huan Ji Jian [2017] No. 17	Completed	
34	Project with an annual output of 50,000 tons of ternary precursor materials for high-nickel electrical batteries	Qu Huan Ji Jian [2020] No. 23	Completed	
35	Project of construction of Huayou Headquarters Research Institute (Quzhou District)	Qu Huan Ji Jian [2020] No. 24	In progress	
36	Huahai's industrialization demonstration project with an annual output of 4000 tons of ternary cathode key materials for high-nickel electrical batteries	Qu Huan Ji Jian [2020] No. 34	Completed	
37	Huahai's industrialization project with an annual output of 960 tons of high-nickel ternary oxide for batteries	Qu Huan Ji Jian [2020] No. 35	In progress	
38	Project with an annual output of 50,000 tons of ternary cathode materials precursor for high-performance electrical batteries	Qu Huan Zhi Zao Jian [2021] No. 32	In progress	
39	Project with an annual output of 50,000 tons of ternary precursor materials for new high-performance electrical batteries	Qu Huan Zhi Zao Jian [2022] No. 64	In progress	
40	Project with an annual output of 30,000 tons of ternary precursor material for power lithium batteries	Jia Huan Tong Jian [2019] No. 0084	The Phase I with an annual production of 5000 tons has been completed The Phase II with an annual production of 25,000	

			tons is in progress.	
41	Waste battery recycling project of Resource Recycling	Qu Huan Ji Jian [2017] No. 20	Completed	Resource Recycling
42	10,000 tons battery-grade lithium carbonate project (Phase I) of Resource Recycling	Qu Huan Ji Jian [2019] No. 6	Completed	
43	Project of preparing 5000t/a power lithium carbonate with waste ternary lithium batteries of Resource Recycling	Qu Huan Ji Jian [2019] No. 36	Completed	
44	Project of high value utilization of multi form nickel resources to prepare battery-grade nickel sulfate of Resource Recycling	Qu Huan Zhi Zao Jian [2021] No. 37	In progress	
45	Project with an annual output of 40000 tons of ternary precursor new materials for high-nickel electrical batteries of Huajin New Energy Materials (Quzhou) Co., Ltd.	Qu Huan Ji Jian [2019] No. 4	Completed	Huajin Company
46	Project of technical renovation in the installation of exhaust spray tower in the testing room of Huajin New Energy Materials (Quzhou) Co., Ltd.	Qu Huan Zhi Zao Jian [2021] No. 49	Completed	

#### 4. Emergency plan for environmental emergencies

√Applicable □Not applicable

Name of the Company or its subsidiary	Emergency plan for environmental emergencies
Huayou Cobalt	According to the requirements of the <i>Emergency Management Measures for Environmental Emergencies</i> , Huayou Cobalt revised its emergency plan for environmental emergencies (which is valid until November 2023) in 2020, and filed the plan with the Tongxiang Ecological Environment Bureau with the filing number of 330483-2020-089-H.
Huayou Quzhou	According to the requirements of the <i>Emergency Management Measures for Environmental Emergencies</i> , Huayou Quzhou revised its emergency plan for environmental emergencies (which is valid until May 2025) in 2022, and filed the plan with the Quzhou Ecological Environment Bureau with the filing number of 330802-2022-023-H.
Huayou New Energy Quzhou	According to the requirements of the <i>Emergency Management Measures for Environmental Emergencies</i> , Huayou New Energy Quzhou revised its emergency plan for environmental emergencies (which is valid until year 2026) in 2023, and filed the plan with the Zhizao Xincheng Branch of Quzhou Ecological Environment Bureau with the filing number of 330802-2023-029-H.

Huayou Puxiang	According to the requirements of the <i>Emergency Management Measures for Environmental Emergencies</i> , Huayou Puxiang revised its emergency plan for environmental emergencies (which is valid until November 2026) in 2023, and filed the plan with the Tongxiang Branch of Jiaxing Ecological Environment Bureau with the filing number of 330483-2023-006-H.
Resource Recycling	According to the requirements of the <i>Emergency Management Measures for Environmental Emergencies</i> , Resource Recycling revised its emergency plan for environmental emergencies (which is valid until November 2024) in 2021, and filed the plan with the Quzhou Ecological Environment Bureau with the filing number of 330802-2021-068-H.
Huajin Company	According to the requirements of the <i>Emergency Management Measures for Environmental Emergencies</i> , Huajin Company revised its emergency plan for environmental emergencies (which is valid until November 2024) in 2021, and filed the plan with the Zhizao Xincheng Branch of Quzhou Ecological Environment Bureau with the filing number of 330802-2021-017-M.

## 5. Environmental self-monitoring plan

Applicable Not applicable

Huayou Cobalt has installed online monitoring systems for the discharge of pollution, TOC, ammonia nitrogen, nickel, pH, VOC, etc., and is connected to government ecological and environmental departments to ensure their capability of real-time monitoring of pollutant emissions. Besides, the company has developed a self-monitoring plan in accordance with relevant provisions of the *National Pollution Discharge License Management Measures* and made it public on the website of the National Pollution Discharge License Management Information Platform. It also entrusts third-party environmental monitoring institutions to conduct regular monitoring and timely reports the monitoring situation to the Zhejiang Enterprise Self-Monitoring Information Disclosure Platform.

Huayou Quzhou has installed online monitoring systems for the discharge of pollution, TOC, ammonia nitrogen, pH, SO<sub>2</sub> (key sources of exhaust gas in leaching workshops), etc., and is connected to government ecological and environmental departments to ensure their capability of real-time monitoring of pollutant emissions. Besides, the company has developed a self-monitoring plan in accordance with relevant provisions of the *National Pollution Discharge License Management Measures* and made it public on the website of the National Pollution Discharge License Management Information Platform. It also entrusts third-party environmental monitoring institutions to conduct regular monitoring and timely reports the monitoring situation to the Zhejiang Enterprise Self-Monitoring Information Disclosure Platform.

Huayou New Energy Quzhou has installed online monitoring systems for the discharge of pollution, TOC, ammonia nitrogen, pH, etc., and is connected to government ecological and environmental departments to ensure their capability of real-time monitoring of pollutant emissions. Besides, the company has developed a self-monitoring plan in accordance with relevant provisions of the *National Pollution Discharge License Management Measures* and made it public on the website of the National Pollution Discharge License Management Information Platform. It also entrusts third-party environmental monitoring institutions to conduct regular monitoring and timely reports the monitoring situation to the Zhejiang Enterprise Self-Monitoring Information Disclosure Platform.

Huayou Puxiang has installed online monitoring systems for the discharge of pollution, TOC, ammonia nitrogen, pH, etc., and is connected to government ecological and environmental departments to ensure their capability of real-time monitoring of pollutant emissions. Besides, the company has developed a self-monitoring plan in accordance with relevant provisions of the *National Pollution Discharge License Management Measures* and made it public on the website of the National Pollution Discharge License Management Information Platform. It also entrusts third-party environmental monitoring institutions to conduct regular monitoring and timely reports the monitoring situation to the Zhejiang Enterprise Self-Monitoring Information Disclosure Platform.

Resource Recycling has installed online monitoring systems for the discharge of pollution, TOC, ammonia nitrogen, pH, etc., and is connected to government ecological and environmental departments to ensure their capability of real-time monitoring of pollutant emissions. Besides, the company has developed a self-monitoring plan in accordance with relevant provisions of the *National Pollution Discharge License Management Measures* and made it public on the website of the National Pollution

Discharge License Management Information Platform. It also entrusts third-party environmental monitoring institutions to conduct regular monitoring and timely reports the monitoring situation to the Zhejiang Enterprise Self-Monitoring Information Disclosure Platform.

Huajin Company has installed online monitoring systems for the discharge TOC, ammonia nitrogen, pH, etc., and is connected to government ecological and environmental departments to ensure their capability of real-time monitoring of pollutant emissions. Besides, the company has developed a self-monitoring plan in accordance with relevant provisions of the *National Pollution Discharge License Management Measures* and made it public on the website of the National Pollution Discharge License Management Information Platform. It also entrusts third-party environmental monitoring institutions to conduct regular monitoring and timely reports the monitoring situation to the Zhejiang Enterprise Self-Monitoring Information Disclosure Platform.

**6. Administrative punishment received due to environmental issues during the reporting period**

Applicable Not applicable

**7. Other environmental information that should be disclosed**

Applicable Not applicable

**(II) Description of environmental protection situation of the companies not belonging to the key pollutant discharging units announced by the environmental protection department**

Applicable Not applicable

**1. Administrative punishment received due to environmental issues**

Applicable Not applicable

**2. Disclosure of other environmental information with reference to the disclosure requirements for key pollutant discharging units**

Applicable Not applicable

**The main pollutants discharged by Chengdu B&M include COD, ammonia nitrogen, particulate matter, etc.**

Wastewater environmental protection facilities and discharge: Production process wastewater is evaporated by the MVR system and then re-used together with steam condensate for the pure water preparation system, achieving zero discharge of process wastewater. After being treated in a pre-treatment tank and meeting the Class III standards specified in Table 4 of the *Integrated Wastewater Discharge Standard* (GB8978-1996) and Class B standards specified in Table 1 of the *Wastewater Quality Standards for Discharge to Municipal Sewers* (GB/T31962-2015), domestic wastewater enters the Huaikou Industrial Sewage Treatment Plant for further treatment and is discharged up to the standard.

Waste gas environmental protection facilities and emissions: Waste gas containing particles is subject to primary dedusting through the filter cartridge dust remover built in the equipment. The exhaust gas from primary dedusting will pass through the secondary dedusting by the central dust remover, and, after meeting the standards specified in *Emission Standards of Pollutants for Inorganic Chemical Industry* (GB31573-2015) and Table 4 thereof, is discharged from the exhaust funnel at a high altitude.

Storage and disposal of solid waste: Household waste is collected and disposed of by the environmental sanitation department in a uniform manner. General solid waste is recycled and disposed of by recycling companies. Hazardous waste is regularly disposed of by qualified units, and the company follows the *Standard for Pollution Control on Hazardous Waste Storage* (GB18597-2023) during the process of storage of hazardous solid waste, and follows the *Management Measures for the Transfer of Hazardous Waste* during the process of transfer of hazardous solid waste.

The company strictly observes environmental protection related laws and regulations such as the Environmental Protection Law, the Environmental Impact Assessment Law, various environmental protection special laws, and the Environmental Protection Management Regulations for Construction Projects during the process of project construction and business operation, and complies with the regulations of the ecological environment regulatory department.

**The main pollutants discharged by Tianjin B&M include COD, ammonia nitrogen, particulate matter, sulfuric acid mist, etc.**

Wastewater environmental protection facilities and discharge: No production wastewater is produced. After being treated in septic tank and meeting the *Integrated Wastewater Discharge Standard* (DB12/356-2018), domestic wastewater enters the sewage treatment plant on North Xianyang Road for further treatment and is discharged up to the standard.

Waste gas environmental protection facilities and emissions: The exhaust gas (particulate matter, nickel and its compounds, cobalt and its compounds) is treated by a dust collector, and is emitted after meeting the standards specified in the *Integrated Emission Standard of Air Pollutants* (GB16297-1996) and the *Emission Standard of Air Pollutants for Industrial Furnaces* (DB12/556-2015). The exhaust gas (ammonia, hydrogen chloride, sulfuric acid mist) is treated by the tail gas absorption tower, and is emitted after meeting the standards specified in the *Integrated Emission Standard of Air Pollutants* (GB16297-1996) and the *Emission Standards for Odor Pollutants* (DB12059-2018). The exhaust gas (TRVOC, etc.) is treated by NMP recovery units or secondary activated carbon, after is discharged at high altitude after meeting the standards specified in the *Emission Control Standard for Industrial Enterprise Volatile Organic Compounds* (DB12/524-2020).

Storage and disposal of solid waste: Household waste is entrusted to the environmental sanitation department for regular and paid clearance and transportation. General industrial waste such as waste materials, waste containers and waste packaging bags are handed over to raw material suppliers or material recycling units for recycling and reuse. Hazardous solid wastes such as cleaning waste liquid, waste wipes, waste reagent bottles and waste engine oil are entrusted to Tianjin Hejia Veolia Environmental Services Co., Ltd. and other qualified units for disposal. The company follows the *Standard for Pollution Control on Hazardous Waste Storage* (GB18597-2023) during the process of storage of hazardous solid waste, and follows the *Management Measures for the Transfer of Hazardous Waste* during the process of transfer of hazardous solid waste.

The company strictly observes environmental protection related laws and regulations such as the Environmental Protection Law, the Environmental Impact Assessment Law, various environmental protection special laws, and the Environmental Protection Management Regulations for Construction Projects during the process of project construction and business operation, and complies with the regulations of the ecological environment regulatory department.

**The main pollutants discharged by Jiangsu Huayou include particulate matter, tin and its compounds, etc.**

Wastewater environmental protection facilities and discharge: No production wastewater is produced. Domestic wastewater is treated in septic tank (relying on Nanjing Haixing Power Grid Technology Co., Ltd.), and, after meeting the standards specified in the *Integrated Wastewater Discharge Standard* (GB8978-1996), enters the Jiangning Development Zone Sewage Treatment Plant for further treatment and is discharged up to the standard.

Waste gas environmental protection facilities and emissions: Welding smoke and dust are treated with pulse filter cartridge dust collectors, and is discharged at high altitude after the particulate matter meets the standards specified in the *Emission Standard of Pollutant for Battery Industry* (GB30484-2013), and tin and its compounds meet the standards specified in the *Integrated Emission Standard of Air Pollutants* (DB32/4041-2021) of Jiangsu Province.

Storage and disposal of solid waste: Household waste is entrusted to the environmental sanitation department for paid clearance and transportation. General industrial solid waste such as waste battery pack iron shell, waste flow guide, waste wire harness, waste battery pack plastic parts, waste packaging materials, etc., are sold to Nanjing Fanchengtao Renewable Resources Utilization Co., Ltd for recycling purpose. Scrap modules and unqualified products detected in the factory are sold to Quzhou Huayou Resource Recycling Technology Co., Ltd. for comprehensive utilization. Waste BMS is entrusted to Jiangsu Bangteng Environmental Protection Technology Development Co., Ltd. for disposal. The company follows the *Standard for Pollution Control on Hazardous Waste Storage* (GB18597-2023) during the process of storage of hazardous solid waste, and follows the *Management Measures for the Transfer of Hazardous Waste* during the process of transfer of hazardous solid waste.

The company strictly observes environmental protection related laws and regulations such as the Environmental Protection Law, the Environmental Impact Assessment Law, various environmental protection special laws, and the Environmental Protection Management Regulations for Construction Projects during the process of project construction and business operation, and complies with the regulations of the ecological environment regulatory department.

**Guangxi B&M:**

**The main pollutants discharged from the non ferrous include COD, ammonia nitrogen, particulate matter, etc.**

Wastewater environmental protection facilities and discharge: As for the production process wastewater, the production wastewater generated from the nickel cobalt production line process is discharged into the wastewater treatment station of nickel cobalt production line for treatment; the ternary mother liquor produced by the ternary precursor production line undergoes deamination and weight removal treatment, and the alkali water and wash water are collected and enter the deamination and weight removal system for treatment; the wash wastewater from the ternary cathode production line is treated through a membrane treatment system (precision filtration + pH adjustment + UF + RO + evaporator); the production wastewater of the nickel cobalt production line and of the ternary material area undergo pretreatment, and, after meeting the standards specified in the *Emission Standards of Pollutants for Inorganic Chemical Industry* (GB31573-2015), finally discharged to the lithium battery base sewage treatment plant for treatment and then discharge up to the standard. The domestic sewage is treated in the septic tank in the factory and, after meeting the Class B standards of the quality control project limit of wastewater discharged to municipal sewers specified in Table 1 of the *Wastewater Quality Standards for Discharge to Municipal Sewers* (GB/T31962-2015), discharged into the lithium battery base sewage treatment plant for treatment and then discharge up to the standard.

Waste gas environmental protection facilities and emissions: Waste gas containing particulates is treated by pulse bag filter, waste gas containing nickel, cobalt and manganese is treated by metal film dust collector and water mist dust collector, waste gas containing sulfuric acid mist is treated by acid mist absorption tower, and waste gas containing ammonia is treated by acid spraying, and discharged at high altitude after reaching the emission concentration limit of air pollutants for new enterprises as specified in Table 3 of the *Emission Standards of Pollutants for Inorganic Chemical Industry* (GB31573-2015). Organic waste gas (sulfuric acid fog, hydrogen chloride, non methane total hydrocarbon), after three-stage acid fog absorption tower and resin adsorption, and reaching the *Emission Standards of Pollutants for Inorganic Chemical Industry* (GB31573-2015) and *Integrated Emission Standard of Air Pollutants* (GB16297-1996), is discharged at high altitude.

Storage and disposal of solid waste: Household waste is entrusted to the environmental sanitation department for clearance and disposal. Hazardous waste such as waste packaging materials, waste filter cloth, chemical reagent packaging, rags and felt are entrusted to qualified units such as Guigang Taini Dongyuan Environmental Protection Technology Co., Ltd. and Xingye Hailuo Environmental Protection Technology Co., Ltd. for disposal. Hazardous waste such as waste engine oil and waste oil drums are entrusted to qualified units such as Yulin Hehan Jinhui Renewable Resources Co., Ltd. for disposal. The company follows the *Standard for Pollution Control on Hazardous Waste Storage* (GB18597-2023) during the process of storage of hazardous solid waste, and follows the *Management Measures for the Transfer of Hazardous Waste* during the process of transfer of hazardous solid waste.

The company strictly observes environmental protection related laws and regulations such as the Environmental Protection Law, the Environmental Impact Assessment Law, various environmental protection special laws, and the Environmental Protection Management Regulations for Construction Projects during the process of project construction and business operation, and complies with the regulations of the ecological environment regulatory department.

**The main pollutants discharged from the cathode materials include particulate matter.**

Wastewater environmental protection facilities and discharge: Production process wastewater is evaporated by the MVR system and then re-used together with steam condensate for the pure water preparation system, achieving zero discharge of process wastewater. After being treated in a pre-treatment tank and meeting the Class III standards specified in the *Integrated Wastewater Discharge Standard* (GB8978-1996), domestic wastewater enters the wastewater treatment plant in the park for further treatment and is discharged up to the standard.

Waste gas environmental protection facilities and emissions: Waste gas containing particulates is discharged at high altitude after being treated by pulse and water curtain dust remover and reaching the special emission limit of air pollutants specified in the *Emission Standards of Pollutants for Inorganic Chemical Industry* (GB31573-2015). The dust and exhaust gas from crushing, billet loading and other processes are treated by dust collectors and then discharged at high altitude after meeting the *Integrated Emission Standard of Air Pollutants* (GB16297-1996).

Storage and disposal of solid waste: General industrial solid waste such as the dust particles adsorbed on the magnetic poles of pulse dust collectors and electromagnetic iron separators is collected

and handed over to raw material suppliers for recycling and reuse. General solid waste such as waste saggars and ton bags is entrusted to Sichuan Tengfei Shengri Environmental Protection Technology Co., Ltd for unified collection and disposal. Hazardous solid waste such as chemical reagent packaging materials and precursor inner membrane bags are entrusted to qualified units such as Guigang Taini Dongyuan Environmental Protection Technology Co., Ltd. and Xingye Hailuo Environmental Protection Technology Co., Ltd. for disposal. Waste oil barrels and waste engine oil are entrusted to qualified units such as Yulin Hehan Jinhui Renewable Resources Co., Ltd. for disposal. The company follows the *Standard for Pollution Control on Hazardous Waste Storage* (GB18597-2023) during the process of storage of hazardous solid waste, and follows the *Management Measures for the Transfer of Hazardous Waste* during the process of transfer of hazardous solid waste.

The company strictly observes environmental protection related laws and regulations such as the Environmental Protection Law, the Environmental Impact Assessment Law, various environmental protection special laws, and the Environmental Protection Management Regulations for Construction Projects during the process of project construction and business operation, and complies with the regulations of the ecological environment regulatory department.

**The main pollutants discharged by Zhejiang B&M include COD, ammonia nitrogen, particulate matter, etc.**

Wastewater environmental protection facilities and discharge: Production wastewater comes from equipment cleaning wastewater, testing center wastewater, circulating cooling tower drainage, and concentrated water generated by the pure water preparation system, with the main components of COD<sub>Cr</sub> and suspended solids. Testing center wastewater, after MVR treatment, is discharged into the sewage treatment plant in the park through external discharge pipes. Equipment cleaning wastewater is separated by pressure filtration, and then discharged into the sewage treatment plant in the park through external discharge pipes. After pre-treatment, the concentration of the main pollutants in the production wastewater is relatively low. When it meets the Class III standards specified in the *Integrated Wastewater Discharge Standard* (GB8978-1996) and the *Indirect Discharge for Emission Limitation of Nitrogen and Phosphorus for Industrial Wastewater* (DB33/887-2013), it can be discharged through external discharge pipes. The condensate generated by the MVR treatment process serves as makeup water for the spray tower. The overflow generated by the operation of the spray tower is discharged into the MVR treatment tank for recycling and treatment, while the wastewater from the spray tower is not discharged externally.

Domestic wastewater is pretreated in the septic tank and, after reaching the Class III standards specified in the *Integrated Wastewater Discharge Standard* (GB8978-1996) (or *Wastewater Quality Standards for Discharge to Municipal Sewers* (GB/T31962-2015) in case of discharge of ammonia nitrogen through pipes), is discharged through external discharge pipes into Quzhou Municipal Sewage Treatment Plant for further treatment until it meets the standard.

Waste gas environmental protection facilities and emissions: The lithium-cobalt oxide factory building No. 1 and the test plant of the company are equipped with precision and high-efficiency filter cartridges dust collector. The dust at each dust producing point is collected through precision and high-efficiency filter cartridges, and the exhaust gas is discharged centrally through a high exhaust funnel. The generate hydrogen chloride and sulfuric acid mist produced during the product testing process of the project control testing center due to the use of reagents such as hydrochloric acid and sulfuric acid are treated by an alkali spray tower, and, after meeting the Class II standards specified in Table 2 of the *Integrated Emission Standard of Air Pollutants* (GB16297-1996), discharged through an exhaust funnel in high altitude.

Storage and disposal of solid waste: Dust removal materials generated by the company are re-used internally as raw materials. High magnetic materials are recycled and utilized internally by the group. The waste activated carbon and waste membrane generated from the preparation of pure water are recycled during maintenance by equipment manufacturers. Waste saggars are recycled by Sichuan Tengfei Risheng Environmental Protection Technology Co., Ltd. Waste ton bags are recycled by Hangzhou Xinjun Renewable Resources Co., Ltd. Waste mineral oil, waste organic solvents, waste reagent bottles, waste oil drums, oily waste rags and inorganic salt solids generated after MVR treatment are entrusted to Wenzhou Environmental Development Co., Ltd. for disposal. The company follows the *Standard for Pollution Control on Hazardous Waste Storage* (GB18597-2023) during the process of storage of hazardous solid waste, and follows the *Management Measures for the Transfer of Hazardous Waste* during the process of transfer of hazardous solid waste.

The company strictly observes environmental protection related laws and regulations such as the Environmental Protection Law, the Environmental Impact Assessment Law, various environmental protection special laws, and the Environmental Protection Management Regulations for Construction Projects during the process of project construction and business operation, and complies with the regulations of the ecological environment regulatory department.

### 3. Reasons for not disclosing other environmental information

Applicable Not applicable

#### (III) Subsequent progress or change in environmental information disclosed during the reporting period

Applicable Not applicable

#### (IV) Relevant environmental information that is conducive to protecting ecology, preventing and controlling pollution, and fulfilling environmental responsibilities

Applicable Not applicable

The Company actively responds to the United Nations Sustainable Development Goals (UN-SDGs), follows the relevant international guidelines and standards of ESG and sustainable development, fully integrates ESG concepts and standards into enterprise operation and management, comprehensively builds an ESG system with Huayou characteristics, creates value for stakeholders, and builds a responsible international corporate image to make due contributions to the development of a community of shared future for mankind with a responsible Huayou attitude. During the reporting period, the Company was selected as Forbes China's ESG Inspiration Case for 2023 for its green production of energy saving, consumption reduction and pollution reduction.

##### 1. System construction

In order to establish a goal-oriented management mechanism and promote effective management of green development, the Group has established a number of management systems. Each subsidiary has formulated an environmental protection system applicable to its own industry in accordance with the requirements of the Group's *General Rules for Environmental Management*, set environmental targets, and implemented targeted management in energy use and resource management. Through the performance appraisal system, the Company's environmental performance was further improved to establish a green brand image. During the reporting period, the discharge of three wastes and other pollutants of the Company met the discharge standards and the Company was not subject to environmental punishment due to environmental accidents.

In order to improve the Group's environmental management system and enhance its environmental management capabilities, each subsidiary has revised and improved the system, checked the gaps and made up the missing systems. In the first half of 2023, Resource Recycling revised and improved the *Noise Pollution Management and Control Procedures*, the *Measures for the Management of Rain Drainage* and the *Measures for the Management of General Solid Waste*, and formulated the *Measures for the Management of Environmental Protection Facilities* and the *Measures for the Inspection of Environmental Protection and Pollution Control*; Zhejiang B&M formulated the *Waste Control Procedures*, the *Waste Gas Emission Control Procedures*, the *Sewage Discharge Control Procedures*, the *Noise Emission Control Procedures* and the *Solid Waste Management System*; Huajin Company organized the revision of the *Environmental Monitoring Management System* and the *Solid Waste Management System*. Other subsidiaries have also revised relevant environmental management systems according to the actual situation.

##### 2. Waste water management

Huayou Cobalt attaches great importance to waste water discharge in the production process, takes the initiative to carry out waste water management, strictly abides by the *Water Pollution Prevention and Control Law of the People's Republic of China* and other local laws and regulations, and monitors the water conditions in all aspects. For industrial waste water from mining and smelting processes, the Company strictly tests oil pollutants, metal ions, acid and base pollutants in the water to ensure up-to-standard discharge of waste water. The Company entrusts a third party to test the production waste water every quarter, and the test results are 100% up to standard.

##### 3. Waste gas management

Huayou Cobalt strictly abides by the *Law on the Prevention and Control of Atmospheric Pollution* and other local laws and regulations. The dust discharged in an organized manner is collected by the dust removal equipment and then treated centrally, and the dust discharged in an unorganized manner is controlled by professional waste gas treatment equipment and necessary dust raising measures. For the treatment of waste gas generated in the smelting process, the Company strictly complies with the *Emission Standard of Pollutants for Copper, Nickel and Cobalt Industry*, and its subsidiaries outside China comply with local laws and regulations and IFC standards. The sulfur dioxide and acid fog generated in the smelting process are collected by the air pipe and then enter the lye spray tower for absorption and treatment. The generated dust and tail gas are discharged at high altitude after bag dust removal and dust removal by water film. The generated organic waste gas is summarized and treated by RTO. The water gas discharge is up to standard, and there are no other violations such as exceeding the standard.

#### **4. Waste management**

The waste generated in the production process includes general solid waste and hazardous waste. The Company strictly abides by the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, the *Standard for Pollution Control on the Non-hazardous Industrial Solid Waste Storage and Landfill*, the *Standard for Pollution Control on Hazardous Waste Storage* and other Chinese environmental protection laws and regulations and the relevant national environmental protection laws and regulations of the project site, and reduces the impact on the environment and reduce the risk through reasonable storage, disposal and recycling of waste. The Company encourages all plants to carry out technological innovation and process improvement to minimize waste generation, achieve source reduction, process control, compliant treatment and recycling, and fulfill our commitment to ecological protection.

Huayou Quzhou carried out hazardous waste reduction - extraction section degreasing activated carbon reduction (deep degreaser industrialization research), aiming to replace the current activated carbon degreasing device by self-developed integrated degreasing device, so as to reduce the production of waste activated carbon (hazardous waste). The bench-scale and pilot-scale experiments have been completed, and the workshop production line verification is currently under way.

#### **5. Green development**

Huayou Cobalt actively responds to the call of the state, practices the concept of “green development and energy conservation first”, implements the Company’s development plan of “dual carbon”, and promotes the green development of the whole industrial chain of low-carbon production, green products and green factories. In the first half of 2023, Huayou Recycling and Volkswagen Group (China) achieved cooperative results in the comprehensive utilization of decommissioned electrical batteries, and successfully handed over cooperative products; cascade products and technical solutions were provided to Huachen BMW to realize green electricity recycling. Resource Recycling was awarded the title of “Zhejiang Green Low-carbon Factory”; the nickel-cobalt-manganese hydroxide HJ603L and HJ701L independently developed by Huajin Company and the lithium nickelate-cobaltate-manganate NCM523 independently developed by Chengdu B&M were included in the national green design product list. The Company’s low-carbon production, green manufacturing and sustainable development capabilities have been continuously enhanced.

### **(V) Measures taken to reduce carbon emissions and their effects during the reporting period**

Applicable Not applicable

Huayou Cobalt is committed to becoming an industry-leading, zero-carbon and green new energy materials enterprise, creating value for customers, leading the development of new energy lithium-ion battery materials industry, and accelerating the pace of zero-carbon industry. In the first half of 2023, the Company fully implemented the plan of “dual carbon”, promoted the green development of the whole industrial chain of low-carbon production, green products and green factories, and accelerated the recycling and reuse of recyclable and cascade products.

#### **1. Adjust and optimize the energy structure**

As for the use of clean energy, Chengdu B&M used clean hydroelectric energy of 248,920,000KWh, which help reduce CO<sub>2</sub> emissions of about 142,000t. The construction of the first batch of rooftop PV project in Huayou Quzhou Base officially began in December 2022, and it was successfully connected to the grid for operation in late May 2023. The installed capacity of the project is 4MWp, able to achieve annual power generation of nearly 4,000,000KWh and reduce CO<sub>2</sub> emissions of

2,281t. The second batch of 6MWp rooftop PV project in Huayou Quzhou Base started in February 2023, and the construction officially began at the end of June.

### 2. Develop recyclable and cascade products

In the first half of 2023, Recycling Industry Group completed the sales of cascade products of 544.5MWh in total, where the sales of low-speed vehicles totaled 484.5MWh and the sales of energy storage products totaled 60MWh. The sales of low-speed vehicle battery products, energy storage, storage charging and optical storage charging products in cooperation with the OEMs totaled 13.03MWh. Through the recycling and sales of cascade batteries and the manufacturing and reuse of cascade batteries, the carbon emissions of the entire product application market were reduced by more than 40%, and the energy conservation and emission reduction were accelerated, continuously contributing to the goal of “dual carbon”.

### 3. Build zero-carbon plates in an orderly manner

The Company is committed to becoming an industry-leading, zero-carbon and green new energy materials enterprise, creating value for customers, leading the development of new energy lithium-ion battery materials industry, and accelerating the pace of zero-carbon industry. Following the completion of the construction of the world’s first cathode material factory - Chengdu B&M, in order to achieve the effect of industrial chain extension, Huayou New Energy Quzhou became the Company’s first precursor plate zero-carbon factory in the first half of the year, certified by the third party international authority SGS, and gradually built a full life cycle and integrated low-carbon industrial chain of “nickel-cobalt-lithium rough materials - refining - precursor products - ternary cathode products - recycling”. In the first half of the year, the carbon emission accounting of 10 stable production companies at the organizational level was completed, and the carbon footprint verification of more than 30 products in all links of the whole industrial chain from mining to cathode was completed.

### 4. Improve energy efficiency

According to the status quo of the Company’s industrial development and its current organizational structure, the management boundary is clearly divided according to the two dimensions of energy and carbon emissions, and the plan of “dual carbon” of each base company is organized according to the principle of “three levels and two main lines”. In the first half of the year, Huayou Cobalt, Huayou POSCO, and Resource Recycling introduced ISO50001 energy management system for construction and operation, defined clear responsibilities and clear tasks, and consolidated basic management with unified standards. According to their own characteristics, each industrial group achieved energy and carbon performance through technological improvement, process improvement and production optimization. The main dual carbon reduction initiatives are as follows:

S/N	Project	Improvement measures	CO2 reduction (t/year)
1	Deamination and MVR steam unit consumption reduction	Through the process refinement management, the second-stage deamination capacity was increased to 3,000m <sup>3</sup> . After the capacity reached the standard, the working conditions of the condenser were optimized, and the steam unit consumption was reduced: a) the steam consumption per ton of deammoniating water was reduced by 9%; b) the steam consumption per ton of MVR product was reduced by 12.5%.	4639.06
2	Technology improvement for synthetic use of normal temperature metal liquid	By canceling the process of metal liquid heating, the metal liquid metal was passed into the reaction still at normal temperature for synthesis reaction.	2274.03
3	Electric nickel anolyte circulation reforming	Based on the existing 10,000 tons of MHP line, the extraction line was changed without increasing, and the leaching impurity removal and oil removal system was reformed according to the acid content of raw materials and anolyte, so as to maximize the utilization of acid in anolyte and reduce the consumption of caustic soda liquid.	8840.72
4	Caustic soda liquid concentration optimization	Caustic soda liquid with concentration of 32% was replaced with that of 50%, water cycle was reduced by 18%, lithium sulfate solution concentration was reduced from 55g/L to 45%, and the amount of water evaporation was reduced	2073.76
5	Oxygen pressure deiron wire high pressure steam energy saving	According to the oxygen pressure production process, the feed tank was installed with coil tube, the steam of the vertical still coil was connected to the feed tank, and the thermal insulation layer was installed outside the tank wall to increase the feed pulp temperature. The time of undercurrent incorporation at the nickel salt pulping section and the amount of undercurrent incorporation was reduced, and	7130.86

		the high pressure steam consumption was reduced. At the same time, the Co yield of the white alloy was increased by increasing the proportion of the first-stage liquid incorporation.	
6	Precursor still cleaning device renovation	In the first and second workshops of the precursor plant II, a set of automatic still cleaning device was built to reduce the water consumption in reaction still cleaning, improve the cleaning efficiency, and improve the degree of automation and intelligence in still cleaning. The water consumption in cleaning 1 set of reaction still was controlled within 4m <sup>3</sup> , cleaning time was controlled within 20min, and automatic cleaning was realized by PLC control system.	2654.79
7	Process exploration and research	Through exploration and research on the atmosphere of 910AS first roasting process, the optimal oxygen consumption of kiln was explored without affecting the product quality.	1957.96

## II. Specific situation of the work to consolidate the achievements of poverty alleviation and help rural revitalization

Applicable Not applicable

During the reporting period, the Company adhered to the concept of social responsibility of “making contributions to local economic and social development no matter where it makes investment”, and took social and public welfare undertakings as an important work. The total amount of global public welfare investment reached about RMB 18.34 million (including poverty alleviation and rural revitalization projects; foreign currency donations were calculated according to the real-time exchange rate), including but not limited to education, health care, infrastructure, economic development, environment, agriculture, vocational training, etc. The Company made contributions to the sustainable development of the community where it is located, adhered to the sharing of development results with the society, helped build a harmonious society, and strived to be a model for the realization of common prosperity. Huayue won the 2023 Indonesian Ministry of Health Epidemic Prevention Contribution Award.

### 1. Home

2023 is the first year that Huayou donated charitable fund of RMB 50 million to Tongxiang Charity Federation. During the reporting period, the Company paid RMB 15 million to Tongxiang Charity Federation, all of which was used for the construction of projects to help the coordinated development of urban and rural areas and the construction of harmonious villages to live and work. This year is also the second year that Huayou donated charitable fund of RMB 20 million to Quzhou Charity Federation. In the form of leaving principal and donating interest, the total amount of donation was RMB 5 million. During the reporting period, the Company allocated the second installment of the fund, namely RMB 1 million, all of which was used to carry out various forms of charity activities and promote the construction of marginal common prosperity demonstration zone in Quzhou. In Tongxiang headquarters, Huayou invested RMB 218,000 to help the internal 23 workers in exceptional poverty (foreign workers accounted for more than 90%), and invested RMB 50,000 to visit difficult families, difficult party members and elderly people in nursing homes in villages and communities around Tongxiang headquarters, benefiting nearly 100 people. In Huayou Quzhou Base, RMB 24,800 was invested in visiting the surrounding poor villages.

With good deeds and gratitude, Huayou will continue to support the cause of rural revitalization in 2023. Fenghuang Village, Baima Bridge Township, Yugan County, Jiangxi is a key village for the rural revitalization under the “14th Five-Year Plan”. The collective income of the village was limited. In order to support its rural development, Huayou took the initiative to extend a helping hand and donated RMB 200,000 for poverty alleviation, which was directed to the construction of the rooftop distributed power station project of Fenghuang Village, bringing a stable source of income for the collective economy of Fenghuang Village and contributing to the country’s comprehensive promotion of rural revitalization and the realization of high-quality development.

### 2. Abroad

During the reporting period, the Company invested a total of more than RMB 1.85 million overseas for the development of local community public welfare projects, winning recognition with its own role and support with its own contributions, creating a good business environment and social environment for the healthy and sustainable development of Huayou.

In D. R. Congo, following the signing of the *Letter of Social Responsibility* in 2022, African CDM and MIKAS successively carried out public welfare projects as planned, donating solar water wells, schools, food and school supplies, etc., with a total investment of about RMB 620,000. In March 2023, CDM

actively coordinated the 21st Chinese medical team to arrive in Kamatété community for free medical treatment and donated medical supplies. In Indonesia, in June 2023, Huayou donated about RMB 500,000 to support the national track and field events organized by the Indonesian government. In Zimbabwe, based on the current production and development environment, Huayou orderly promoted the social activities and infrastructure construction of the communities around the Acadia lithium mine project site: in social activities, participated in activities on Zimbabwe Independence Day, and organized activities on African Freedom Day, etc.; in community construction, laid roads around the factory, and provided road environmental settings, etc.; in community help, held agricultural goods donation competition, poultry breeding training, etc., with a total of investment of about RMB 730,000.

## Section VI Major Matters

### I. Performance of commitments

#### (I) Commitments made by the actual controller, shareholder, related party, acquirer, 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	Content of commitment	Time and period of commitment	Whether there is fulfillment period	Whether it is strictly fulfilled in a timely manner	Explain the specific reasons if it is not fulfilled in a timely manner	Explain the next step if it is not fulfilled in a timely manner
Commitments related to initial public offering	Solving horizontal competition	Huayou Holding (The controlling shareholder of the Company) and Chen Xuehua (the actual controller)	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 <i>Letter of Commitment on Avoiding Horizontal Competition</i> (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		Yes	Yes		

		<p>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</p>					
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			when the Company ceases to be listed in domestic or foreign securities exchange institutions.					
Commitments related to refinancing	Others	Huayou Holding (The controlling shareholder of the Company) and Chen Xuehua (the actual controller)	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.		Yes	Yes		
	Solving horizontal competition	Huayou Holding (The controlling shareholder of the Company) and Chen Xuehua (the actual controller)	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		Yes	Yes		

			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 jointly and severally liable.					
	Solving related party transactions	Huayou Holding (The controlling shareholder of the Company) and Chen Xuehua (the actual controller)	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 jointly		Yes	Yes		

			and severally liable.					
	Others	Directors and senior officers of the Company	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 making 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 making 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 making up the gap; 7. I undertake to effectively implement the Company's measures to making up the gap and fulfill any commitments I have made regarding the measures to making 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		Yes	Yes		

			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 making 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."					
	Others	Huayou Holding (The controlling shareholder of the Company) and Chen Xuehua (the actual controller)	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 making up the gap can be effectively implemented, Huayou Holding, the controlling shareholder of the Company, and Xuehua Chen, the actual controller, have made the following commitments to the effective implementation of the Company's measures to making 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 making 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		Yes	Yes		

			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 making up the gap and their commitments, and the above commitments cannot satisfy such provisions of the China Securities Regulatory Commission, The Company/I undertakes to issue a supplementary commitment in accordance with the latest regulations of the China Securities Regulatory Commission at that time."					
	Others	Directors and senior officers of the Company	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 making 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		Yes	Yes		

			<p>system established by the Board of Directors or the Nomination and Remuneration Committee is linked to the implementation of the Company's measures to making 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 making up the gap; 7. I undertake to effectively implement the Company's measures to making up the gap and fulfill any commitments I have made regarding the measures to making 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 making 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."</p>					
Others	Huayou Holding (The controlling shareholder of the Company) and Chen Xuehua (the	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 making up the gap can be effectively implemented, Huayou Holding, the controlling shareholder of the Company, and Xuehua Chen, the actual controller, have made the following commitments to the effective implementation of the Company's measures to making up the gap in accordance with		Yes	Yes			

		actual controller)	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 making 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 making up the gap and their commitments, and the above commitments cannot satisfy such provisions of the China Securities Regulatory Commission, The Company/I undertakes to issue a supplementary commitment in accordance with the latest regulations of the China Securities Regulatory Commission at that time.”					
Commitments related to equity incentives	Others	The Company	The Company undertakes not to provide loans or any other form of financial assistance, including guarantees for its loans, to the incentive targets for the purpose of obtaining the restricted stock under the 2021, 2022 and 2023 incentive plans.	From the date on which the grant registration is completed to the date on which all	Yes	Yes		

				restricted stocks granted to the incentive targets are unlocked or canceled				
	Others	All incentive targets	The incentive targets of the Company in 2021, 2022 and 2023 undertake that if the Company fails to comply with the arrangement for the grant or exercise of rights and interests due to false records, misleading statements or material omissions in the information disclosure documents, the incentive targets 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.	From the date on which the grant registration is completed to the date on which all restricted stocks granted to the incentive targets are unlocked or canceled	Yes	Yes		

**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. Illegal guarantee**

Applicable Not applicable

**IV. Audit of the semi-annual report**
Applicable Not applicable

**V. Changes in matters covered by non-standard audit opinions in last year's annual report and handling thereof**
Applicable Not applicable

**VI. Matters related to bankruptcy and reorganization**
Applicable Not applicable

**VII. Major litigations/arbitrations**
There are major litigations/arbitrations during the reporting period There are no major litigations/arbitrations during the reporting period

**VIII. Punishment on the Company, its directors, supervisors, senior officer, controlling shareholder and actual controller due to violation of laws and regulations, and their rectification**
Applicable Not applicable

**IX. Credit status of the Company, its controlling shareholder and actual controller during the reporting period**
Applicable Not applicable

During the reporting period, the Company, its controlling shareholders and actual controllers maintained good credit status.

**X. Major related-party transactions**
**(I) Related-party transactions related to daily operation**
**1. Those that have been disclosed in the interim announcement and have no progress or changes in subsequent implementation**
Applicable Not applicable

Overview of the matter	Query index
On January 4, 2023, the 48th meeting of the 5th Board of Directors of the Company deliberated and approved the <i>Proposal on Signing Sales Contract and Related Party Transactions with Puhua Company</i> , which was deliberated and approved by the first extraordinary shareholders' meeting in 2023.	Please refer to the <i>Announcement of Huayou Cobalt on Signing the Sales Contract &amp; Reaching Related Party Transactions with Puhua Company</i> (2023-005) published on January 5, 2023.
On January 4, 2023, the 56th meeting of the 5th Board of Directors of the Company deliberated and approved the <i>Proposal on Forecast of Daily Related Party Transactions in 2023</i> which was resolved and approved at the 2022 Annual Shareholders' Meeting.	Please refer to the <i>Announcement of Huayou Cobalt on Review of Daily Related Party Transactions in 2022 and the Forecast of Daily Related Party Transactions in 2023</i> (2023-052) published on April 28, 2023.

**2. Those that have been disclosed in the interim announcement but have progress or changes in subsequent implementation**
Applicable Not applicable

**3. Those that are not disclosed in the interim announcement**
Applicable Not applicable

**(II) Related-party transactions related to the acquisition of assets or acquisition or sale of equity**
**1. Those that have been disclosed in the interim announcement and have no progress or changes in subsequent implementation**
Applicable Not applicable

**2. Those that have been disclosed in the interim announcement but have progress or changes in subsequent implementation**
Applicable Not applicable

**3. Those that have not been disclosed in the interim announcement**
Applicable Not applicable

**4. Where there is any agreement on business performance in respect of any related-party transactions above, the situation of achievement of the business performance during the reporting period shall be disclosed.**
Applicable Not applicable

**(III) Major related-party transactions related to joint external investments**
**1. Those that have been disclosed in the interim announcement and have no progress or changes in subsequent implementation**
Applicable Not applicable

**2. Those that have been disclosed in the interim announcement but have progress or changes in subsequent implementation**
Applicable Not applicable

**3. Those that have not been disclosed in the interim announcement**
Applicable Not applicable

**(IV) Related credits and debts**
**1. Those that have been disclosed in the interim announcement and have no progress or changes in subsequent implementation**
Applicable Not applicable

Overview of the matter	Query index
On April 26, 2023, the Company held the 56th meeting of the 5th Board of Directors and deliberated and approved the <i>Proposal on the Acceptance of Financial Aid from Related Parties and Related Party Transactions</i> . Maximum borrowing limit term: three years from the date when the shareholders meeting of the Company deliberates and approves the proposal. The matter was reviewed and approved at the 2022 annual shareholders' meeting of the Company	Please refer to the Company's <i>Announcement on the Acceptance of Financial Aid from Related Parties and Related Party Transactions</i> (2023-060) disclosed on April 28, 2023.

**2. Those that have been disclosed in the interim announcement but have progress or changes in subsequent implementation**
Applicable Not applicable

**3. Those that have not been disclosed in the interim announcement**
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) Other major related-party transactions**

Applicable Not applicable

**(VII) Others**

Applicable Not applicable

**XI. Major contracts and their performance**

**1. Trusteeship, contracting, lease matters**

Applicable Not applicable

**2. Major guarantees provided and outstanding during the reporting period**

√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	Principal debt	Collateral (if any)	Fulfilled or not	Overdue or not	Overdue amount	Counter guarantee	Related party guarantee or not	Related 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 for subsidiaries															
Total amount of guarantee provided for subsidiaries during the reporting period											16,977,435,705.26				
Total balance of guarantee provided for subsidiaries at the end of the reporting period (B)											35,198,743,957.95				
Total amount of guarantees provided by the Company (including those provided for subsidiaries)															
Total amount of guarantee (A+B)											35,198,743,957.95				
Proportion of the total amount of guarantee in the Company's net assets (%)											89.54%				
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)											28,326,302,028.51				
Amount of the part where the total amount of guarantee exceeds 50% of net assets (E)											15,544,168,405.32				
Total amount of the above three guarantees (C+D+E)											43,870,470,433.83				
Description of any possible joint and several liability for repayment of											None				

unexpired guarantees	
Description of guarantee situation	None

**3. Other major contracts**

Applicable Not applicable

On January 4, 2023, the 48th meeting of the fifth Board of Directors of the Company deliberated and approved the Proposal on Signing a Major Sales Contract with POSCO Chemical Co., Ltd. and approved to sign a Purchase Agreement with POSCO Chemical Co., Ltd. Under the terms of the Agreement, Huayou Cobalt and its subsidiaries intend to supply a total of approximately 160,000 tons of ternary precursor products of battery materials to POSCO Chemical Co., Ltd. from January 2023 to December 2025. Please refer to the Company's Announcement numbered 2023-004 for details.

**XII. Other major events**

Applicable Not applicable

## Section VII Change in Shares and Information of 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 (%)	Shares newly issued	Shares granted	Shares converted from capital reserve	Others	Subtotal	Number of shares	Proportion (%)
I. Restricted shares	18,002,264	1.13	2,035,800			-6,905,592	-4,869,792	13,132,472	0.82
1. Shares held by the state									
2. Shares held by state-owned legal persons									
3. Shares held by other domestic subjects	18,002,264	1.13	2,035,800			-6,905,592	-4,869,792	13,132,472	0.82
Including: shares held by domestic non-state legal persons									
Shares held by domestic natural persons	18,002,264	1.13	2,035,800			-6,905,592	-4,869,792	13,132,472	0.82
4. Shares held by overseas subjects									
Including: shares held by									

overseas legal persons									
Shares held by overseas natural persons									
II. Unrestricted shares	1,579,921,089	98.87				6,411,580	6,411,580	1,586,332,669	99.18
1. RMB ordinary shares	1,579,921,089	98.87				6,411,580	6,411,580	1,586,332,669	99.18
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	1,597,923,353	100	2,035,800			-494,012	1,541,788	1,599,465,141	100

## 2. Description of changes in shares

Applicable Not applicable

1. It is agreed upon approval at the 43rd meeting of the fifth board of directors of the Company that, in view of the fact that 3 incentive targets involved in the first grant of the restricted shares under the 2021 Restricted Shares Incentive Plan have been dismissed due to incompetence, 16 incentive targets have left the Company for personal reasons, 1 incentive target has left the Company due to the expiration of contract, and 1 incentive target has left the Company due to the expiration of the agreement on reemployment after retirement, 1 incentive target involved in the first grant of the reserved part of the restricted shares under the 2021 Restricted Shares Incentive Plan has left the Company for personal reasons; 1 incentive target involved in the second grant of the reserved part of the restricted shares under the 2021 Restricted Shares Incentive Plan has been dismissed due to incompetence; 3 incentive targets involved in the first grant under the 2022 Restricted Shares Incentive Plan have been dismissed due to incompetence, 11 incentive targets have left the Company for personal reasons, and 1 incentive target has left the Company due to the expiration of the agreement on reemployment after retirement, all of whom have become ineligible to participate in the incentive plan as incentive targets and no longer meet the provisions of the Company's shares incentive plan on incentive targets, the Company shall cancel a total of 280,925 restricted shares which are granted yet not unlocked. See the Company's Announcement No. 2023-007 for details.

2. The *Proposal on the Grant of the Reserved Part of the Restricted Shares to Incentive Targets* and the *Proposal on the Adjustment of Matters Related to the Grant of the Reserved Part of the Restricted Shares under the 2022 Restricted Shares Incentive Plan* were approved at the 45th meeting of the fifth board of directors of the Company. It is agreed that the Company shall grant 2,035,800 restricted shares to 441 incentive targets at the grant price of RMB31.61/share. The registration of the grant of restricted shares involved in the incentive plan was completed on January 18, 2023, and Shanghai Branch of China Securities Depository and Clearing Corporation Limited issued the *Certificate of Registration of Securities Change*. See the Company's Announcement No. 2023-015 for details.

3. The *Proposal on the Fulfillment of the Unlocking Conditions for the First Unlocking Period Regarding the Second Grant of the Reserved Part of the Restricted Shares under the 2021 Restricted Shares Incentive Plan* was approved at the 49th meeting of the fifth board of directors of the Company. It is agreed to apply for unlocking the restricted shares that meet the unlocking conditions. There were 31 incentive targets eligible for unlocking of restricted shares, and the total number of restricted shares which can be unlocked was 56,940. The date of circulation of the restricted shares to be unlocked is January 30, 2023. See the Company's Announcement No. 2023-014 for details.

4. It is agreed upon approval at the 49th meeting of the fifth board of directors of the Company that, in view of the fact that 4 incentive targets involved in the first grant under the 2021 Restricted Shares Incentive Plan have left the Company for personal reasons, and 13 incentive targets have terminated the labor relationship with the Company due to position transfer beyond their control, 7 incentive target involved in the first grant of the reserved part under the 2021 Restricted Shares Incentive Plan have left the Company for personal reasons, and 3 incentive targets have terminated the labor relationship with the Company due to position transfer beyond their control, 1 incentive target involved in the second grant of the reserved part of the restricted shares under the 2021 Restricted Shares Incentive Plan has been prohibited from unlocking due to failure in the performance assessment, 7 incentive targets involved in the first grant under the 2022 Restricted Shares Incentive Plan have left the Company for

personal reasons, and 2 incentive targets have terminated the labor relationship with the Company due to position transfer beyond their control, all of whom have become ineligible to participate in the incentive plan as incentive target and no longer meet the provisions of the Company's shares incentive plan on incentive targets, the Company shall cancel a total of 214,113 restricted shares which are granted yet unlocked. See the Company's Announcement No. 2023-034 for details.

5. Since September 2, 2022, Huayou convertible bonds can be convertible into shares of the Company from September 2, 2022 to February 23, 2028. The cumulative number of shares converted from January 1, 2023 to June 30, 2023 was 1,026. See Announcements No. 2023-043 and No. 2023-093.

6. The *Proposal on the Fulfillment of the Unlocking Conditions for the Second Unlocking Period Regarding the First Grant of the Restricted Shares under the 2021 Restricted Shares Incentive Plan* and the *Proposal on the Fulfillment of the Unlocking Conditions for the First Unlocking Period Regarding the First Grant of the Restricted Shares under the 2022 Restricted Shares Incentive Plan* were approved at the 3rd meeting of the sixth board of directors of the Company. It is agreed to apply for unlocking the restricted shares that meet the unlocking conditions. There were 625 incentive targets under the 2021 Restricted Shares Incentive Plan eligible for unlocking of restricted shares, and the number of restricted shares which can be unlocked and traded in the market was 2,389,374. There were 1,092 incentive targets under the 2022 Restricted Shares Incentive Plan eligible for unlocking of restricted shares, and the number of restricted shares which can be unlocked and traded in the market was 3,964,240. The date of circulation of the restricted shares to be unlocked is July 11, 2023. See the Company's Announcement No. 2023-096 for details. The table of changes in shares above covers matters related to unlocking.

**3. Impact of share changes after the reporting period and before the disclosure date of the semi-annual report on financial indicators such as earnings per share, net assets per share, and the like (if any)**

Applicable Not applicable

**4. Other contents deemed necessary by the Company or required to be disclosed by the securities regulatory authority**

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 period	Number of restricted shares released during the reporting period	Number of restricted shares newly added during the reporting period	Number of restricted shares at the end of the reporting period	Reason for sales restriction	Date of unlocking
Incentive targets of the first	6,045,039	0	0	5,766,579	Restricted shares incentive	See the notes

grant of the restricted shares in 2021					plans	
Incentive targets of the grant of the reserved part of the restricted shares in 2021	1,271,205	0	0	1,218,035	Restricted shares incentive plans	See the notes
Incentive targets of the second grant of the reserved part of the restricted shares in 2021	198,120	56,940	0	135,772	Restricted shares incentive plans	See the notes
Incentive targets of the first grant of the restricted stock in 2022	10,487,900	0	0	10,329,900	Restricted shares incentive plans	See the notes
Incentive targets of the grant of the reserved part of the restricted shares in 2022	0	0	2,035,800	2,035,800	Restricted shares incentive plans	See the notes
Total	18,002,264	56,940	2,035,800	19,486,086	/	/

For more information of the unlocking time of the restricted shares for the first grant in 2021, please refer to the *Announcement of Huayou Cobalt on the Results of the First Grant of Restricted Shares to the Incentive Targets* (Announcement No.: 2021-086) published by the Company on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on July 10, 2021.

For more information of the unlocking time of the reserved part of the restricted shares for grant in 2021, please refer to the *Announcement of Huayou Cobalt on the Results of the Grant of the Reserved*

*Part of the Restricted Shares to the Incentive Targets* (Announcement No.: 2021-137) published by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on November 16, 2021.

For more information of the unlocking time of the reserved part of the restricted shares for the second grant in 2021, please refer to the *Announcement of Huayou Cobalt on the Results of the Second Grant of the Reserved Part of the Restricted Shares to the Incentive Targets* (Announcement No.: 2022-017) published by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on January 29, 2022.

For more information of the unlocking time of the restricted shares for the first grant in 2022 please refer to the *Announcement of Huayou Cobalt on the Results of the First Grant of Restricted Shares to the Incentive Targets* (Announcement No.: 2022-121) published by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on July 12, 2022.

For more information of the unlocking time of the reserved part of the restricted shares for grant in 2022, please refer to the *Announcement of Huayou Cobalt on the Results of the Grant of the Reserved Part of the Restricted Shares to the Incentive Targets* (Announcement No.: 2023-015) published by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on January 20, 2023.

## II. Information of shareholders

### (I) Total number of shareholders

Total number of ordinary shareholders by the end of the reporting period	212,729
Total number of preferred shareholders with resumed voting rights as of the end of the reporting period	0

### (II) Shareholding status of top 10 shareholders and top 10 shareholders holding tradable shares (or shareholders holding shares without sales restrictions) as of the end of the reporting period

Unit: Share

Shareholding status of top 10 shareholders							
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 sales restrictions held	Pledge, mark or freezing		Nature of shareholder
					Share status	Number of shares	
Huayou Holdings Group Co., Ltd	0	260,313,967	16.28	0	Pledge	172,379,995	Domestic non-state-owned
Chen Xuehua	0	110,006,461	6.88	0	Pledge	58,500,000	Domestic natural person
Hong Kong Securities Clearing Co., Ltd.	-24,049,654	87,531,589	5.47	0	None	0	Other

Hangzhou Youyou Enterprise Management Partnership (Limited Partnership)	-20,000,000	54,831,293	3.43	0	None	0	Other
China Construction Bank Corporation - Huaxia Energy Innovation Equity Securities Investment Fund	4,427,041	24,855,783	1.55	0	None	0	Other
CITIC Securities Co., Ltd	9,711,671	17,354,438	1.09	0	None	0	State-owned
China Postal Savings Bank Co., Ltd. - Dongfang Growth Medium - and Small-Cap Hybrid Open-ended Securities Investment Fund	4,063,969	15,850,696	0.99	0	None	0	Other
Bank of China Limited - UBS SDIC New Energy Hybrid Securities Investment Fund	2,232,587	11,756,131	0.74	0	None	0	Other
Agricultural Bank of China Limited - Guotai Intelligent Automobile Equity Securities Investment Fund	-26,500	10,602,329	0.66	0	None	0	Other
Yu Airu	-1,173,820	9,301,340	0.58	0	None	0	Domestic natural person

**Shareholding status of the top 10 shareholders holding shares without sales restrictions**

Name of shareholder	Number of tradable shares without sales restrictions held	Class and number of shares	
		Class	Number
Huayou Holdings Group Co., Ltd	260,313,967	RMB ordinary shares	260,313,967
Chen Xuehua	110,006,461	RMB ordinary shares	110,006,461
Hong Kong Securities Clearing Co., Ltd.	87,531,589	RMB ordinary shares	87,531,589
Hangzhou Youyou Enterprise Management Partnership (Limited Partnership)	54,831,293	RMB ordinary shares	54,831,293
China Construction Bank Corporation - Huaxia Energy Innovation Equity Securities Investment Fund	24,855,783	RMB ordinary shares	24,855,783
CITIC Securities Co., Ltd	17,354,438	RMB ordinary shares	17,354,438
China Postal Savings Bank Co., Ltd. - Dongfang Growth Medium Cap Hybrid Open Securities Investment Fund	15,850,696	RMB ordinary shares	15,850,696

Bank of China Limited - UBS SDIC New Energy Hybrid Securities Investment Fund	11,756,131	RMB ordinary shares	11,756,131
Agricultural Bank of China Limited - Guotai Intelligent Automobile Equity Securities Investment Fund	10,602,329	RMB ordinary shares	10,602,329
Yu Airu	9,301,340	RMB ordinary shares	9,301,340
Related relationship or concerted action of the above shareholders	Among the shareholders mentioned above, Huayou Holdings and Chen Xuehua are persons acting in concert.		

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	422,500			Equity incentive sales restriction
2	Fang Qixue	266,500			Equity incentive sales restriction
3	Zhang Binghai	188,500			Equity incentive sales restriction
4	Xu Wei	133,250			Equity incentive sales restriction
5	Chen Yaozhong	133,250			Equity incentive sales restriction
6	Sun Qi	129,400			Equity incentive sales restriction
7	Zhou Qifa	106,600			Equity incentive sales restriction
8	Wu Mengtao	106,600			Equity incentive sales restriction
9	Fang Yuan	106,600			Equity incentive sales restriction
10	Hu Yanhui	106,600			Equity incentive sales restriction
Related relationship or concerted action of the above shareholders		It is unknown whether there is a related relationship between the aforementioned shareholders or whether they belong to persons acting in concert.			

**(III) Strategic investors or general legal persons become the top 10 shareholders due to the placement of new shares**

Applicable Not applicable

**III. Directors, supervisors and senior officers**

**(I) Changes in the shareholding of the existing directors, supervisors, and senior officers or those resigned during the reporting period**

Applicable Not applicable

Other information

Applicable Not applicable

**(II) Equity incentives granted to directors, supervisors and senior officers during the reporting period**

Applicable Not applicable

**(III) Other information**

Applicable Not applicable

**IV. Change in the controlling shareholder or the actual controller**

Applicable Not applicable

## Section VIII Preference Shares

Applicable Not applicable

## Section IX Bonds

### I. Enterprise bonds, corporate bonds, and non-financial corporate debt financing instruments

√Applicable □Not applicable

#### (I) Enterprise bonds

□Applicable √Not applicable

#### (II) Corporate bonds

□Applicable √Not applicable

#### (III) 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 2022 (Science and Technology Innovation Notes)	22 Huayou Cobalt SCP002 (Science and Technology Innovation Notes)	012283785.IB	2022-10-27	2022-10-31	2023-7-28	700,000,000	3.91	Repayment of principal and interest at one time upon maturity	Interbank market	Institutional investors in the interbank market	Dialogue quotation, anonymous quotation, inquiry	No
Ultra-Short	23 Huayou	0123811	2023-3	2023-3-	2023-12-1	700,000,	4.68	Repayment	Interban	Institutional	Dialogue	No

Term Financing Bonds (Phase I) of Zhejiang Huayou Cobalt Co., Ltd. in 2023 (Science and Technology Innovation Notes)	Cobalt SCP001 (Science and Technology Innovation Notes)	10.IB	-20	22	5	000		of principal and interest at one time upon maturity	k market	investors in the interbank market	quotation, anonymo us quotation, inquiry	
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Countermeasures to the risk of termination of trading

Applicable Not applicable

Overdue bonds

Applicable Not applicable

Overdue debts

Applicable Not applicable

**2. Trigger and enforcement of the issuer or investor option clauses and investor protection clauses**

Applicable Not applicable

**3. Adjustment of credit rating result**

Applicable Not applicable

Other information

None

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

Applicable Not applicable

Other information

None

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

Applicable Not applicable

**(IV) 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

**(V) Major accounting data and financial indicators**

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Key indicators	End of the reporting period	End of last year	Increase/decrease compared with the end of last year (%)	Reason for the change
Current ratio	0.87	0.93	-6.45	
Quick ratio	0.56	0.60	-5.78	
Asset-liability ratio (%)	68.41	70.45	-2.90	
	The reporting period (January to June)	The same period of last year	Increase/decrease compared with the same period last year (%)	Reason for the change
Net profit after deducting non-recurring profits and losses	1,839,200,954.15	2,192,290,161.57	-16.11	
EBITDA to total debt ratio	0.12	0.14	-12.12	
Interest coverage ratio	3.23	6.56	-50.73	Mainly due to an increase in interest expenses caused by the increase in interest-bearing debts in the current period
Cash interest coverage ratio	1.24	-1.65	-174.97	Mainly due to an increase in net cash flow from operating activities in the current period
EBITDA interest coverage ratio	4.17	7.74	-46.15	Mainly due to an increase in interest expenses caused by the increase in interest-bearing debts in the current period
Loan repayment rate (%)	100	100	0	

Interest coverage ratio (%)	100	100	0
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## II. Convertible corporate bonds

Applicable Not applicable

### (I) Issuance of convertible bonds

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”.

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

Name of convertible corporate bonds	Huayou Convertible Bonds	
Number of holders of convertible bond as at the end of the period	46,425	
Guarantor of the Company’s convertible bonds	None	
Significant changes in the profitability, assets and credit standing of the guarantor	Not applicable	
Top 10 holders of convertible corporate bonds are as follows:		
Name of holder of convertible corporate bonds	Amount of convertible corporate bonds held as at the end of the period (Yuan)	Holding ratio (%)
Huayou Holdings Group Co., Ltd	1,245,903,000	16.40
Chen Xuehua	478,508,000	6.30
Basic Endowment Insurance Fund 102 Portfolio	207,598,000	2.73
Industrial Bank Co., Ltd. - Tianhong Yongli Bond Securities Investment Fund	194,768,000	2.56
National Social Security Fund 414	130,000,000	1.71
Taiping Pension Co., Ltd. - Taiping Jinshi Bond Investment Portfolio	123,630,000	1.63
Bank of China Limited - E Fund Stable Yield Bond Securities Investment Fund	118,087,000	1.55
MERRILL LYNCH INTERNATIONAL	100,000,000	1.32
Industrial and Commercial Bank of China Limited - Huitianfu Convertible Bonds Securities Investment Fund	98,107,000	1.29

Taiping Asset Management - Industrial Bank - Taiping Asset Ruyi No. 51 Asset Management Product	92,289,000	1.21
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**(III) Change in convertible corporate bonds during the reporting period**

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	7,598,838,000	90,000			7,598,748,000

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

Name of convertible corporate bonds	Huayou Convertible Bonds
Amount of convertible corporate bonds converted into shares during the reporting period (Yuan)	90,000
Number of shares converted from convertible corporate bonds during the reporting period	1,026
Cumulative number of shares converted from convertible corporate bonds	14,756
Proportion of the cumulative number of shares converted in the total number of issued shares of the Company before the conversion (%)	0.00092
Amount of convertible corporate bonds that are not converted into shares (Yuan)	7,598,748,000
Proportion of convertible corporate bonds that are not converted into shares in the total issued convertible bonds (%)	99.98353

**(V) Previous adjustments in conversion prices**

Monetary unit: Yuan Currency: RMB

Name of convertible corporate bonds		Huayou Convertible Bonds		
Date of conversion price adjustment	Adjusted conversion price	Disclosure date	Disclosure media	Description of conversion price adjustment
June 8,	84.58	June 1,	www.sse.com.cn,	In view of the implementation of the

2022		2022	<p><i>Shanghai Securities News, China Securities Journal, Securities Times, Securities Daily</i></p>	<p>2021 Equity Allocation by the Company in June 2022, the conversion price of the Huayou Convertible Bonds was adjusted to RMB 84.58 per share in accordance with the relevant provisions of the Prospectus. For more information, please refer to the <i>Announcement of Huayou Cobalt on the Adjustment of Conversion Price of the Convertible Bonds in 2021 Equity Allocation (2022-085)</i> published by the Company.</p>
July 13, 2022	84.24	July 13, 2022	<p>www.sse.com.cn, <i>Shanghai Securities News China Securities Journal Securities Times Securities Daily</i></p>	<p>In view of the completion of the registration of the first grant of restricted shares in 2022 by the Company in July 2022, the conversion price of the Huayou Convertible Bonds was adjusted to RMB 84.24 per share in accordance with the relevant provisions of the Prospectus. For more information, please refer to the <i>Announcement of Huayou Cobalt on the Adjustment of the Conversion Price of "Huayou Convertible Bonds" (2022-122)</i>.</p>
September 21, 2022	84.25	September 20, 2022	<p>www.sse.com.cn, <i>Shanghai Securities News China Securities Journal Securities Times Securities Daily</i></p>	<p>In view of the completion of the repurchase and cancellation of some restricted shares by the Company in September 2022, the conversion price of the Huayou Convertible Bonds was adjusted to RMB 84.25 per share in accordance with the relevant provisions of the Prospectus. For more information, please refer to the <i>Announcement of Huayou Cobalt on Completion of the Repurchase and Cancellation of Some Restricted Shares and Adjustment of the Conversion Price of the Convertible Bonds (2022-149)</i>.</p>
January 12, 2023	84.26	January 11, 2023	<p>www.sse.com.cn, <i>Shanghai Securities News China Securities Journal Securities Times Securities Daily</i></p>	<p>In view of the completion of the repurchase and cancellation of some restricted shares by the Company in January 2023, the conversion price of the Huayou Convertible Bonds was adjusted to RMB 84.26 per share in accordance with the relevant provisions of the</p>

				Prospectus. For more information, please refer to the <i>Announcement of Huayou Cobalt on Completion of the Repurchase and Cancellation of Some Restricted Shares and Adjustment of the Conversion Price of the Convertible Bonds</i> (2023-013).
January 30, 2023	84.19	January 20, 2023	www.sse.com.cn, Shanghai <i>Securities News</i> , <i>China Securities Journal</i> , <i>Securities Times</i> , <i>Securities Daily</i>	In view of the completion of the registration of the grant of the reserved part of the restricted shares in 2022 by the Company in January 2023, the conversion price of the Huayou Convertible Bonds was adjusted to RMB 84.19 per share in accordance with the relevant provisions of the Prospectus. For more information, please refer to the <i>Announcement of Huayou Cobalt on the Adjustment of the Conversion Price of "Huayou Convertible Bonds"</i> (2023-016).
March 28, 2023	84.20	March 25, 2023	www.sse.com.cn, Shanghai <i>Securities News</i> , <i>China Securities Journal</i> , <i>Securities Times</i> , <i>Securities Daily</i>	In view of the completion of the registration of the grant of the reserved part of the restricted shares in 2022 by the Company in March 2023, the conversion price of the Huayou Convertible Bonds was adjusted to RMB 84.20 per share in accordance with the relevant provisions of the Prospectus. For more information, please refer to the <i>Announcement of Huayou Cobalt on the Adjustment of the Conversion Price of "Huayou Convertible Bonds"</i> (2023-037).
June 1, 2023	84.00	May 26, 2023	www.sse.com.cn, Shanghai <i>Securities News</i> , <i>China Securities Journal</i> , <i>Securities Times</i> , <i>Securities Daily</i>	In view of the implementation of the 2022 Equity Allocation by the Company in June 2023, the conversion price of the Huayou Convertible Bonds was adjusted to RMB 84.00 per share in accordance with the relevant provisions of the Prospectus. For more information, please refer to the <i>Announcement of Huayou Cobalt on the Adjustment of Conversion Price of the Convertible Bonds in 2022 Equity Allocation</i> (2022-074) published

				by the Company.
July 7, 2023	81.53	July 6, 2023	www.sse.com.cn, <i>Shanghai Securities News, China Securities Journal, Securities Times, Securities Daily</i>	In view of the Company's completion of the GDR issuance in July 2023, the conversion price of the Huayou Convertible Bonds was adjusted to RMB 81.53 per share in accordance with the relevant provisions of the Prospectus. For more information, please refer to the <i>Announcement on the Adjustment of the Conversion Price of Huayou Convertible Bonds (2023-095)</i> disclosed by the Company for details.
Latest conversion price as of the end of the reporting period		81.53		

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

1. Liabilities: As of June 30, 2023, the Company's total liabilities were RMB 85,111,639,969.01, including current liabilities of RMB 57,784,871,470.11 and non-current liabilities of RMB 27,326,768,498.90.
2. Credit status: On June 20, 2023, China Lianhe Credit Rating Co., Ltd. issued a rating report numbered "[Lian He [2023] No. 4408]". As stated in the report, the long-term credit rating of the Company's main body is "AA+", and the credit rating of "Huayou Convertible Bonds" is "AA+", with a stable rating outlook. The rating result has not changed compared to the previous one.
3. Cash arrangement for debt repayment in future years: The Company's funds for repaying the principal and interest of convertible bonds mainly come from the net cash flow generated from operating activities. The Company will allocate funds reasonably based on the situation of conversion of convertible bonds to shares and the maturity of convertible bonds, ensuring timely payment of interest and repayment of principal.

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

None

## Section X Financial Report

### I. Auditors' report

□Applicable √Not applicable

### II. Financial statements

#### Consolidated Balance Sheet

June 30, 2023

Prepared by: Zhejiang Huayou Cobalt Co., Ltd

Monetary unit: Yuan Currency: RMB

Item	Note	June 30, 2023	December 31, 2022
<b>Current assets:</b>			
Cash and bank balances		15,431,478,002.01	15,435,775,480.67
Deposit reservation for balance			
Loans to banks and other financial institutions			
Held-for-trading financial assets		269,558,655.09	251,991,490.83
Derivative financial assets		922,943,639.96	608,711,611.68
Notes receivable			
Accounts receivable		8,811,376,284.94	8,036,948,469.35
Financing funds receivables		2,158,160,473.89	2,437,994,963.68
Advances to suppliers		1,551,014,862.79	1,634,719,864.00
Premiums receivable			
Reinsurance accounts receivable			
Reinsurance contract reserves receivable			
Other receivables		499,154,860.53	580,628,313.49
Including: interests receivable			
Dividends receivable			
Financial assets purchased under resale agreements			
Inventories		17,663,828,303.76	17,692,022,676.50
Contract assets			
Held-for-sale assets			
Non-current assets maturing within one year			
Other current assets		2,825,809,587.48	2,891,137,816.94
Total current assets		50,133,324,670.45	49,569,930,687.14
<b>Non-current assets:</b>			
Disbursement of loans and advances			
Debt investment			
Other debt investments			
Long-term receivables		514,561,943.41	486,294,854.29
Long-term equity investment		9,457,589,882.37	7,914,624,818.43
Other equity instrument investments		42,647,182.81	42,647,182.81
Other non-current financial assets		547,046,515.08	527,509,366.89
Investment real estates			-
Fixed assets		29,852,266,203.93	26,217,069,544.01
Construction in progress		23,965,567,757.69	14,281,929,827.36
Productive biological assets			

Oil and natural gas assets			
Right of use assets		124,852,226.19	122,205,035.22
Intangible assets		4,049,744,363.25	4,066,801,265.80
Development expenditures			
Goodwill		457,383,702.28	458,415,919.67
Long-term deferred expenses		74,600,724.58	79,311,504.95
Deferred income tax assets		888,256,327.71	830,685,916.41
Other non-current assets		4,312,949,574.51	5,994,992,788.87
Total non-current assets		74,287,466,403.81	61,022,488,024.71
Total assets		124,420,791,074.26	110,592,418,711.85
<b>Current liabilities:</b>			
Short-term borrowings		14,911,818,492.19	12,019,822,703.67
Borrowings from central bank			
Loans from banks and other financial institutions			
Held-for-trading financial liabilities		82,840,808.91	40,024,798.40
Derivative financial liabilities			
Notes payable		10,226,193,813.10	10,782,231,308.54
Accounts payable		15,755,211,098.30	14,610,891,201.30
Advances from customers			492,117,670.03
Contract liabilities		2,241,111,527.44	2,359,463,860.52
Financial assets sold under repurchase agreements			
Absorption of customer and interbank deposits			
Acting trading securities			
Acting underwriting securities			
Employee compensations payable		604,394,873.25	685,740,642.95
Taxes and surcharges payable		532,520,031.88	542,406,489.43
Other payables		4,411,853,636.24	4,612,710,195.77
Including: interests payable		-	
Dividends payable			
Handling charges and commissions payable			
Reinsurance accounts payable			
Held-for-sales liabilities			
Non-current liabilities maturing within one year		7,326,622,299.18	5,757,928,311.87
Other current liabilities		1,692,304,889.62	1,546,983,360.95
Total current liabilities		57,784,871,470.11	53,450,320,543.43
<b>Non-current liabilities:</b>			
Reserves for insurance contracts			
Long-term borrowings		13,885,263,492.60	11,927,781,731.79

Bonds payable		6,467,040,778.52	6,323,799,832.42
Including: preference shares			
Perpetual bonds			
Lease liabilities		71,707,965.22	57,070,601.81
Long-term payables		5,723,208,619.59	5,155,378,248.88
Long-term employee compensations payable			
Estimated liabilities		59,113,770.57	42,977,538.13
Deferred income		681,252,837.57	592,727,660.93
Deferred income tax liabilities		439,181,034.83	359,884,559.27
Other non-current liabilities			
Total non-current liabilities		27,326,768,498.90	24,459,620,173.23
Total liabilities		85,111,639,969.01	77,909,940,716.66
<b>Owners' equity (or shareholders' equity):</b>			
Paid-in capitals (or share capitals)		1,599,465,141.00	1,599,678,228.00
Other equity instruments		1,490,095,317.40	1,490,112,966.16
Including: preference shares			
Perpetual bonds			
Capital reserves		10,632,269,087.03	10,398,505,364.59
Less: treasury shares		617,567,337.30	631,014,574.20
Other comprehensive income		1,493,056,438.34	776,405,562.87
Special reserves		36,306,934.11	27,349,451.51
Surplus reserves		328,198,605.34	328,198,605.34
Generic risk reserve			
Undistributed profits		13,669,170,763.22	11,903,922,527.16
Total equity attributable to owners (or shareholders) of the parent company		28,630,994,949.14	25,893,158,131.43
Minority equity		10,678,156,156.11	6,789,319,863.76
Total owners' equity (or shareholders' equity)		39,309,151,105.25	32,682,477,995.19
Total liabilities and owners' equity (or shareholders' equity)		124,420,791,074.26	110,592,418,711.85

Person in charge of the Company: Chen Xuehua;      Accounting Principal: Wang Jun;      Head of the Accounting Dept.: Ma Xiao

### Balance Sheet of the Parent Company

June 30, 2023

Prepared by: Zhejiang Huayou Cobalt Co., Ltd (\*\*\*) edits are the same as last section, if needed)

Monetary unit: Yuan Currency: RMB

Item	Note	June 30, 2023	December 31, 2022
<b>Current assets:</b>			
Current assets:		1,594,266,033.78	1,060,380,190.39
Cash and bank balances		59,628,852.00	

Held-for-trading financial assets			
Derivative financial assets			658,000,000.00
Notes receivable		275,731,755.20	450,631,045.29
Accounts receivable		31,718,448.57	37,909,033.79
Financing funds receivables		3,343,322,010.80	2,477,701,869.00
Advances to suppliers		8,661,902,423.95	6,009,732,975.91
Other receivables			
Including: interests receivable		385,615,050.00	
Dividends receivable		275,569,512.45	578,996,170.53
Inventories			
Contract assets			
Held-for-sale assets			
Non-current assets maturing within one year			24,027,205.49
Other current assets		14,242,139,036.75	11,297,378,490.40
Total current assets		1,594,266,033.78	1,060,380,190.39
<b>Non-current assets:</b>			
Debt investment			
Other debt investments			
Long-term receivables		367,308,368.83	354,030,815.35
Long-term equity investment		24,995,089,178.58	23,758,296,478.80
Other equity instrument investment		36,894,737.00	36,894,737.00
Other non-current financial assets		6,573,600.00	6,573,600.00
Investment real estates			
Fixed assets		715,377,903.64	664,839,623.14
Construction in progress		39,291,556.24	27,039,469.17
Productive biological assets			
Oil and natural gas assets			
Right of use assets		32,321,907.89	31,365,085.85
Intangible assets		37,302,226.16	35,492,883.22
Development expenses			
Goodwill			
Long-term deferred expenses		60,045,377.66	66,201,105.82
Deferred income tax assets		116,790,615.45	38,547,121.31
Other non-current assets		17,618,556.71	88,198,937.75
Total non-current assets		26,424,614,028.16	25,107,479,857.41
Total assets		40,666,753,064.91	36,404,858,347.81
<b>Current liabilities:</b>			
Short-term borrowings		4,541,853,724.95	4,786,038,424.00
Held-for-trading financial liabilities			1,403,712.00
Derivative financial liabilities			
Notes payable		3,825,121.12	11,280,296.16
Accounts payable		1,005,746,474.45	833,373,787.00
Advances from customers			492,095,800.00
Contract liabilities		1,391,421,877.58	1,124,328,328.88
Employee compensations payable		76,288,782.02	123,503,427.43

Taxes and surcharges payable		44,120,015.51	18,438,294.21
Other payables		7,193,600,566.99	3,989,906,762.99
Including: interests payable			
Dividends payable			
Held-for-sales liabilities			
Non-current liabilities maturing within one year		1,235,543,848.07	571,598,176.60
Other current liabilities		1,539,456,526.70	1,430,228,645.44
Total current liabilities		17,031,856,937.39	13,382,195,654.71
<b>Non-current liabilities:</b>			
Long-term borrowings		2,056,280,679.62	1,461,760,582.26
Bonds payable		6,467,040,778.52	6,323,799,832.42
Including: preference shares			
Perpetual bonds			
Lease liabilities		28,086,031.35	21,315,968.37
Long-term payables		138,666,666.68	208,000,000.01
Long-term employee compensations payable			
Estimated liabilities			
Deferred income		8,283,037.73	8,870,967.61
Deferred income tax liabilities		13,741,901.91	5,220,284.38
Other non-current liabilities			
Total non-current liabilities		8,712,099,095.81	8,028,967,635.05
Total liabilities		25,743,956,033.20	21,411,163,289.76
<b>Owners' equity (or shareholders' equity):</b>			
Paid-in capitals (or share capitals)		1,599,465,141.00	1,599,678,228.00
Other equity instruments		1,490,095,317.40	1,490,112,966.16
Including: preference shares			
Perpetual bonds			
Capital reserves		10,575,921,251.42	10,345,832,528.98
Less: treasury shares		617,567,337.30	631,014,574.20
Other comprehensive income		-40,936,153.44	-39,949,268.37
Special reserves			
Surplus reserves		328,198,605.34	328,198,605.34
Undistributed profits		1,587,620,207.29	1,900,836,572.14
Total owners' equity (or shareholders' equity)		14,922,797,031.71	14,993,695,058.05
Total liabilities and owners' equity (or shareholders' equity)		40,666,753,064.91	36,404,858,347.81

Person in charge of the Company: Chen Xuehua;

Accounting Principal: Wang Jun; Head of the

Accounting Dept.: Ma Xiao

### Consolidated Income Statement

January-June 2023

Monetary unit: Yuan Currency: RMB

Item	Note	First half of 2023	Second half of 2022
I. Total operating income		33,345,537,519.76	31,018,304,267.06
Including: operating income		33,345,537,519.76	31,018,304,267.06

Interests income			
Premiums earned			
Income from handling charges and commissions			
II. Total operating cost		31,070,998,249.40	27,329,531,676.40
Including: operating cost		28,372,311,948.40	25,057,734,232.15
Interest expenditure			
Handling charges and commissions expenses			
Surrender value (*not sure – Refund of insurance premiums			
Net amount of compensation payout			
Withdrawal of insurance liability reserve			
Policy dividend payment			
Reinsurance costs			
Other taxes and surtaxes		220,240,292.44	285,398,869.80
Selling expenses		64,306,725.80	33,257,395.17
General and administrative expenses		1,115,686,302.41	760,962,088.23
R&D expenses		759,738,617.49	839,734,971.25
Finance expenses		538,714,362.86	352,444,119.80
Including: interests expense		1,014,387,408.71	457,399,824.85
Interests income		118,381,450.87	52,888,581.03
Plus: other income		156,153,655.93	151,127,484.11
Investment income (“-” for losses)		788,520,751.65	570,759,901.75
Including: investment income from associates and joint ventures		899,796,221.85	651,592,731.71
Income from de-recognition of financial assets measured at amortized cost			
Foreign exchange gains (“-” for losses)			
Income from net exposure hedging (“-” for losses)			
Gains from the changes in fair value (“-” for losses)		131,980,619.08	-96,073,107.00
Losses from credit impairment (“-” for losses)		-71,078,135.82	-218,340,909.98
Losses from asset impairment (“-” for losses)		-19,818,834.87	-537,000,710.94
Income from disposal of assets (“-” for losses)		-3,019,116.47	9,658.92
III. Operating profits (“-” for losses)		3,257,278,209.86	3,559,254,907.52
Plus: non-operating income		4,640,028.84	6,159,023.72
Less: non-operating expense		25,074,036.21	3,586,216.13
IV. Total profits (“-” for total losses)		3,236,844,202.49	3,561,827,715.11
Less: income tax expense		289,596,293.99	538,663,395.17

V. Net profit (“-” for net losses)		2,947,247,908.50	3,023,164,319.94
(I) Classified by operating sustainability			
1. Net profit from continued operation (“-” for net losses)		2,947,247,908.50	3,023,164,319.94
2. Net profit from discontinued operation (“-” for net losses)			
(II) Classified by ownership			
1. Net profit attributable to the shareholders of the parent company (“-” for net losses)		2,085,104,942.66	2,255,513,730.90
2. Minority interests income (“-” for net losses)		862,142,965.84	767,650,589.04
VI. Other comprehensive income, net of tax		948,113,037.45	708,114,592.36
(I) Other comprehensive income, net of tax attributable to owners of the parent company			
1. Other comprehensive income that cannot be reclassified into profit or loss			
(1) Changes in re-measurement of the defined benefit plan			
(2) Other comprehensive income that cannot be transferred to profits or losses under the equity method			
(3) Changes in fair value of other equity instruments investment			
2. Other comprehensive income that will be reclassified into profits or loss		716,650,875.47	646,371,226.72
(1) Other comprehensive income that can be transferred to profits or losses under the equity method		34,961,428.08	86,996,115.43
(2) Changes in the fair value of investment in other creditors’ rights			
(3) Amount of financial assets reclassified into other comprehensive income			
(4) Provision for credit impairment of investment in other creditors’ rights			
(5) Cash flow hedging reserves			
(6) Differences arising from translation of foreign currency financial statements		681,689,447.39	559,375,111.29
(7) Others			
(II) Other comprehensive income, net of tax attributable to minority shareholders		231,462,161.98	61,743,365.64
VII. Total comprehensive income		3,895,360,945.95	3,731,278,912.30
(I) Total comprehensive income		2,801,755,818.13	2,901,884,957.62

attributable to owners of the parent company			
(II) Total comprehensive income attributable to minority shareholders		1,093,605,127.82	829,393,954.68
VIII. Earnings per share:			
(I) Basic earnings per share (Yuan/share)		1.32	1.41
(II) Diluted earnings per share (Yuan/share)		1.32	1.35

In the event of business combination under the common control during the current period, net profit of the combined party recognized before the combination was RMB 0.00, and net profit of the combined party recognized in the prior period was RMB 0.00.

Person in charge of the Company: Chen Xuehua    Accounting Principal: Wang Jun    Head of the Accounting Dept.: Ma Xiao

### Income Statement of the Parent Company

January-June 2023

Monetary unit: Yuan Currency: RMB

Item	Note	First half of 2023	Second half of 2022
I. Operating income		2,145,166,339.24	2,775,292,830.83
Less: operating cost		1,801,558,276.35	1,968,879,239.46
Taxes and surcharges		5,109,243.69	9,823,247.92
Selling expenses		9,668,601.51	6,914,979.18
General and administrative expenses		426,891,225.74	241,290,188.22
R&D expenses		77,601,559.44	91,352,842.37
Financial expenses		377,255,262.77	159,197,601.93
Including: interests expense		501,000,634.50	204,951,279.89
Interests income		9,595,427.77	24,118,037.20
Plus: other income		11,140,561.86	15,144,568.87
Investment income (“-” for losses)		454,315,651.42	236,939,068.42
Including: investment income from associates and joint ventures		-33,479,789.86	13,325,333.53
Income from de-recognition of financial assets measured at amortized cost (“-” for losses)			
Income from net exposure hedging (“-” for losses)			
Gains from the changes in fair value (“-” for losses)		61,032,564.00	5,384,944.48
Losses from credit impairment (“-” for losses)		2,472,086.69	-4,182,796.83
Losses from asset impairment (“-” for losses)		-38,447,022.05	-173,990,974.99
Income from disposal of assets (“-” for losses)		59,667.34	6,074,582.66
II. Operating profits (“-” for losses)		-62,344,321.00	383,204,124.36
Plus: non-operating income		1,233,536.69	755,477.96

Less: non-operating expense		1,970,750.55	427,953.50
III. Total profits (“-” for total losses)		-63,081,534.86	383,531,648.82
Less: income tax expense		-69,721,876.61	38,051,958.39
IV. Net profit (“-” for net losses)		6,640,341.75	345,479,690.43
(I) Net profit from continued operation (“-” for net losses)		6,640,341.75	345,479,690.43
(II) Net profit from discontinued operation (“-” for net losses)			
V. Net amount of other comprehensive income after tax		-986,885.07	
(I) Other comprehensive income that cannot be reclassified into profit or loss			
1. Changes in re-measurement of the defined benefit plan			
2. Other comprehensive income that cannot be transferred to profits or losses under the equity method			
3. Changes in fair value of other equity instruments investment			
4. Changes in the fair value of the company’s own credit risk			
(II) Other comprehensive income that will be reclassified into profits or loss		-986,885.07	
1. Other comprehensive income that can be transferred to profits or losses under the equity method		-986,885.07	
2. Changes in the fair value of investment in other creditors’ rights			
3. Amount of financial assets reclassified into other comprehensive income			
4. Provision for credit impairment of investment in other creditors’ rights			
5. Cash flow hedging reserves			
6. Translation differences of foreign currency financial statements			
7. Others			
VI. Total comprehensive income		5,653,456.68	345,479,690.43
VII. Earnings per share:			
(I) Basic earnings per share (Yuan/share)			
(II) Diluted earnings per share (Yuan/share)			

Person in charge of the Company: Chen Xuehua  
 Accounting Dept.: Ma Xiao

Accounting Principal: Wang Jun

Head of the

### Consolidated Statement of Cash Flows

January-June 2023

Monetary unit: Yuan Currency: RMB

Item	Note	First half of 2023	Second half of 2022
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<b>I. Cash flows from operating activities:</b>			
Cash received from sales of goods and provision of services		35,882,307,593.59	29,442,024,183.19
Net increase in deposits from customers and placements from corporations in the same industry			
Net increase in borrowings from central bank			
Net increase in loans from other financial institutions			
Cash received from insurance premium on original insurance contracts			
Net cash received from re-insurance businesses			
Net increase in deposits and investments from policyholders			
Cash received from interests, handling charges and commissions			
Net increase in loans from banks and other financial institutions			
Net capital increase in repurchase business			
Net cash received from vicariously traded securities			
Refunds of taxes and surcharges		2,376,301,761.92	1,016,675,740.71
Cash received from other operating activities		1,398,121,747.10	1,836,524,859.88
Sub-total of cash inflows from operating activities		39,656,731,102.61	32,295,224,783.78
Cash paid for goods purchased and services received		33,510,300,357.28	27,746,947,519.83
Net increase in loans and advances to customers			
Net increase in deposits in central bank and other banks and financial institutions			
Cash paid for original insurance contract claims			
Net increase in loans to banks and other financial institutions			
Cash paid for interests, handling charges and commissions			
Cash paid for policy dividends			
Cash paid to and on behalf of employees		2,007,767,782.44	1,315,903,332.82
Cash paid for taxes and surcharges		1,360,665,441.25	918,817,632.55
Other cash paid related to operating activities		983,520,844.09	3,370,967,357.10
Sub-total of cash outflows from		37,862,254,425.06	33,352,635,842.30

operating activities			
Net cash flows from operating activities		1,793,184,070.04	-1,057,411,058.52
<b>II. Cash flows from investing activities</b>			
Cash received from disposal of investments		250,000,000.00	909,561,900.00
Cash received from returns on investments		295,582,354.35	104,505,589.35
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		1,248,553.06	469,420.12
Net cash received from disposal of subsidiaries and other business units			3,351,750.00
Cash received from other investing activities		1,625,313,208.08	521,771,151.83
Sub-total of cash inflows from investing activities		2,172,144,115.49	1,539,659,811.30
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		8,660,052,911.13	6,882,852,253.08
Cash paid for investments		1,054,022,634.07	2,819,753,383.34
Net increase in secured loans			
Net cash paid for the acquisition of subsidiaries and other business entities		344,886,898.18	2,749,910,763.96
Cash paid for other investing activities		1,050,684,078.64	1,161,826,755.42
Sub-total of cash outflows from investing activities		11,109,646,522.02	13,614,343,155.80
Net cash flows from investing activities		-8,937,502,406.53	-12,074,683,344.50
<b>III. Cash flows from financing activities:</b>			
Cash received from investors		2,798,906,164.53	657,531,343.63
Including: cash received by subsidiaries from investments by minority shareholders		2,798,906,164.53	308,503,632.63
Cash received from borrowings		15,830,149,183.08	24,908,575,188.69
Cash received from other financing activities		3,551,304,026.51	5,302,982,688.88
Sub-total of cash inflows from financing activities		22,180,359,374.12	30,869,089,221.20
Cash paid for debts repayments		10,702,680,949.03	8,941,914,187.32
Cash paid for distribution of dividends and profits or payment of interests		1,286,146,082.63	914,692,501.76
Including: dividends and profits paid to minority shareholders by subsidiaries			
Cash paid for other financing activities		2,386,484,678.23	1,558,220,134.73
Sub-total of cash outflows from financing activities		14,375,311,709.89	11,414,826,823.81

Net cash flows from financing activities		7,805,047,664.23	19,454,262,397.39
<b>IV. Effect of fluctuation in exchange rate on cash and cash equivalents</b>		415,261,447.46	487,482,814.87
<b>V. Net increase in cash and cash equivalents</b>		1,077,283,382.71	6,809,650,809.24
Plus: beginning balance of cash and cash equivalents		8,579,643,614.59	6,108,393,395.75
<b>VI. Ending balance of cash and cash equivalents</b>		9,656,926,997.30	12,918,044,204.99

Person in charge of the Company: Chen Xuehua  
 the Accounting Dept.: Ma Xiao

Accounting Principal: Wang Jun

Head of

### Statement of Cash Flows of the Parent Company

January-June 2023

Monetary unit: Yuan Currency: RMB

Item	Note	First half of 2023	Second half of 2022
<b>I. Cash flows from operating activities:</b>			
Cash received from sales of goods and provision of services		1,630,755,038.72	2,253,211,532.38
Refunds of taxes and surcharges		35,515,203.67	554,795.54
Cash received from other operating activities		1,708,908,242.17	787,822,203.43
Sub-total of cash inflows from operating activities		3,375,178,484.56	3,041,588,531.35
Cash paid for goods purchased and services received		2,510,633,601.35	2,932,745,116.98
Cash paid to and on behalf of employees		361,402,057.77	269,788,571.79
Cash paid for taxes and surcharges		37,459,662.39	207,925,746.80
Cash paid for other operating activities		975,818,980.12	382,718,955.85
Sub-total of cash outflows from operating activities		3,885,314,301.63	3,793,178,391.42
Net cash flows from operating activities		-510,135,817.07	-751,589,860.07
<b>II. Cash flows from investing activities</b>			
Cash received from disposal of investments			9,000,000.00
Cash received from returns on investments		201,822,324.36	3,484,258.27
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		1,239,020.46	31,858,091.83
Net cash received from disposal of subsidiaries and other business units			
Cash received from other		9,926,396,343.85	10,293,191,307.06

investing activities			
Sub-total of cash inflows from investing activities		10,129,457,688.67	10,337,533,657.16
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		46,403,477.99	37,605,259.45
Cash paid for investments		1,274,942,267.07	4,881,553,382.00
Net cash paid for the acquisition of subsidiaries and other business entities			257,234,411.00
Cash paid for other investing activities		10,457,713,280.98	10,318,291,411.43
Sub-total of cash outflows from investing activities		11,779,059,026.04	15,494,684,463.88
Net cash flows from investing activities		-1,649,601,337.37	-5,157,150,806.72
<b>III. Cash flows from financing activities:</b>			
Cash received from investors			349,027,711.00
Cash received from borrowings		5,304,842,625.54	3,632,827,288.87
Cash received from other financing activities		6,429,715,124.17	13,742,033,224.96
Sub-total of cash inflows from financing activities		11,734,557,749.71	17,723,888,224.83
Cash paid for debts repayments		3,599,023,469.74	3,055,300,295.85
Cash paid for distribution of dividends and profits or payment of interests		510,023,131.85	450,356,438.45
Cash paid for other financing activities		4,904,302,865.70	7,398,020,701.11
Sub-total of cash outflows from financing activities		9,013,349,467.29	10,903,677,435.41
Net cash flows from financing activities		2,721,208,282.42	6,820,210,789.42
<b>IV. Effect of fluctuation in exchange rate on cash and cash equivalents</b>		6,081,650.00	17,870,944.99
<b>V. Net increase in cash and cash equivalents</b>		567,552,777.98	929,341,067.62
Plus: beginning balance of cash and cash equivalents		968,796,419.00	1,570,250,951.45
<b>VI. Ending balance of cash and cash equivalents</b>		1,536,349,196.98	2,499,592,019.07

 Person in charge of the Company: Chen Xuehua  
 Accounting Dept.: Ma Xiao

Accounting Principal: Wang Jun

Head of the

**Consolidated Statement of Changes in Owners' Equity**

January-June 2023

Monetary unit: Yuan Currency: RMB

Item	First half of 2023														
	Equity attributable to owners of the parent company												Minority equity	Total owners' equity	
	Paid-in capitals (or share capitals)	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Generic risk reserves	Undistributed profits	Others			Sub-total
Preference shares		Perpetual bonds	Others												
I. Ending balance of last year	1,599,678,228.0 0			1,490,112,966.16	10,398,505,364.59	631,014,574.20	776,405,562.87	27,349,451.51	328,198,605.34		11,903,922.527.16		25,893,158,131.43	6,789,319,863.76	32,682,477,995.19
Plus: adjustments for changes in accounting policies															
Adjustments for correction of accounting errors in prior periods															
Business combination under common control															
Others															
II. Beginning balance of this year	1,599,678,228.0 0			1,490,112,966.16	10,398,505,364.59	631,014,574.20	776,405,562.87	27,349,451.51	328,198,605.34		11,903,922.527.16		25,893,158,131.43	6,789,319,863.76	32,682,477,995.19
III. Increases/decreases in the current period ("-" for decreases)	-213,087.00			-17,648.76	233,763,722.44	-13,447,236.90	716,650,875.47	8,957,482.60			1,765,248,236.06		2,737,836,817.71	3,888,836,292.35	6,626,673,110.06
(I) Total comprehensive income							716,650,875.47				2,085,104,942.66		2,801,755,818.13	1,093,605,127.82	3,895,360,945.95
(II) Capital contributed or reduced by owners	-213,087.00			-17,648.76	233,763,722.44	-13,447,236.90							246,980,223.58	2,795,231,164.53	3,042,211,388.11
1. Common stock contributed by	1,026.00				3,675,000.00								3,676,026.00	2,795,231,164.53	2,798,907,190.53

owners															
2. Capital invested by holders of other equity instruments															
3. Amounts of share-based payments recognized in owners' equity					236,838,411.21								236,838,411.21		236,838,411.21
4. Others	-214,113.00			-17,648.76	-6,749,688.77	-13,447,236.90							6,465,786.37		6,465,786.37
(III) Profit distribution													-319,856,706.60	-319,856,706.60	-319,856,706.60
1. Withdrawal of surplus reserves															
2. Withdrawal of generic risk reserves															
3. Profit distributed to owners (or shareholders)													-319,856,706.60	-319,856,706.60	-319,856,706.60
4. Others															
(IV) Internal carry-forward of owners' equity															
1. Conversion of capital reserves into paid-in capitals (or share capitals)															
2. Conversion of capital reserves into paid-in capitals (or share capitals)															
3. Surplus reserves offsetting losses															
4. Carry-forward of changes in the defined benefit plan for retained earnings															
5. Carry-forward of other comprehensive income for retained															

earnings															
6. Others															
(V) Special reserves								8,957,482.60					8,957,482.60		8,957,482.60
1. Amount withdrawn in the current period								51,569,960.47					51,569,960.47		51,569,960.47
2. Amount used in the current period								42,612,477.87					42,612,477.87		42,612,477.87
(VI) Others															
IV. Ending balance in the current period	1,599,465,141.00			1,490,095,317.40	10,632,269,087.03	617,567,337.30	1,493,056,438.34	36,306,934.11	328,198,605.34		13,669,170,763.22		28,630,994,949.14	10,678,156,156.11	39,309,151,105.25

Item	Second half of 2022														Minority equity	Total owners' equity
	Equity attributable to owners of the parent company															
	Paid-in capitals (or share capitals)	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Generic risk reserves	Undistributed profits	Others				
Preference shares		Perpetual bonds	Others													
I. Ending balance of last year	1,221,228,483.00				10,218,296,584.42	339,232,639.00	-419,363,343.56	16,648,561.11	309,732,264.90		8,376,281,013.68		19,383,590,924.55	4,517,086,195.80	23,900,677,120.35	
Plus: adjustments for changes in accounting policies																
Adjustments for correction of accounting errors in prior periods																
Business combination under common control																
Others																
II. Beginning balance of this year	1,221,228,483.00				10,218,296,584.42	339,232,639.00	-419,363,343.56	16,648,561.11	309,732,264.90		8,376,281,013.68		19,383,590,924.55	4,517,086,195.80	23,900,677,120.35	
III. Increases/decreases in the current period	376,904,935.00			1,150,236,756.25	-7,634,068.97	341,128,046.00	646,371,226.72	8,314,266.92			1,889,133,996.00		3,722,199,065.92	1,196,444,291.33	4,918,643,357.25	

("-" for decreases)															
(I) Total comprehensive income						646,371,226.72					2,255,513,730.90		2,901,884,957.62	837,297,344.96	3,739,182,302.58
(II) Capital contributed or reduced by owners	10,655,700.00			1,150,236,756.25	364,006,411.03	346,519,291.00							1,178,379,576.28	263,547,494.69	1,441,927,070.97
1. Common stock contributed by owners	10,655,700.00				338,372,011.00	346,519,291.00							2,508,420.00		2,508,420.00
2. Capital invested by holders of other equity instruments				1,150,236,756.25									1,150,236,756.25		1,150,236,756.25
3. Amounts of share-based payments recognized in owners' equity					113,149,081.73								113,149,081.73		113,149,081.73
4. Others					-87,514,681.70								-87,514,681.70	263,547,494.69	176,032,812.99
(III) Profit distribution											-366,379,734.90		-366,379,734.90		-366,379,734.90
1. Withdrawal of surplus reserves															
2. Withdrawal of generic risk reserves															
3. Profit distributed to owners (or shareholders)											-366,379,734.90		-366,379,734.90		-366,379,734.90
4. Others															
(IV) Internal carry-forward of owners' equity	366,249,235.00				-371,640,480.00	-5,391,245.00									
1. Conversion of capital reserves into paid-in capitals (or share capitals)	366,379,735.00				-366,379,735.00										
2. Conversion of capital reserves into paid-in capitals (or share capitals)															

3. Surplus reserves offsetting losses														
4. Carry-forward of changes in the defined benefit plan for retained earnings														
5. Carry-forward of other comprehensive income for retained earnings														
6. Others	-130,500.00				-5,260,745.00	-5,391,245.00								
(V) Special reserves								8,314,266.92				8,314,266.92		8,314,266.92
1. Amount withdrawn in the current period								32,587,270.87				32,587,270.87		32,587,270.87
2. Amount used in the current period								24,273,003.95				24,273,003.95		24,273,003.95
(VI) Others													95,599,451.68	95,599,451.68
IV. Ending balance in the current period	1,598,133,418.00			1,150,236,756.25	10,210,662,515.45	680,360,685.00	227,007,883.16	24,962,828.03	309,732,264.90		10,265,415,009.68	23,105,789,990.47	5,713,530,487.13	28,819,320,477.60

Person in charge of the Company: Chen Xuehua

Accounting Principal: Wang Jun

Head of the Accounting Dept.: Ma Xiao

**Statement of Changes in Owners' Equity of the Parent Company**

January-June 2023

Monetary unit: Yuan Currency: RMB

Item	First half of 2023										
	Paid-in capitals (or share capitals)	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	Total owners' equity
		Preference shares	Perpetual bonds	Others							
I. Ending balance of last year	1,599,678,228.00			1,490,112,966.16	10,345,832,528.98	631,014,574.20	-39,949,268.37		328,198,605.34	1,900,836,572.14	14,993,695,058.05
Plus: adjustments for changes in accounting											

policies											
Adjustments for correction of accounting errors in prior periods											
Others											
II. Beginning balance of this year	1,599,678,228.00		1,490,112,966.16	10,345,832,528.98	631,014,574.20	-39,949,268.37		328,198,605.34	1,900,836,572.14	14,993,695,058.05	
III. Increases/decreases in the current period ("-" for decreases)	-213,087.00		-17,648.76	230,088,722.44	-13,447,236.90	-986,885.07			-313,216,364.85	-70,898,026.34	
(I) Total comprehensive income						-986,885.07			6,640,341.75	5,653,456.68	
(II) Capital contributed or reduced by owners	-213,087.00		-17,648.76	230,088,722.44	-13,447,236.90					243,305,223.58	
1. Common stock contributed by owners	1,026.00									1,026.00	
2. Capital invested by holders of other equity instruments											
3. Amounts of share-based payments recognized in owners' equity				236,838,411.21						236,838,411.21	
4. Others	-214,113.00		-17,648.76	-6,749,688.77	-13,447,236.90					6,465,786.37	
(III) Profit distribution									-319,856,706.60	-319,856,706.60	
1. Withdrawal of surplus reserves											
2. Profit distributed to									-319,856,706.60	-319,856,706.60	

owners (or shareholders)											
3. Others											
(IV) Internal carry-forward of owners' equity											
1. Conversion of capital reserves into paid-in capitals (or share capitals)											
2. Conversion of capital reserves into paid-in capitals (or share capitals)											
3. Surplus reserves offsetting losses											
4. Carry-forward of changes in the defined benefit plan for retained earnings											
5. Carry-forward of other comprehensive income for retained earnings											
6. Others											
(V) Special reserves											
1. Amount withdrawn in the current period											
2. Amount used in the current period											
(VI) Others											
IV. Ending balance in the	1,599,465,141.00			1,490,095,317.40	10,575,921,251.42	617,567,337.30	-40,936,153.44		328,198,605.34	1,587,620,207.29	14,922,797,031.71

current period											
Item	Second half of 2022										
	Paid-in capitals (or share capitals)	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	Total owners' equity
		Preference shares	Perpetual bonds	Others							
I. Ending balance of last year	1,221,228,483.00				9,954,138,998.99	339,232,639.00	-40,000,000.00	22,627.13	309,732,264.90	2,100,926,123.03	13,206,815,858.05
Plus: adjustments for changes in accounting policies											
Adjustments for correction of accounting errors in prior periods											
Others											
II. Beginning balance of this year	1,221,228,483.00				9,954,138,998.99	339,232,639.00	-40,000,000.00	22,627.13	309,732,264.90	2,100,926,123.03	13,206,815,858.05
III. Increases/decreases in the current period ("+" for increases, "-" for decreases)	376,904,935.00			1,150,236,756.25	79,880,612.73	341,128,046.00		-22,293.04		-20,900,044.47	1,244,971,920.47
(I) Total comprehensive income										345,479,690.43	345,479,690.43
(II) Capital contributed or reduced by owners	10,655,700.00			1,150,236,756.25	451,521,092.73	346,519,291.00					1,265,894,257.98
1. Common stock contributed by owners	10,655,700.00				338,372,011.00	346,519,291.00					2,508,420.00
2. Capital invested by holders of other equity instruments				1,150,236,756.25							1,150,236,756.25
3. Amounts of share-based payments recognized in owners' equity					113,149,081.73						113,149,081.73
4. Others											
(III) Profit distribution										-366,379,734.90	-366,379,734.90
1. Withdrawal of											

surplus reserves											
2. Profit distributed to owners (or shareholders)										-366,379,734.90	-366,379,734.90
3. Others											
(IV) Internal carry-forward of owners' equity	366,249,235.00				-371,640,480.00	-5,391,245.00					
1. Conversion of capital reserves into paid-in capitals (or share capitals)	366,379,735.00				-366,379,735.00						
2. Conversion of capital reserves into paid-in capitals (or share capitals)											
3. Surplus reserves offsetting losses											
4. Carry-forward of changes in the defined benefit plan for retained earnings											
5. Carry-forward of other comprehensive income for retained earnings											
6. Others	-130,500.00				-5,260,745.00	-5,391,245.00					
(V) Special reserves									-22,293.04		-22,293.04
1. Amount withdrawn in the current period									5,411,415.78		5,411,415.78
2. Amount used in the current period									5,433,708.82		5,433,708.82
(VI) Others											
IV. Ending balance in the current period	1,598,133,418.00			1,150,236,756.25	10,034,019,611.72	680,360,685.00	-40,000,000.00	334.09	309,732,264.90	2,080,026,078.56	14,451,787,778.52

Person in charge of the Company: Chen Xuehua

Accounting Principal: Wang Jun

Head of the Accounting Dept.: Ma Xiao

### III. Basic information of the Company

#### 1. Company profile

Applicable Not applicable

Zhejiang Huayou Cobalt Co., Ltd. was established by GREAT MOUNTAIN ENTERPRISE PTE. Ltd, Huayou Holding (renamed from Tongxiang Huayou Investment Co., Ltd.) and other companies upon approval by the Ministry of Commerce of the People's Republic of China. The Company was registered with Zhejiang Provincial Administration for Industry and Commerce on April 14, 2008, and is headquartered in Jiaxing, Zhejiang. The Company now holds a business license with unified social credit code of 913300007368873961. The total number of shares of the Company is 1,599,465,141 (par value of RMB1 per share), including 19,486,086 outstanding A shares with restriction on sales and 1,579,979,055 outstanding A shares without restriction on sales. The Company's shares were listed on the Shanghai Stock Exchange on January 29, 2015.

The Company conducts business in the non-ferrous metal smelting and rolling industry. Its main business covers R&D, production and sales of cobalt, copper, nickel, lithium, ternary precursor, cathode materials, nickel intermediates, lithium products, etc. Its main products are cobalt products, copper products, nickel products, ternary precursors, cathode materials, nickel intermediates and lithium products.

The financial statements were approved to be made public by the 8th meeting of the sixth board of directors of the Company on August 25, 2023.

#### 2. Consolidation scope of the consolidated financial statements

Applicable Not applicable

The Company has included the following tier-one subsidiaries, tier-two subsidiaries, tier-three subsidiaries and tier-four subsidiaries in the consolidated financial statements for the current period, as detailed in Notes VI and VII to the financial statements. Such tier-one subsidiaries include Zhejiang Like Cobalt Nickel Co., Ltd. ("Like Cobalt Nickel"), Huayou Import & Export, Huayou Quzhou, Huayou Hong Kong, OIM Company, CDM Company, MIKAS Company, Huayou Mining Hong Kong, Huayou New Energy Quzhou, Huayou Recycling, Huayou New Energy Technology, Zhejiang Youqing Trading Co., Ltd. ("Youqing Trading"), Tongxiang Huashi Import & Export Co., Ltd. (Tongxiang Huashi"), Tongxiang Hua'ang Trading Co., Ltd. ("Tongxiang Hua'ang"), Beijing Youhong Yongsheng Technology Co., Ltd. ("Beijing Youhong"), Guangxi Huayou Engineering Project Management Co., Ltd. ("Guangxi Huayou Engineering"), Huashan Import & Export (Tongxiang) Co., Ltd. ("Tongxiang Huashan"), Beijing Huashan Yongsheng Technology Co., Ltd. ("Beijing Huashan"), Huashan Import & Export (Wenzhou) Co., Ltd. ("Wenzhou Huashan"), Huake Import & Export (Wenzhou) Co., Ltd. ("Wenzhou Huake"), Guangxi B&M, Tianjin B&M, Huaxun Import & Export (Tongxiang) Co., Ltd. ("Tongxiang Huaxun"), Guangxi Huayou New Materials Co., Ltd. ("Guangxi Huayou New Materials"), Guangxi Huayou New Energy Technology Co., Ltd. ("Guangxi Huayou New Energy"), Huawang Import & Export (Tongxiang) Co., Ltd. ("Tongxiang Huawang"), Hualing Import & Export (Tongxiang) Co., Ltd. ("Tongxiang Hualing"), Guangxi Lithium Industry, Huazheng Import & Export (Tongxiang) Co., Ltd. ("Tongxiang Huazheng"), Huajian Import & Export (Wenzhou) Co., Ltd. ("Wenzhou Huajian"), Shanghai Huayou Xinsheng Metal Co., Ltd. ("Shanghai Xinsheng"), Guangxi Huayou Industrial Investment Co., Ltd. ("Guangxi Huayou Industrial Investment") and Guangxi Huayou Enterprise Investment Management Co., Ltd. ("Guangxi Huayou Enterprise Investment"), Shanghai Huayou Jintian Enterprise Management Co., Ltd. ("Shanghai Jintian"). Such tier-two subsidiaries include FEZA MINING SAS ("Feza Mining"), Resource Recycling, Huayou International Recycling Resources Co., Ltd. ("Huayou International Recycling"), HUAYOU AMERICA, INC ("Huayou America"), Huayou Singapore, Shanghai Feicheng, Heishui Huayou Recycling Technology Co., Ltd. ("Heishui Recycling"), Huajin Company, Huayou Puxiang, Huaqing Cobalt Nickel Co., Ltd. ("Huaqing Cobalt Nickel"), Huachuang International Investment Co., Ltd. ("Huachuang International"), Huawei Nickel Resources Development Co., Ltd. ("Huawei Nickel Resources"), Huake Nickel Co., Ltd. ("Huake Nickel"), Huayou International Cobalt, Huayuan Copper Co., Ltd. ("Huayuan Copper"), Jiangsu Huayou, HUATUO INTERNATIONAL DEVELOPMENT PTE. Ltd ("Huatuo International"), Chengdu B&M, Zhejiang B&M, Guangxi Huayou Import & Export Co., Ltd. ("Guangxi Huayou Import & Export"), HUANENG ASIA INTERNATIONAL CO., LIMITED ("Huaneng Asia International"), HUACAI (HONG KONG) LIMITED ("Huacai Hong Kong"), HUAYONG INTERNATIONAL (HONG KONG) LIMITED ("Huayong International"), Huatuo Cobalt Co., Ltd. ("Huatuo Cobalt"),

Prospect Lithium, Quzhou Huayou Environmental Protection Technology Co., Ltd. (“Quzhou Huayou Environmental Protection”), Huayou International Lithium (Hong Kong) Company Limited (“Huayou International Lithium”), Huayou International Resources (Hong Kong) Company Limited (“Huayou International Resources”), Huasheng Nickel (Hong Kong) Company Limited (“Huasheng Hong Kong”), Huaxing Nickel (Hong Kong) Company Limited (“Huaxing Hong Kong”), Huachang Trading (Hong Kong) Company Limited (“Huachang Trading”), Huaqi (Hong Kong) Company Limited (“Huaqi Hong Kong”), Huachi (Hong Kong) Company Limited (“Huachi Hong Kong”), Huajin (Hong Kong) Company Limited (“Huajin Hong Kong”), Huaming (Hong Kong) Company Limited (“Huaming Hong Kong”), Huaqun (Hong Kong) Company Limited (“Huaqun Hong Kong”), Huashan (Hong Kong) Company Limited (“Huashan Hong Kong”), Huawu (Hong Kong) Company Limited (“Huawu Hong Kong”), Huaqi (Singapore) Co., Ltd. (“Huaqi Singapore”), Huajun International Investment Co., Ltd. (“Huajun International Investment”), Huayao International Investment Co., Ltd. (“Huayao International Investment”) and Huaze International Investment Co., Ltd. (“Huaze International Investment”) and Huayou International Investment Co., Ltd. (“Huayou International Investment”). Such tier-three subsidiaries include HUAYOU INTERNATIONAL MINING HOLDING LIMITED (“Huayou International Holding”), Huayue Company, Huake Company, Huashan Company, Huayou Shixing (Beijing) New Energy Technology Co., Ltd. (“Huayou Shixing”), Huafei Company, PT. Huasheng Nickel (“Huasheng Indonesia”), PT. INDONESIA POMALAA INDUSTRY PARK (“IPIP Company”), HUASHUN RESOURCES (PRIVATE) LIMITED (“Huashun Hong Kong”), KNI Company, PT HUAXIANG REFINING INDONESIA (“Indonesia Huaxiang”), PT SULAWESI MANGANESE RECYCLE (SLMR) and HUALI NICKEL INDONESIA (“Indonesia Huali”). Such tier-four subsidiaries include PT. IPIP PORT KOLAKA (“Port Kolaka”) and B&M Science and Technology (Hungary) Co., Ltd. (“B&M Hungary”).

#### **IV. Basis for preparing the financial statements**

##### **1. Basis for preparing**

The Company prepares its financial statements on a basis of ongoing operation.

##### **2. Going concern**

Applicable Not applicable

There are no matters or circumstances that give rise to significant doubt about the Company’s ability to continue as a going concern for a period of 12 months from the end of the reporting period.

#### **V. Major accounting policies and accounting estimates**

Remark to the detailed accounting policies and accounting estimates:

Applicable Not applicable

Important note: The Company has formulated specific accounting policies and estimates for transactions or events such as impairment of financial instruments, depreciation of fixed assets, depreciation of right of use assets, amortization of intangible assets, and recognition of income based on actual production and operation characteristics.

##### **1. Statement on compliance with the *Accounting Standards for Business Enterprises***

The financial statements prepared by the Company comply with the requirements of the *Accounting Standards for Business Enterprises*, and truly and fully present the Company’s financial position, operating results, changes in shareholders’ equity, cash flows and other related information.

##### **2. Accounting period**

The accounting period of the Company is from January 1 to December 31 in a calendar year.

##### **3. Operating cycle**

Applicable Not applicable

The Company has a relatively short operating cycle of 12 months, and regards it as the classification standard for the liquidity of assets and liabilities.

#### **4. Functional currency**

The functional currency of the Company is RMB. Overseas subsidiaries such as Huayou Hong Kong, Huayou Singapore, CDM Company, MIKAS Company, Huayue Company, Huake Company, Huafei Company, etc. operate business overseas and determine their functional currencies according to the main economic environment in which they operate.

#### **5. Accounting treatment methods for business combinations under common control and those not under common control**

Applicable Not applicable

##### **1. Accounting treatment methods for business combinations under common control**

Assets and liabilities acquired by the Company from business combination are measured at book value of the assets and liabilities of the combinee in the financial statements of the ultimate controller on the combination date. The Company adjusts capital reserve at the difference between the book value of the owners' equity of the acquiree as presented in the consolidated financial statements of the ultimate controller and that of the consideration for the combination paid or total par value of outstanding shares, and, if there is no sufficient capital reserve for write-downs, adjusts the retained earnings.

##### **2. Accounting treatment methods for business combinations not under common control**

If combination cost is more than the fair value of the acquiree's net identifiable assets obtained, the Company will recognize the balance on the acquisition date as goodwill; if the combination cost is less than the fair value of the acquiree's net identifiable assets obtained, the measurement of fair value of various net identifiable assets, liabilities and contingent liabilities of the acquiree as well as combination cost will be reviewed at first, and if the combination cost is still less than the fair value of the acquiree's identifiable net assets obtained after review, the balance will be included into the current profit or loss.

#### **6. Methods for preparing the consolidated financial statements**

Applicable Not applicable

All the subsidiaries under the control of the parent company are included in the scope of consolidated financial statements. Consolidated financial statements are prepared on the basis of the financial statements of the parent company and its subsidiaries, according to other relevant information and pursuant to *Accounting Standards for Business Enterprises No.33 - Consolidated Financial Statements*.

#### **7. Classification of joint venture arrangements and accounting treatment methods for joint operation**

Applicable Not applicable

1. Joint venture arrangements are classified into joint operation and joint venture.

2. When the Company is a party to joint operation, the following items related to the share of interests in the joint operation will be recognized:

(1) to recognize assets solely held by it, and recognize the assets jointly held based on its share of interests;

(2) to recognize the liabilities solely assumed by it, and recognize the liabilities jointly assumed based on its share of interests;

(3) to recognize the incomes from sale of the part of output enjoyed by it from the joint operation;

(4) to recognize the incomes of the joint operation from sale of output based on its share of interests;

(5) to recognize the costs solely incurred by it, and recognize the costs of the joint operation based on its share of interests.

#### **8. Criteria for recognizing cash and cash equivalents**

Cash equivalents refer to the short-term (generally maturing within three months from acquisition) and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### **9. Translation of foreign currency transactions and foreign currency financial statements**

Applicable Not applicable

1. Translation of foreign currency transactions

Foreign currency transactions are translated into RMB at the approximate exchange rate of the spot exchange rate on the transaction date upon the initial recognition. The exchange differences arising from balances of monetary items denominated in foreign currency are converted at the spot exchange rate prevailing on the balance sheet date. Except for those arising from specific-purpose borrowings in foreign currencies related to assets eligible for capitalization that shall be measured in accordance with principle of capitalization of the borrowing costs, exchange differences are included to the current profit or loss. Non-monetary items denominated in foreign currency and measured at historical costs are still converted at the approximate exchange rate of the spot exchange rate prevailing on the transaction date, of which the amount in RMB remains unchanged. Non-monetary items denominated in foreign currency and measured at fair values are still be converted at the spot exchange rate prevailing on the date when the fair values are determined, and the exchange differences arising from them are included to the current profit or loss or other comprehensive income.

## 2. Translation of foreign currency financial statements

Assets and liabilities in the balance sheet are translated at the spot exchange rate prevailing on the balance sheet date. Owners' equity items, except for the item of "undistributed profits", are translated at the spot exchange rate prevailing on the transaction date. Income and expense items in the income statement are translated at the approximate exchange rate of the spot exchange rate prevailing on the transaction date. Foreign currency translation differences arising from the above translation are included in other comprehensive income.

## 10. Financial instruments

Applicable Not applicable

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

Financial assets are classified into the following three categories at initial recognition: (1) financial assets measured at amortized cost; (2) financial assets measured at fair value through other comprehensive income; and (3) financial assets measured at fair value through current profit or loss.

Financial liabilities are classified into the following four categories at initial recognition: (1) financial liabilities measured at fair value through current profit or loss; (2) financial liabilities formed due to the transfer of financial assets that do not meet the conditions for de-recognition or continued involvement in the transferred financial assets.; (3) financial guarantee contracts that do not belong to items (1) or (2) above, and loan commitments that do not belong to item (1) above at an interest rate lower than the market rate; (4) financial liabilities measured at amortized cost.

### 2. Basis for recognizing, methods for measuring and conditions for de-recognizing financial assets and financial liabilities

#### (1) Recognition basis and measurement methods of financial assets and financial liabilities

When the Company becomes a party to a financial instrument, it will recognize a financial asset or financial liability. Financial assets or financial liabilities are measured at fair value upon initial recognition. For financial assets and financial liabilities measured at fair value through current profit or loss, relevant transaction costs are directly included into current period profit or loss. For other categories of financial assets or financial liabilities, relevant transaction costs are directly included into initial recognition amount. However, the accounts receivable initially recognized by the Company are initially measured at the transaction price as defined in the *Accounting Standard for Business Enterprises No. 14 - Revenue* if they exclude significant financing or the Company does not consider the financing of the contracts within one year.

#### (2) Subsequent measurement of financial assets

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

Such financial assets are subsequently measured at amortized cost by using the effective interest method. Gains or losses arising from the financial assets that are measured at amortized cost and that are not part of any hedging relationship are included in the current profit or loss when such financial assets are de-recognized, re-classified, amortized with the effective interest method or impaired.

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

Such investments are subsequently measured at fair value. The interest calculated by using the effective interest method, impairment loss or gain, and exchange loss or gain are included in current profit or loss, and other gains or losses are included in other comprehensive income. When de-recognized, the accumulated gains or losses previously included in other comprehensive income will be transferred from other comprehensive income and included in current profit or loss.

3) Equity instrument investments measured at fair value through other comprehensive income  
Such investments are subsequently measured at fair value. Dividends obtained (other than the recovered investment costs) are included in the current profit or loss, and other gains or losses are included in other comprehensive income. When de-recognized, the accumulated gains or losses previously included in other comprehensive income will be transferred from other comprehensive income and included in retained earnings.

4) Financial assets measured at fair value through current profit or loss

Such financial assets are subsequently measured at fair value. The gains or losses (including interest and dividend income) arising therefrom are included in the current profit or loss, unless such financial assets are part of the hedging relationship.

(3) Subsequent measurement methods for financial liabilities

1) Financial liabilities measured at fair value through current profit or loss

Financial liabilities of this category include held-for-trading financial liabilities (including derivatives belonging to financial liabilities) and the financial liabilities designated to be measured at fair value through current profit or loss. Such financial liabilities are subsequently measured at fair value. The amount of changes in fair value of financial liabilities designated to be measured at fair value through current profit or loss due to changes in the Company's own credit risk is recognized in other comprehensive income, unless such treatment would cause or expand accounting mismatches in profit or loss. Other gains or losses arising from such financial liabilities (including interests expense, changes in fair value other than those caused by changes in the Company's own credit risk) are recognized in the current profit or loss, unless the financial liabilities are part of a hedging relationship. When de-recognized, the accumulated gains or losses previously included in other comprehensive income will be transferred from other comprehensive income and included in retained earnings.

2) Financial liabilities formed due to the transfer of financial assets that do not meet the conditions for de-recognition or continued involvement in the transferred financial assets.

Such financial liabilities are measured in accordance with relevant provisions of *Accounting Standard for Business Enterprise No. 23 - Transfer of Financial Assets*.

3) Financial guarantee contracts that do not belong to the categories in items (1) or (2) above, and loan commitments that do not belong to the category in item (1) above and is at an interest rate lower than the market rate

Such financial liabilities are subsequently measured at the following amount, whichever is higher, after initial recognition: a) the amount of loss provision determined according to the impairment principle of financial instruments; b) the balance of the initial recognition amount after deducting the accumulated amortization amount determined according to relevant provisions of *Accounting Standards for Business Enterprises No. 14 - Revenue*.

4) Financial liabilities at amortized cost

Such financial liabilities are measured at amortized cost by using the effective interest method. Gains or losses arising from the financial liabilities that are measured at amortized cost and that are not part of any hedging relationship are included in the current profit or loss by using the effective interest method when they are de-recognized or amortized.

(4) De-recognition of financial assets and financial liabilities

1) A financial asset will be de-recognized if it meets any of the following conditions:

a) where the contractual rights for collecting the cash flow of the said financial asset are terminated;

b) where the financial asset has been transferred, and such transfer meets the conditions on de-recognition of financial assets as specified in the *Accounting Standards for Business Enterprises No.23 - Transfer of Financial Assets*.

2) When the prevailing obligations of a financial liability (or any part thereof) are relieved, the financial liability (or any part thereof) will be de-recognized.

3. Basis for recognizing and method for measuring the financial assets transferred

Where the Company has transferred nearly all the risks and rewards associated with the ownership of a financial asset, the financial asset will be de-recognized; where the Company retains nearly all the risks and rewards associated with the ownership of a financial asset, the financial asset transferred will be continuously recognized. Where the Company neither transfers nor retains nearly all the risks and rewards associated with the ownership of a financial asset, it will be dealt with in the following ways: 1) where the Company retains no control over the financial asset, the financial asset will be de-recognized, and the rights and obligations generated or retained in such transfer will be separately recognized as an asset or liability; 2) where the Company retains its control over the financial asset, the financial asset

will be recognized according to the extent of its continuous involvement in the transferred financial asset and relevant liability will be recognized accordingly.

Where the entire transfer of a financial asset meets the de-recognition conditions, the difference of the following two amounts will be included in the current profit or loss: 1) the book value of the financial asset transferred on the date of de-recognition; 2) the sum of the consideration for the financial asset transferred and the amount of the de-recognized part corresponding to the accumulated amount of the changes in fair value originally and directly included in other comprehensive income (where the financial asset involving transfer belongs to the debt instrument investments measured at fair value through other comprehensive income). Where a financial asset is partially transferred and the transferred part meets the de-recognition conditions, the entire book value of the financial asset before the transfer will be allocated between the de-recognized part and the continuously recognized part based on the relative fair value on the transfer date, and the difference between the following two amounts will be included in the current profit or loss: 1) the book value of the de-recognized part; 2) the sum of the consideration for the de-recognized part and the amount of the de-recognized part corresponding to the accumulated amount of the changes in fair value originally and directly included in other comprehensive income (where the financial asset involving transfer belong to the debt instrument investments measured at fair value through other comprehensive income).

#### 4. Method for determining the fair value of financial assets and financial liabilities:

The Company uses valuation techniques that are applicable under the current circumstances and that are supported by sufficient available data and other information to determine the fair value of financial assets and financial liabilities. The Company classifies the inputs used for the valuation techniques into the following levels and uses them in the following order:

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

(2) Level 2 inputs are the directly or indirectly observable inputs of relevant assets or liabilities other than the level 1 inputs, including: 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, including interest rates and yield curves observable at common quoted intervals; market-corroborated inputs, etc.

3) Level 3 inputs are unobservable inputs for the asset or liability, including interest rates that cannot be observed directly or cannot be corroborated by observable market data, stock volatilities, future cash flows for retirement obligations assumed in the business combination, and financial forecasts based on its own data.

#### 5. Impairment of financial instruments

##### (1) Measurement and accounting treatment of impairment of financial instruments

For financial assets measured at amortized cost, debt instrument investments measured at fair value through other comprehensive income, contract assets, lease receivables, loan commitments other than financial liabilities classified as measured at fair value through current profit or loss, financial guarantee contracts that do not belong to financial liabilities measured at fair value through current profit or loss, or that do not belong to financial liabilities formed due to the transfer of financial assets that do not meet the conditions for de-recognition or continued involvement in the transferred financial assets, Based on expected credit losses, the Company conducts accounting treatment for impairment and recognizes loss provisions based on the expected credit loss.

The “expected credit loss” refers to the weighted average of the credit losses of financial instruments that are weighted by the risk of default. Credit loss refers to the difference between all contractual cash flows receivable from the contract discounted at the original actual interest rate and all cash flows expected to be received by the Company, that is, the present value of all cash shortages. Specifically, the financial assets purchased or originated by the Company that have suffered credit impairment will be discounted at the credit-adjusted actual interest rate of the financial assets.

For financial assets purchased or originated with credit impairment, only the cumulative change in expected credit loss in the whole duration after initial recognition are recognized as loss provision on the balance sheet date.

For lease receivables, and the receivables or contract assets formed from transactions not containing significant financing components and governed by the *Accounting Standards for Business Enterprises*

No. 14 - Revenue, the Company measures loss provision with simplified measurement methods at the amount equivalent to the expected credit loss for the whole duration.

For any other financial asset, the Company assesses whether their credit risk has significantly increased since initial recognition on each balance sheet date. If the credit risk has increased significantly since the initial recognition, the Company measures its loss provision at the expected credit loss for the whole duration of the financial asset; if the credit risk of the financial asset has not significantly increased since the initial recognition, the Company measures its loss provision at the expected credit loss of the financial asset within the next 12 months.

The Company, by utilizing forward-looking information and other reasonable and based information available and by comparing the risk of default of a financial instrument on the balance sheet date with the risk of default on the initial recognition date, determines whether the credit risk of the financial instrument has increased significantly since the initial recognition.

If, on the balance sheet date, the Company judges that a financial instrument has a low credit risk, the Company will assume that the credit risk of the financial instrument has not increased significantly since initial recognition.

The Company assesses whether expected credit risk and measures expected credit loss on the basis of a single financial instrument or a portfolio of financial instruments. When conducting an assessment based on a portfolio of financial instruments, the Company may classify financial instruments into different portfolios based on common credit risk characteristics.

The Company re-measures the expected credit loss on each balance sheet date, and the increase or reversal of the loss provision resulting therefrom will be regarded as impairment loss or gain and included in the current profit or loss. For a financial asset measured at amortized cost, the loss provision is written off against the book value of the financial asset listed in the balance sheet; for a debt investment measured at fair value through other comprehensive income, the Company will recognize its loss provision in other comprehensive income without offset of the book value of such financial asset.

(2) Financial instruments of which expected credit risk is assessed on the basis of portfolio and expected credit loss is measured by using the three-stage model

Item	Basis for determining the portfolio	Method for measuring expected credit loss
Other receivables - portfolio of government funds receivables	Nature of funds	The Company calculates expected credit loss by the exposure at default and the expected credit loss rate within the next 12 months or for the entire duration by reference to the historical credit loss experience and taking into consideration of the current situation and the forecast of future economic conditions.
Other receivables - portfolio of related parties within the consolidation scope		
Other receivables - portfolio of interests receivable		
Other receivables - portfolio of dividends receivable		
Other receivables - aging portfolio	Aging	

(3) Receivables and contract assets of which expected credit loss are measured by using the simplified measurement method

1) Specific portfolio and methods for measuring expected credit loss

Item	Basis for determining the portfolio	Method for measuring expected credit loss
Bank acceptance bills receivable	Type of notes	The Company calculates expected credit loss by the exposure at default and the expected credit loss rate for the entire duration by reference to the historical credit loss experience and taking into consideration of the current situation and the forecast of future economic conditions.

Commercial acceptance receivable	bills	The Company calculates expected credit losses by preparing a comparison table of the aging of notes receivable and the expected credit loss rate in the entire duration by reference to the historical credit loss experience and taking into consideration the current situation and the forecast of future economic conditions.
Accounts receivable - aging portfolio	Aging	The Company calculates expected credit losses by preparing a comparison table of the aging of accounts receivable and the expected credit loss rate in the entire duration by reference to the historical credit loss experience and taking into consideration the current situation and the forecast of future economic conditions.
Accounts receivable - portfolio of related parties within the consolidation scope	Nature of funds	The Company calculates expected credit loss by the exposure at default and the expected credit loss rate for the entire duration by reference to the historical credit loss experience and taking into consideration of the current situation and the forecast of future economic conditions.

2) Comparison table of the aging of accounts receivable - aging portfolio and commercial acceptance bills receivable, and the expected credit loss rate in the entire duration

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

#### 6. Offset of financial assets and financial liabilities

Financial assets and financial liabilities are separately presented in the balance sheet without mutual offset. However, the Company will record the amount mutually offset between the financial assets and the financial liabilities in the balance sheet if all the following conditions are met: (1) where the Company has legal rights to offset the recognized amounts, and such legal right is currently enforceable; and (2) where the Company plans to settle in net amount, or to cash the financial assets and settle the financial liabilities simultaneously.

For a financial asset transferred that does not meet the conditions for de-recognition, the Company will not offset the financial asset transferred with relevant liabilities.

#### 11. Notes receivable

##### Recognition and accounting treatment method for expected credit losses of notes receivable

Applicable Not applicable

#### 12. Accounts receivables

##### Recognition and accounting treatment method for expected credit losses of accounts receivables

Applicable Not applicable

#### 13. Financing funds receivables

Applicable Not applicable

#### 14. Other receivables

##### Recognition and accounting treatment method for expected credit losses of other receivables.

Applicable Not applicable

## 15. Inventories

Applicable Not applicable

### 1. Classification of inventories

Inventories refer to the finished product or commodity held for sale in daily activities, goods in process, materials used in production or rendering of service.

### 2. Method for measuring inventories dispatched

Inventories dispatched are accounted by using the weighted average method.

### 3. Basis for determining net realizable values of inventories

On the balance sheet date, an inventory is measured at its cost or its net realizable value, whichever is lower, and the provision for depreciation is made based on the difference between its cost and its net realizable value. For inventories for direct sale, their net realizable values are recognized at the estimated selling prices minus the estimated selling expenses and relevant taxes and surcharges. For inventories required for process, their net realizable values are recognized at the estimated selling prices of finished goods minus estimated costs until completion, estimated selling expenses and relevant taxes and surcharges. On the balance sheet date, if part of the same inventory has agreed contract price but the other part has no agreed contract price, their net realizable values are determined respectively, and the amount accrued or reversed of inventory provision for depreciation is determined respectively by comparison with their corresponding cost.

### 4. Inventory system

The Company adopts perpetual inventory system for accounting.

### 5. Methods for amortizing low-cost consumables and packaging materials

#### (1) Low-cost consumables

Low-cost consumables are amortized by using the one-off amortization method.

#### (2) Packaging materials

Packing materials are amortized by using the one-off amortization method.

## 16. Contract assets

### (1) Recognition methods and standards for contract assets

Applicable Not applicable

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between its performance of fulfillment obligations and customer payments. The Company presents its contract assets and contract liabilities under the same contract at their net amount after offsetting each other.

The Company recognizes the right to receive consideration from customers unconditionally (i.e., only depending on the passage of time) as receivables, and recognizes the right to receive consideration upon the transfer of goods to customers (depending on factors other than passage of time) as contract assets.

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

### (2) Recognition and accounting treatment method for expected credit loss of contract assets

Applicable Not applicable

## 17. Held-for-sale assets

Applicable Not applicable

### 1. Classification of non-current assets or disposal group held for sale

The Company classifies the non-current assets or disposal groups meeting all the following conditions into the held-for-sale category: (1) according to the general practice for selling such kind of asset or disposal group in the similar transaction, the asset or portfolio can be immediately sold in the prevailing circumstance; (2) the sale of the asset or portfolio is very likely to happen, which means that the Company has made a resolution for one selling plan and had acquired decided purchase commitment, and it is estimated that the sale will be completed within one year.

For the non-current assets or disposal groups specially acquired by the Company for resale, if they meet the specified conditions that “it is expected that the sale will be completed within one year” on the acquisition date, and it is likely to meet other classification conditions of the held-for-sale category in

the short term (usually 3 months), the Company will classify it into the held-for-sale category on the acquisition date.

If the transaction between non related parties is not completed within one year due to one of the following reasons beyond the control of the Company, and the Company still commits to sell the non-current asset or disposal group, the non-current asset or disposal group will continue to be classified as the held-for-sale category: (1) the buyer or any other party unexpectedly set conditions that led to a delay in the sale, and the Company has taken timely action to address the issue, and it is expected that the delay factor can be successfully resolved within one year from the setting of the conditions that caused the delay in the sale; (2) the non-current asset or disposal group held for sale was not sold within one year due to rare circumstances, but the Company has taken necessary measures to address the issue in the first year and the non-current asset or disposal group re-met the conditions for classification as the held-for-sale category.

## 2. Measurement of non-current assets or disposal groups held for sale

### (1) Initial measurement and subsequent measurement

If the book value of a non-current asset or disposal group held for sale is higher than the net amount of the fair value minus the sale cost when it is initially measured and re-measured at the balance sheet date, the book value will be written down to the net amount of the fair value minus the sale cost, and the write-down amount will be recognized as the loss from asset impairment and included in the current profit or loss; meanwhile, provision for impairment of held-for-sale assets will be made.

For a non-current asset or disposal group that is classified as held-for-sale assets on the acquisition date, the Company compares the initial measurement amount and the net amount of fair value minus the sale cost on the premise that such non-current asset or disposal group is not classified into held-for-sale assets at the time of initial measurement, and such non-current assets or disposal groups will be measured at the lower of them. Except for the non-current assets or disposal groups obtained in business combination, the difference arising from a non-current asset or disposal group which takes the net amount of fair value thereof deducting the sales cost as initial measurement amount, is included in the current profit or loss.

For the amount of loss from asset impairment recognized by a disposal group held for sale, the book value of goodwill in the disposal group will be firstly offset, and then the book value thereof will be offset pro rata according to the proportion of various non-current assets in the disposal group.

No provision for depreciation or amortization for non-current assets held for sale or non-current assets in disposal groups will be made, and the interest on liabilities in disposal groups held for sale and other expenses will continue to be recognized.

### (2) Accounting treatment for reversal of asset impairment loss

If the net amount of the fair value of a non-current asset held for sale on the subsequent balance sheet date minus the sales cost increases, the amount previously written down will be recovered and reversed from the amount of asset impairment loss recognized after being classified into the held-for-sale category, and the reversed amount will be included in the current profit or loss. Asset impairment loss recognized before being classified as the held-for-sale category will not be reversed.

If the net amount of the fair value of a disposal group held for sale or disposal group on the subsequent balance sheet date minus the sales cost increases, the amount previously written down will be recovered and reversed in the amount of asset impairment loss recognized after being classified into the held-for-sale category, and the reversed amount will be included in the current profit or loss. The deducted book value of the goodwill and the asset impairment loss of non-current assets recognized before being classified into the category of held-for-sale may not be reversed.

For the amount subsequently reversed from the asset impairment loss of a disposal group held for sale recognized, the book value will be increased according to the proportion of various non-current assets in the disposal group except for goodwill.

### (3) Accounting treatment for no longer continuing to be classified into the category of held-for-sale and de-recognition

When a non-current asset or disposal group no longer meets the conditions for the classification into the category of held-for-sale and no longer continues to be classified into the category of held-for-sale, or when a non-current asset is removed from the disposal group held for sale, it will be measured at the following amount, whichever is lower: 1) the amount after the adjustment of depreciation, amortization or impairment that should be recognized on the assumption that book value of the asset or disposal group before it is classified into the category of held-for-sale fails to be classified into the category of held-for-sale; 2) recoverable amount.

When a non-current asset or a disposal group held for sale is de-recognized, the gain or loss that has not been recognized will be included in the current profit or loss.

## 18. Debt investments

### Recognition and accounting treatment method for expected credit loss of debt investments

Applicable Not applicable

## 19. Other debt investments

### Recognition and accounting treatment method for expected credit loss of other debt investments

Applicable Not applicable

## 20. Long-term receivables

### Recognition and accounting treatment method for expected credit loss of long-term receivables

Applicable Not applicable

## 21. Long-term equity investments

Applicable Not applicable

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

If, according to relevant agreements, there is common control over a certain arrangement, and the relevant activities under the arrangement must be unanimously agreed upon by the participants who share control before making decisions, such common control will be determined as a “joint control”. If there is the power to participate in making decisions on the financial and operating policies of the investee, but not the power to control, either individually or jointly with other parties, the formulation of such policies, it will be determined as “significant influence”.

### 2. Determination of investment cost

(1) For a long-term equity investment formed due to business combination under common control, if the Company pays a consideration to the combined party in cash, by transferring non-cash assets or by assuming debts, the share of book value of its owners' equity in the combined party in the consolidated financial statements of the ultimate controlling party will be regarded as the initial investment cost of the long-term equity investment on the combination date. The capital reserve will be adjusted according to the difference between the initial investment cost of the long-term equity investment of the combining party and the book value (or total par value of outstanding shares) of the consideration paid for the combination; if there are no sufficient capital reserve for write-downs, the retained earnings will be adjusted.

For a long-term equity investment formed by a business combination under common control that is conducted through multiple transactions and by steps, the Company determines whether it is a “package deal”. If it is a “package deal”, the Company will account for such transactions as the same transaction by which it obtains the right of control. If it is not a “package deal”, the investment initial cost thereof will be recognized at the share of book value of the combined party's net assets in the consolidated financial statements of the ultimate controller on the acquisition date. If there is a difference between the initial investment cost of the long-term equity investment on the combination date and the sum of the book value of the long-term equity investment before combination and the book value of the consideration newly paid by shares acquired on the combination date, the difference will be used to offset the capital reserve; and if the capital reserve is insufficient to be offset, retained earnings will be offset.

(2) For a long-term equity investment formed due to business combination not under common control, the initial investment cost of the long-term equity investment will be recognized at the fair value of combination consideration paid on the combination date.

Where a long-term equity investment formed due to business combination not under common control that is conducted through multiple transactions and by stages, the Company conducts accounting treatment by distinguishing individual financial statements from consolidated financial statements:

(1) In individual financial statements, the initial investment cost will be changed to be accounted for under the cost method and recognized at the sum of the book value of equity investments originally held and newly increased investment cost.

(2) In consolidated financial statements, the Company will judge whether it is a “package deal”. If it is a “package deal”, the Company will account for such transactions as the same transaction by which it obtains the right of control. If it is not a “package deal”, the equity of the acquiree held before the acquisition date will be re-measured at the fair value of such equity on the acquisition date, and the difference between the fair value and its book value will be included in current investment income; if the equity of the acquiree held before the acquisition date involves other comprehensive income accounted for under the equity method, the relevant other comprehensive income will be transferred in income of the period where the acquisition date belongs to, except for other comprehensive income caused by the changes in net debt or net asset since the investee re-measures the defined benefit plan.

(3) For a long-term equity investment formed not due to business combination, the initial investment cost of the long-term equity investment will be the payment actually paid for purchase if it is acquired by payment of cash, or the fair value of the equity securities offered if it is acquired by offering equity securities, or the amount determined in accordance with relevant provisions of the *Accounting Standards for Business Enterprises No.12 - Debt Restructuring* if it is acquired by debt restructuring, or the amount determined in accordance with relevant provisions of the *Accounting Standards for Business Enterprises No.7 - Exchange of Non-monetary Assets* if it is acquired by exchange of non-monetary assets.

3. Method for subsequent measurement and recognition of profit or loss

The Company measures the long-term equity investments that it can exercise control over the investee by using the cost method, and measures the long-term equity investments in associates and joint ventures by using the equity method.

4. Accounting treatment for disposal of investments in subsidiaries through multiple transactions and by steps which leads to the loss of control

(1) Individual financial statements

In case of disposal of an equity investment, the difference between the book value and the actual purchase price will be included in the current profit or loss. The remaining equities after disposal will be accounted for under the equity method if the Company still exerts a significant influence on the investee or exercise joint control over the investee, or accounted for in accordance with relevant provisions of the *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments* if the Company cannot exercise control, or joint control over or a significant influence on the investee.

(2) Consolidated financial statements

(1) Disposal of investments in subsidiaries through multiple transactions and by steps which leads to the loss of control, but such transactions are not “package deal”

Before the loss of control, the difference between the proceeds from disposal and the share of net assets of subsidiaries enjoyed the Company (continuously calculated from the acquisition date or the combination date) corresponding to the disposal of long-term equity investments, will be offset against capital reserve (or capital premium); when capital premium is insufficient to be offset, the retained earnings will be offset.

When the Company loses control over a subsidiary, the remaining equity will be re-measured at its fair value on the date of loss of control. The difference of total amount of the consideration from disposal of equity plus the fair value of the remaining equities minus the shares calculated at the original shareholding ratio in net assets of the original subsidiary which are continuously calculated as of the acquisition date or combination date will be included in the investment income of the period in which the loss of control happens and at the same time offset the goodwill. Other comprehensive incomes associated with the equity investments of the original subsidiary, will be transferred into investment income of the period in which the loss of control happens.

(2) Disposal of the investments in subsidiaries through multiple transactions and by steps which leads to the loss of control, and such transactions are “package deal”

The Company accounts for such transactions as the same transaction by which it disposes the subsidiary and loses control. However, the difference between the accumulated disposal considerations before loss of control and the Company’s share of the net assets of the subsidiary is recognized as other comprehensive income in the consolidated financial statements, and is transferred into current profit or loss upon loss of control.

## 22. Investment real estates

N/A

## 23. Fixed assets

### (1) Recognition criteria

Applicable Not applicable

Fixed assets refer to the tangible assets held for the purpose of producing commodities, providing services, renting or business management with useful lives exceeding one accounting year. A fixed asset will only be recognized when the economic benefits relating to it may flow into the Company and its costs can be measured reliably.

### (2) Depreciation method

Applicable Not applicable

Category	Depreciation method	Depreciation life (year)	Residual value rate	Annual depreciation rate
Houses and buildings	Straight-line method	10-35	0-10	10.00-2.57
Machinery equipment	Straight-line method	5-16	0-10	20.00-5.63
Transportation equipment	Straight-line method	5-10	0-10	20.00-9.00
Other equipment	Straight-line method	5-10	0-10	20.00-9.00

### (3) Recognition basis of, valuation and depreciation method for, fixed assets acquired through financing lease

Applicable Not applicable

## 24. Construction in progress

Applicable Not applicable

1. A construction in progress will only be recognized when the economic benefits relating to it may flow into the Company and its costs can be measured reliably. Constructions in progress are measured at the actual cost incurred before the assets reach the condition for their intended use.

2. A construction in progress, after it reaches the conditions for intended use, will be converted into fixed assets according to the actual cost. For a construction in progress that has reached the condition for intended use but for which the final account for completed project has not been handled, it will be transferred to the fixed asset at the estimated value first. After the final account for completed project is settled, the Company will adjust the original estimated value according the actual cost, but does not adjust the provision for such depreciation that has been made.

## 25. Borrowing costs

Applicable Not applicable

### 1. Principles for the capitalization of borrowing costs

Borrowing costs incurred to the Company and directly attributable to the acquisition and construction or production of assets eligible for capitalization will be capitalized and included in relevant asset cost; other borrowing costs will be recognized as expenses when incurred and be included into the current profit or loss.

### 2. Capitalization period for borrowing costs

(1) Borrowing costs may be capitalized only when all the following conditions are met: 1) asset disbursements have already been incurred; 2) borrowing costs have already been incurred; and 3) the acquisition and construction or production activities which are necessary to prepare the assets for their intended use or sale have already been started.

(2) If the acquisition and construction or production activities of assets eligible for capitalization are abnormally interrupted and such condition lasts for more than three months, the Company will suspend the capitalization of borrowing costs; borrowing costs incurred during the interruption period are recognized as current expenses until the acquisition, construction or production of the asset re-starts.

(3) Capitalization of borrowing costs will be ceased when the acquired and constructed or produced assets eligible for capitalization have reached their intended use or sale status.

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

Where a special borrowing is obtained for purchasing and constructing or producing assets eligible for capitalization, its interest amount to be capitalized shall be the interests expense of the special borrowing actually incurred in the current period (including amortization of discount or premium determined by using effective interest method), less the interests income of the borrowings unused and deposited in bank or return on temporary investment. Where the acquisition and construction or production of assets eligible for capitalization have used a general borrowing, the interest amount of the general borrowing to be capitalized will be calculated by multiplying the weighted average of asset disbursements of the part of accumulated asset disbursements exceeding the special borrowing by the capitalization rate of the used general borrowing.

## 26. Biological assets

Applicable Not applicable

## 27. Oil and natural gas assets

Applicable Not applicable

## 28. Right of use assets

Applicable Not applicable

The right of use assets are initially measured at cost. Such cost includes: 1) the initial measurement amount of lease liabilities; 2) in case of lease incentive in the lease payment paid on or before the lease commencement date, relevant amount of the lease incentive that has been enjoyed shall be deducted; 3) the initial direct expenses incurred by the Company as the lessee; 4) the costs that the Company, as the lessee, expects to incur for dismantling and removing the leased assets, restoring the site where the leased assets are located, or restoring the assets to the state agreed in the lease terms.

The Company depreciates the right of use assets by using the straight-line method. If there is a reasonable assurance that the ownership of a leased asset can be acquired when the lease term expires, the lease asset will be depreciated over the remaining useful life. If there is no reasonable assurance that the ownership of the leased asset can be acquired when the lease term expires, the leased asset will be depreciated within the lease term or the remaining useful life of the leased asset, whichever is shorter.

## 29. Intangible assets

### (1) Valuation method, useful life and impairment test

Applicable Not applicable

1. Intangible assets include land use right, mining right, software, dumping right, patent right and software copyright, which are initially measured at cost.

2. With regard to an intangible asset with limited useful life, its amortization amount shall be systematically amortized within its useful life; if it is unable to determine the expected realization pattern reliably, the intangible asset shall be amortized by using the straight-line method.

Mining rights are amortized by using the production method, while other intangible assets are amortized by using the straight-line method. The specific amortization period are as follows:

Item	Amortization period (years)
Land use right	25-99
Software	2-10
Dumping right	5-20
Patent right and software copyright	8-10

### (2) Accounting policies for internal R&D expenses

Applicable Not applicable

Expenditures incurred during the research phase of internal R&D projects are included in current profit or loss when they incur. Expenditure incurred during the development phase of internal R&D projects will be recognized as an intangible asset if all of the following conditions are met: (1) it is feasible technically to finish the intangible asset for use or sale; (2) it is intended to finish and use or sell the intangible asset; (3) the usefulness of methods for the intangible asset to generate economic benefits can be proved, including being able to prove that there is a potential market for the products manufactured by applying the intangible assets or there is a potential market for the intangible assets itself or the intangible assets will be used internally; (4) it is able to finish the development of the intangible asset, and able to use or sell the intangible asset, with the support of sufficient technologies, financial resources and other resources; and (5) the expenditure attributable to the intangible asset during its development phase can be measured reliably.

Specific criteria for classifying whether an internal R&D project is in the research phases or in the development phase: the phase during which a planned investigation is conducted to acquire new technology and knowledge will be determined as the research phase, which is characterized by planning, exploration and others; the phase during which the research findings or other knowledge are applied to a certain plan or design for the production of new or substantially improved materials, devices, or products before the start of commercial production or use will be determined as the development phase, which is characterized by the pertinence, the possibility of forming the results and others.

### **30. Long-term asset impairment**

Applicable Not applicable

For long-term equity investments, fixed assets, construction in progress, right of use assets, intangible assets with limited useful life, and other long-term assets, the recoverable amount thereof will be estimated if there is indication of impairment on the balance sheet date. An impairment test will be conducted each year for the goodwill formed due to business combination and intangible assets with indefinite useful lives, whether or not there is any indication of impairment. Goodwill will be tested for impairment in combination with its related asset groups or asset group portfolio.

If the recoverable amount of any of the said long-term assets is less than its book value, provision for assets impairment will be made at the difference, which will be included in the current profit or loss.

### **31. Long-term deferred expenses**

Applicable Not applicable

The long-term deferred expenses refer to the various expenses that have been incurred but that shall be amortized within a period of more than one year (exclusive). Long-term deferred expenses are recognized at the amount actually incurred, and evenly amortized by stages over the period of benefit or prescribed period. If an item of long-term deferred expenses cannot bring any benefit in future accounting periods, the amortized value of the unamortized item will all be transferred to the current profit or loss.

### **32. Contract liabilities**

#### **Recognition method for contract liabilities**

Applicable Not applicable

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between its performance of fulfillment obligations and customer payments. The Company presents the contract assets and contract liabilities under the same contract at their net amount after offsetting each other.

The Company recognizes the right to receive consideration from customers unconditionally (i.e., only depending on the passage of time) as receivables, and recognizes the right to receive consideration upon the transfer of goods to customers (depending on factors other than passage of time) as contract assets.

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

### 33. Employee compensations

#### (1) Accounting treatment of short-term compensations

Applicable Not applicable

The Company will, during the accounting period when employees provide services for the Company, recognize the short-term employee compensations actually incurred as liabilities and include the same to the current profit or loss or the cost of relevant assets.

#### (2) Accounting treatment of post-employment benefits

Applicable Not applicable

Post-employment benefits are classified into the defined contribution plan and the defined benefit plan.

(1) During the accounting period when employees render services to the Company, the amount payable under the defined contribution plan is recognized as liabilities, and included in the current profit or loss or the cost of relevant assets.

(2) Accounting treatment for the defined benefit plan generally include the following steps:

1) For the defined benefit plan, the Company estimates the relevant demographic variables and financial variables based on the expected use unbiased and mutually consistent actuarial assumptions with the estimated accumulated benefit unit method, measures obligations arising from the defined benefit plans and recognizes the relevant vesting period of the relevant obligations. Meanwhile, the Company discounts the obligations arising from defined benefit plans to present value, in order to determine the present value and current service cost of defined benefit plan obligation;

2) For the assets under the defined benefit plan, a net liability or net asset in connection with the defined benefit plan will be recognized at the present value of the obligation under the defined benefit plan less the deficit or surplus arising out of the fair value of the assets. For a surplus under the defined benefit plan, the Company will measure the net assets of such defined benefit plan at the surplus of such defined benefit plan or the upper limit of assets thereunder, whichever is lower.

3) At the end of the period, the costs of employee compensations arising from the defined benefit plan will be recognized as the net interest of the service costs, net liabilities or net assets of the defined benefit plan. Change of net liabilities or net assets of the defined benefit plan will be re-measured. Specifically, the net interests of the service costs and net liabilities or net assets of the defined benefit plan will be included in the current profit or loss or the cost of relevant assets. Changes due to the re-measurement of net defined benefit liabilities or assets will be included in other comprehensive income and will not be reversed into the profit or loss during the subsequent accounting period, but the amount recognized in other comprehensive income may be transferred within the equity scope.

#### (3) Accounting treatment of dismissal welfare

Applicable Not applicable

Where the Company provides dismissal welfare to employees, employee compensations incurred from dismissal benefits are recognized as liabilities and included in the current profit or loss at the following date, whichever is earlier: (1) when the Company is unable to unilaterally withdraw the dismissal benefits provided in the plan on the cancellation of labor relationship or the layoff proposal; (2) when the Company recognizes the cost related to the restructuring concerning the dismissal benefits payment.

#### (4) Accounting treatment of other long-term employee benefits

Applicable Not applicable

Other long-term employee benefits provided to employees which are in conformity with the defined contribution plan are accounted for according to the accounting principle of the defined contribution plan. Other long-term employee benefits are accounted for according to the accounting principle of the defined benefit plan. To simplify the accounting treatment, the total net amount of items such as employee compensation costs recognized as service costs, net interest amount of net liabilities or net assets of other long-term employee benefits and changes in the re-measurement of net liabilities or net assets of other long-term employee benefits is included in the current profit or loss or cost of related assets.

### 34. Lease liabilities

Applicable Not applicable

The Company recognizes the present value of the unpaid lease payment as a lease liability on the beginning date of the lease term. When calculating the present value of a lease payment, the Company uses the interest rate implicit in the lease as the discount rate. If the interest rate implicit in the lease cannot be determined, the Company uses the incremental loan interest rate as the discount rate. The difference between the lease payment and its present value is regarded as un-recognized financing expense. During each period of the lease term, the interests expense is recognized at the discount rate used in recognizing the present value of the lease payment, and is included in the current profit or loss. The amount of variable lease payments not considered in the measurement of lease liabilities will be included in the current profit or loss when they actually incur.

In case of any change in the substantial fixed payment, the expected payable under the residual guarantee, the index or ratio used to determine the lease payment, the evaluation results or actual exercise of the purchase option, renewal option or termination option after the beginning date of the lease term, the Company will re-measure the lease liability according to the present value of the changed lease payment, and adjusts the book value of the right of use asset accordingly. If the book value of the right of use asset has been reduced to zero, but the lease liability still needs to be further reduced, the remaining amount will be included in the current profit or loss.

### 35. Estimated liabilities

Applicable Not applicable

1. When the obligations generated from contingencies such as providing guarantee for others, contentious matters, products quality guarantee and onerous contract are present obligations of the Company, the performance of such obligations is likely to result in outflow of economic benefits from the Company and if the amount of the obligations can be measured reliably, the Company will recognize such obligations as estimated liabilities.

2. The estimated liabilities of the Company are initially measured as the best estimate of expenses required for the performance of relevant present obligations, and the book value of the estimated liabilities will be reviewed on the balance sheet date.

### 36. Share-based payment

Applicable Not applicable

#### 1. Classification of share-based payments

Share-based payments are classified into the equity-settled share-based payments and the cash-settled share-based payments.

#### 2. Accounting treatment related to implementation, modification and termination of share-based payment plans

##### (1) Equity-settled share-based payments

As to an equity-settled share-based payment in return for services of employees, if the right may be exercised immediately after the grant, the fair value of the equity instruments will be included into relevant costs or expenses, and capital reserves will be adjusted accordingly. As to an equity-settled share-based payment in return for services of employees, if the right cannot be exercised until the vesting period comes to an end or until the prescribed performance conditions are met, then the services obtained in the current period will, based on the best estimate of the number of the equity instruments with the exercisable rights, be included in the relevant costs or expenses on each balance sheet date within the waiting period, and the capital reserves will be adjusted accordingly at the fair value of the equities instruments on the date of grant.

As to equity-settled share-based payments in return for the services of other parties, if the fair value of the services of other parties can be reliably measured, then the measurement will be made at the fair value of those services on their acquisition date. If the fair value of the services of other parties cannot be reliably measured, but the fair value of the equity instruments can be reliably measured, then the fair value of the equity instruments on the service acquisition date will be included in relevant costs or expenses, and the owners' equity will be increased accordingly.

##### (2) Cash-settled share-based payments

As to cash-settled share-based payments in return for the services of employees, if the right may be exercised immediately after the grant, then the fair value of the liabilities undertaken by the Company

will be included in the relevant costs or expenses on the date of the grant, and the liabilities will be increased accordingly. If the right may not be exercised until the vesting period comes to an end or until the specified performance conditions are met, then the services obtained in the current period will, based on the best estimate of the circumstances under which the right will be exercisable, be included in relevant costs or expenses and the corresponding liabilities at the fair value of the liability undertaken by the enterprise on each balance sheet date within the vesting period.

(3) Modification and termination of share-based payment plans

If the modification increases the fair value of an equity instrument granted, then the Company will accordingly recognize the increase in services obtained according to the increase in the fair value of the equity instrument. If the modification increases the quantity of equity instruments granted, then the Company will accordingly recognize the increase in services obtained according to the increase in the fair value of the equity instruments. If the Company modifies the vesting conditions in a way that is favorable to the employee, then it will consider the modified vesting conditions when dealing with vesting conditions.

If the modification decreases the fair value of an equity instrument granted, then the Company will recognize the amount of services obtained based on the fair value of the equity instrument on the grant date, without considering the decrease in the equity instrument's fair value. If the modification decreases the quantity of equity instruments granted, then the Company will treat the decrease as the cancellation of equity instruments granted. If the Company modifies the vesting conditions in a way that is unfavorable to the employee, then it will not consider the modified vesting conditions when dealing with vesting conditions.

If the Company cancels an equity instrument granted during the waiting period (except for cancellations made for failing to meet the vesting conditions), it will treat such cancellations as accelerations of vesting and will immediately include the amount that should be recognized during the remaining waiting period in the current profit or loss.

### 37. Preference shares, perpetual bonds and other financial instruments

Applicable Not applicable

### 38. Income

#### (1) Accounting policies used in recognizing and measuring income

Applicable Not applicable

##### 1. Principles for recognizing income

On the commencement date of a contract, the Company evaluates the contract to identify each contractual obligation contained therein and determines whether each contractual obligation is subject to performance within a certain period of time or at a certain point in time.

A contractual obligation will be deemed as being subject to performance within a certain period of time if it meets any of the following conditions; otherwise, it will be deemed as being subject to performance at a certain point in time: (1) the customer obtains and consumes the economic benefits brought by the Company's performance of the contract at the same time as the Company's performance of the contract; (2) the customer can control the goods under construction during the performance of the contract; (3) the goods produced during the Company's performance of the contract have irreplaceable uses, and the Company is entitled to be paid for the contractual obligations that have been performed so far during the whole contract period.

For obligations subject to performance within a certain period of time, the Company recognizes income pursuant to the progress of performance. If the progress of performance cannot be reasonably determined, but the cost incurred by the Company can be expected to be compensated, income will be recognized according to the amount of the cost incurred until the progress of performance can be reasonably determined. For obligations subject to performance at a certain time point, the Company recognizes income when the customer obtains control of the relevant goods. In judging whether the customer has obtained control of the relevant goods, the Company will consider the following indications: (1) the Company has the current right to receive payment for the goods, that is, the customer has the current obligation to pay for the goods; (2) the Company has transferred the legal ownership of the goods to the customer, that is, the customer already has the legal ownership of the goods; (3) the Company has physically transferred the goods to the customer, that is, the customer is in physical possession of the goods; (4) the Company has transferred the main risks and rewards of ownership of the

goods to the customer, that is, the customer has obtained the main risks and rewards of ownership of the goods; (5) the customer has accepted the goods; and (6) other indications that the customer has obtained control of the goods.

## 2. Principles for measuring income

(1) The Company measures income according to the transaction price corresponding to each contractual obligation. The “transaction price” is the amount of consideration that the Company expects to receive for the goods or services transferred to the customer, excluding payments received on behalf of third parties and expected refunds to the customer.

(2) If there is variable consideration in the contract, the Company determines the best estimate of the variable consideration based on the expected value or the most likely amount, but the transaction price including variable consideration should not exceed the amount of accumulated recognized income that is highly unlikely to result in a significant reversal when the relevant uncertainty is eliminated.

(3) If there is a significant financing component in the contract, the Company determines the transaction price based on the amount assumed to be paid in cash when the customer obtains control of the goods. The difference between the transaction price and the contract consideration is amortized by using the effective interest method over the contract period. If, on the commencement date of the contract, the Company expects that the interval between the customer’s obtaining of control over the goods or services and the customer’s payment of the price does not exceed one year, the significant financing component in the contract will not be considered.

(4) If the contract contains two or more performance obligations, the Company will allocate the transaction price to each performance obligation according to the relative proportion of the selling price of the goods covered by each individual performance obligation.

## 3. Specific method for recognizing income

The Company mainly sells cobalt products, copper products, nickel products, ternary precursors, cathode materials, nickel intermediates, lithium products and other products, which are obligations subject to performance at a certain time point. Domestic sales income is recognized when the Company has transported the goods to the delivery place agreed in the contract and such goods have been accepted by the customer, the Company has received payment or obtained payment rights, and relevant economic benefits are likely to flow into the Company. Export sales income is recognized when the Company has declared the product in accordance with the provisions of the contract, obtained a bill of lading, received payment for the goods or obtained the right to receive payment, and relevant economic benefits are likely to flow into the Company.

## (2) Differences in accounting policies for recognition of income caused by the adoption of different business models for similar businesses

Applicable Not applicable

### 39. Contract costs

Applicable Not applicable

The Company’s assets related to contract costs include contract acquisition costs and contract performance costs.

If any incremental cost incurred by the Company to obtain a contract is expected to be recovered, it will be regarded as a contract acquisition cost and recognized as an asset. If the amortization period of the contract acquisition cost does not exceed one year, it is directly included in the current profit or loss when incurred.

If the cost incurred by the Company in performing the contract is not applicable to relevant standards for inventories, fixed assets or intangible assets, and all of the following conditions are met, such a cost will be categorized as a contract performance cost and recognized as an asset:

1. The cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing costs (or similar costs), costs clearly borne by the customer, and other costs incurred solely because of the contract;

2. The cost increases the resources that the Company will use to fulfill its performance obligations in the future;

3. The cost is expected to be recovered.

The Company amortizes assets related to contract costs on the same basis as the recognition of income from goods or services related to the asset and includes them in the current profit or loss.

If the book value of the asset related to the contract cost is higher than the difference between the residual consideration expected to be obtained by the Company due to the transfer of the goods or services related to the assets and the estimated cost to be incurred for the transfer of relevant goods, a provision for impairment will be made for the excess part and such excess part will be recognized as a loss from asset impairment. If the factors of impairment in the previous period change later, causing that the difference between the two items mentioned above is higher than the book value of the asset, the provision for asset impairment that was originally accrued will be reversed and included in the current profit or loss, but the reversed book value of the asset shall not exceed the book value of the asset on the date of reversal under the assumption that no provision for impairment is made.

#### **40. Government subsidies**

Applicable Not applicable

1. Government subsidies are recognized when they meet all of the following conditions: (1) the Company can meet the conditions attached to the government subsidies; and (2) the Company can receive the government subsidies. If a government subsidy is a monetary asset, it is measured at the amount received or receivable. If a government subsidy is a non-monetary asset, it is measured at its fair value; if the fair value cannot be obtained in a reliable way, it is measured at the nominal amount.

2. Judgment basis or accounting treatment method for government subsidies related to assets

A government subsidy which is designated in the government documents to be used for purchasing, constructing or otherwise forming long-term assets is classified as a government subsidy related to assets. For a government subsidy which is not designated in the government documents to be used for a specific purpose, judgment is made based on the basic conditions that must be met to obtain the subsidy, and such a government subsidy obtained on the condition of purchasing, constructing or otherwise forming long-term assets is deemed as a government subsidy related to assets. Government subsidies related to assets will either be used to offset the book value of the related assets or be recognized as deferred income. If a government subsidy related to assets is recognized as deferred income, it is included in the current profit or loss by a reasonable and systematic method within the useful life of the relevant assets. Government subsidies measured at a nominal amount will be directly included in the current profit or loss. Where the relevant asset is sold, transferred, scrapped or damaged before the end of its useful life, balance of the relevant unallocated deferred income is transferred to the current profit or loss on asset disposal.

3. Judgment basis or accounting treatment method for government subsidies related to income

The government subsidies other than the government subsidies related to assets are classified as government subsidies related to income. For a government subsidy related to both assets and income, if it is difficult to distinguish between the part related to assets and the part related to income, it will be generally classified as a government subsidy related to income. If a government subsidy related to income is used to compensate the Company's relevant expense or loss in future periods, such a government subsidy will be recognized as deferred income and either included in the current profit or loss, or used to offset relevant costs during the period of recognizing relevant expenses or losses. If a government subsidy related to income is used to compensate the Company's relevant expense or loss incurred, such a government subsidy will be directly included into the current profit or loss or offset relevant costs.

4. Government subsidies related to the daily activities of the Company will, according to the nature of the business transaction, be included in the other income or used to offset relevant costs. Government subsidies irrelevant to the daily activities of the Company will be included in non-operating income or expenses.

5. Accounting treatment method related to interest subsidies for policy-based preferential loans

(1) Where the interest subsidies are allocated to lending banks by the financial department and the lending banks provide the Company with loans at preferential interest rates, the Company will recognize the recording value of the loan amount actually received and calculate relevant loan expenses based on the loan principal and the preferential interest rate.

(2) Where the interest subsidies are allocated to the Company directly by the financial department, the Company will use the interest subsidies to offset relevant loan expenses.

#### **41. Deferred income tax assets/deferred income tax liabilities**

Applicable Not applicable

1. A deferred income tax asset or deferred income tax liability is measured according to the difference between the carrying amount of the asset or liability and its tax base (as for an item that has not been recognized as an asset or liability, if its tax base can be determined in light of the tax law, the difference between the tax base and its carrying amount shall be recognized), and recognized at the tax rate applicable to the period during which the asset is expected to be recovered or the liability is expected to be settled.
2. The Company recognizes a deferred income tax asset to the extent of the amount of the taxable income which it is most likely to obtain, and which can be deducted from the deductible temporary difference. If, on the balance sheet date, there is any exact evidence showing that it is likely to acquire a sufficient amount of taxable income tax in a future period to offset against the deductible temporary difference, the deferred tax assets unrecognized in prior periods will be recognized.
3. The book value of a deferred income tax asset will be re-examined on the balance sheet date. If it is unlikely to obtain sufficient taxable income to offset the benefit of the deferred income tax asset, the book value of the deferred income tax asset will be written down. When it is probable to obtain sufficient taxable income, such write-down amount will be subsequently reversed.
4. The current income tax and deferred income tax of the Company are recognized as income tax expenses or gains and included in the current profit or loss, except for the income tax arising from the following situations: (1) business combination; (2) transactions or events directly recognized in owner's equity.

## 42. Lease

### (1) Accounting treatment of operating lease

Applicable Not applicable

### (2) Accounting treatment of finance lease

Applicable Not applicable

### (3) Determination method and accounting treatment method for leases under the new leasing standards

Applicable Not applicable

#### 1. The Company as the lessee

On the beginning date of the lease term, the Company recognizes a lease that has a lease term of no more than 12 months and does not include the purchase option as a short-term lease, and recognizes a single leased asset which is a new asset with lower value as a low-value asset lease. Where the Company sub-leases or anticipates sub-leasing a leased asset, the original lease is not recognized as a low-value asset lease.

For all short-term leases and low-value asset leases, the Company includes the lease payments in relevant asset costs or the current profit or loss in accordance with the straight-line method during each period of the lease term.

Except for the short-term leases and low-value asset leases that adopt the simplified treatment mentioned above, the Company recognizes the leases as right-of-use assets and lease liabilities on the beginning date of the lease term.

#### (1) Right-of-use assets

Right-of-use assets are initially measured at cost. Such cost includes: 1) the initial measurement amount of lease liabilities; 2) in case of lease incentive in the lease payment paid on or before the lease commencement date, relevant amount of the lease incentive that has been enjoyed shall be deducted; 3) the initial direct expenses incurred by the Company as the lessee; 4) the costs that the Company, as the lessee, expects to incur for dismantling and removing the leased assets, restoring the site where the leased assets are located, or restoring the assets to the state agreed in the lease terms.

The Company depreciates right-of-use assets by using the straight-line method. If there is a reasonable assurance that the ownership of a leased asset can be acquired when the lease term expires, the lease asset will be depreciated over its remaining useful life. If there is no reasonable assurance that the ownership of the leased asset can be acquired when the lease term expires, the leased asset will be depreciated within the lease term or the remaining useful life of the leased asset, whichever is shorter.

#### (2) Lease liabilities

The Company recognizes the present value of the unpaid lease payment as a lease liability on the beginning date of the lease term. When calculating the present value of a lease payment, the Company uses the interest rate implicit in the lease as the discount rate. If the interest rate implicit in the lease cannot be determined, the Company uses the incremental loan interest rate as the discount rate. The difference between the lease payment and its present value is regarded as un-recognized financing expense. During each period of the lease term, the interest expense is recognized at the discount rate used in recognizing the present value of the lease payment, and is included in the current profit or loss. The amount of variable lease payments not considered in the measurement of lease liabilities will be included in the current profit or loss when they actually incur.

In case of any change in the substantial fixed payment, the expected payable under the residual guarantee, the index or ratio used to determine the lease payment, the evaluation results or actual exercise of the purchase option, renewal option or termination option after the beginning date of the lease term, the Company will re-measure the lease liability according to the present value of the changed lease payment, and adjust the book value of the right-of-use asset accordingly. If the book value of the right-of-use asset has been reduced to zero, but the lease liability still needs to be further reduced, the remaining amount will be included in the current profit or loss.

## 2. The Company as the lessor

On the beginning date of the lease term, the Company classifies the leases that have substantially transferred all the risks and rewards related to the ownership of the lease assets as financing leases and classifies all other leases as operating leases.

### (1) Operating leases

The Company recognizes the amount of lease receipts as rental income by using the straight-line method during each period of the lease term. The initial direct expenses incurred are capitalized and amortized on the same basis as the recognition of rental income, and recognized in current profit and loss by each period. The variable lease payments obtained by the Company related to operating leases that are not included in the lease receipts are recognized in the current profit or loss when they actually incur.

### (2) Financing leases

On the beginning date of the lease term, the Company recognizes the receivable financing lease payments based on the net amount of the lease investment (the sum of the unguaranteed residual value and the present value of the lease receipts that have not been received on the beginning date of the lease term discounted at the implicit interest rate of the lease) and de-recognizes the financing lease assets. During each period of the lease term, the Company calculates and recognizes interest income based on the implicit interest rate of the lease.

The variable lease payments obtained by the Company that are not included in the measurement of net lease investment are recognized in the current profit or loss when they actually incur.

## 3. After-sale leaseback

### (1) The Company as the lessee

The Company evaluates and determines whether the asset transfer in the after-sale leaseback transaction belongs to a sales transaction in accordance with the provisions of *Accounting Standards for Business Enterprises No. 14- Revenue*.

If the asset transfer in the after-sale leaseback transaction belongs to a sales transaction, the Company measures the right-of-use assets formed by the after-sale leaseback transaction at the portion of the original asset book value related to the use rights obtained in the after-sale leaseback transaction, and only recognizes the gain or loss with respect to the use rights transferred to the lessor.

If the asset transfer in the after-sale leaseback transaction does not belong to a sales transaction, the Company will continue to recognize the transferred assets and recognize a financial liability equal to the transfer income, and account for the financial liability in accordance with the *Accounting Standards for Business Enterprises No. 22- Recognition and Measurement of Financial Instruments*.

### (2) The Company as the lessor

The Company evaluates and determines whether the asset transfer in the after-sale leaseback transaction belongs to a sales transaction in accordance with the provisions of *Accounting Standards for Business Enterprises No. 14- Revenue*.

If the asset transfer in the after-sale leaseback transaction belongs to a sales transaction, the Company conducts accounting treatment for the asset purchase in accordance with other applicable accounting standards for enterprises, and conducts accounting treatment for asset lease in accordance with the *Accounting Standards for Enterprises No. 21- Lease*.

If the asset transfer in the after-sale leaseback transaction does not belong to a sales transaction, the Company does not recognize the transferred assets, but it recognizes a financial asset equal to the transfer income and accounts for the financial asset in accordance with the *Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments*.

### 43. Other significant accounting policies and accounting estimates

Applicable Not applicable

#### 1. Basis for adopting hedge accounting and the accounting treatment method

(1) Hedges include the fair value hedges, cash flow hedges, and hedges of net investment in an overseas operation.

(2) The hedge accounting method will be used when the following conditions are met: 1) the hedging relationship only consists of eligible hedging instruments and the hedged instruments; 2) at the beginning of hedging, the Company officially designates the hedging instruments and hedged items and prepares written documents on the hedging relationship, the Company's risk management strategy, and risk management objectives for hedging; 3) the hedging relationship meets the requirements for hedging effectiveness.

When a hedge meets all of the following conditions, the Company determines that the hedging relationship meets the requirements for hedging effectiveness: (1) there is an economic relationship between the hedged item and the hedging instrument; (2) for the value change caused by the economic relationship between the hedged item and the hedging instrument, the impact of credit risk is not dominant; 3) the hedging ratio of the hedging relationship is equal to the ratio of the actual number of hedged items hedged by the Company to the actual number of hedging instruments used, but does not reflect the imbalance in the relative weights of the hedged items and hedging instruments.

The Company continuously evaluates whether the hedging relationship meets the requirements for hedging effectiveness on the hedging start date and subsequent periods. If the hedging relationship no longer meets the requirements for hedging effectiveness due to the hedging ratio, but the risk management objectives specified for the hedging relationship have not changed, the Company will re-balance the hedging relationship.

#### (3) Accounting treatment of hedges

##### 1) Fair value hedges

a) The gain or loss generated by the hedging instrument is recognized in the current profit or loss. If the hedging instrument is used to hedge an equity instrument not held for trading (or any component thereof) that is measured at fair value through other comprehensive income, the gain or loss generated by the hedging instrument is recognized in other comprehensive income.

b) The gain or loss arising from the risk exposure of the hedged item is recognized in the current profit or loss, and the book value of the recognized hedged item that is not measured at fair value is adjusted at the same time. If the hedged item is classified as a financial asset (or any component thereof) measured at fair value through other comprehensive income in accordance with Article 18 of the *Accounting Standards for Business Enterprises No. 22- Recognition and Measurement of Financial Instruments*, the gain or loss arising from the hedged risk exposure is recognized in the current profit or loss, and the book value that has been measured at fair value will not be adjusted. If the hedged item is an equity instrument investment (or any component thereof) not held for trading that the Company chooses to measure at fair value through other comprehensive income, the gain or loss arising from the hedged risk exposure is included in other comprehensive income, and the book value that has been measured at fair value will not be adjusted.

If the hedged item is a firm commitment (or any component thereof) that has not been recognized yet, the cumulative change in fair value caused by the hedged risk after the designation of the hedging relationship is recognized as an asset or liability, and the relevant gain or loss is included in the profits and losses of each relevant period. When fulfilling a firm commitment to acquire an asset or assume a liability, the initial recognition amount of the asset or liability is adjusted to include the cumulative change in fair value of the hedged item that has been recognized.

If the hedged item is a financial instrument (or any component thereof) measured at amortized cost, the adjustment made by the Company to the book value of the hedged item will be amortized at the effective interest rate re-calculated on the amortization date and included in the current profit or loss. If the hedged item is classified as a financial asset (or any component thereof) measured at fair value through other comprehensive income in accordance with Article 18 of the *Accounting Standards for Business*

*Enterprises No. 22- Recognition and Measurement of Financial Instruments*, the cumulative hedging gain or loss recognized will be amortized in the same way and included in the current profit or loss, but the book value of the financial asset (or any component thereof) will not be adjusted.

#### 2) Cash flow hedges

a) The portion of the gain or loss on the hedging instrument that is attributable to effective hedging is recognized as cash flow hedge reserve and included in other comprehensive income, while the portion that is attributable to the ineffective hedging is recognized in current profit or loss. The amount of cash flow hedge reserve will be recognized at the absolute value of the following two items, whichever is lower: A. the accumulative profit or loss on the hedging instrument as of the commencement of the hedge; B. the cumulative change in the present value of expected future cash flows of the hedged item since the commencement of the hedge.

b) When the hedged item is an expected transaction that causes the Company to subsequently recognize a non-financial asset or non-financial liability, or when the expected transaction of the non-financial asset and non-financial liability forms a firm commitment applicable to fair value hedging accounting, the amount of cash flow hedge reserve originally recognized in other comprehensive income will be transferred out and included in the initial recognition amount of the asset or liability.

c) For other cash flow hedges, the amount of cash flow hedge reserve originally included in other comprehensive income will be transferred out and included in the current profit or loss during the same period in which the gain or loss of the Company are affected by the estimated transaction of hedge.

#### (3) Hedges of net investment in an overseas operation

The portion of profit or loss on the hedging instrument that is attributable to effective hedge is recognized as other comprehensive income, and will be transferred out and included in the current profit or loss when disposing of the overseas operation. The portion of profit or loss on the hedging instrument that is attributable to ineffective hedge is included in the current profit or loss.

#### 2. Accounting treatment method related to the Company's repurchase of its shares

Where the Company's shares are repurchased due to reduction of registered capital or reward to employees, the paid-up amount will be deemed as treasury stock, and recorded for future reference at the same time. If the repurchased shares are cancelled, the differences between the total amount of the par value of the shares and the paid-up amount for the repurchase calculated in accordance with the par value and number of shares subject to cancellation will be offset against the capital reserve, or offset against the retained earnings if the capital reserve is not enough for offset. If the reward of the repurchased shares to the employees of the Company belongs to the equity-settled share-based payment, the Company will write off the accumulated amount of the costs of treasury stocks and the capital reserves within the vesting period (other capital reserves), and adjust the capital reserves (share premium) based on the difference thereof when the employees exercise their rights to purchase the shares of the Company and receive the payments.

#### 3. Safety production costs

The safety production costs withdrawn by the Company in accordance with the provisions of the *Administrative Measures for the Withdrawal and Use of Enterprises' Safety Production Costs* (Cai Zi [2022] No. 136) issued by the Ministry of Finance and the Ministry of Emergency Response are included in the cost of relevant products or the current profit or loss, and recorded in the item of "special reserve" as the same time. When withdrawn safe production costs are used within the prescribed range and belong to expenses, such costs will be directly deducted from special reserve. Where a fixed asset forms, incurred expenses are accumulated under the item "construction in progress" and are recognized as fixed assets when the safe project is completed and reaches the conditions for its intended use. Meanwhile, special reserve will be offset according to the costs of the fixed asset and accumulated depreciation of the same amount will be recognized, and the fixed asset will no longer be depreciated in the future.

#### 4. Segment report

The company determines operating segments based on internal organizational structure, management requirements, internal reporting systems, etc. An operating segment is a constituent part meeting all of the following conditions:

1) The constituent part can generate income and expenses in routine activities;

2) The Company's management is able to regularly evaluate the operating results of this constituent part so as to determine the resources allocation and assess its performance;

3) The Company is able to obtain the financial position, operating results, cash flows and other relevant accounting information of this constituent part.

**5. Exploration expenses**

Exploration expenses include the cost of obtaining exploration rights and various costs and expenses incurred during the geological exploration process. The exploration process includes stages such as pre-survey, general survey, detailed survey and exploration. Among them, the exploration expenses related to detailed survey and exploration are capitalized and accumulated under the item of “other non-current assets”. When the exploration is completed and there is a reasonable basis to determine that a geological result can be achieved and the mining certificate is obtained, the balance of other non-current assets is transferred to intangible assets. Where a geological result can be achieved, it is included in the current profit or loss at once.

**44. Changes in significant accounting policies and accounting estimates**
**(1) Changes in significant accounting policies**

Applicable Not applicable

**(2) Changes in significant accounting estimates**

Applicable Not applicable

**(3) Adjustment of the beginning amount of the financial statements 2023 due to the implementation of new accounting standards or their interpretations in the first time in 2023**

Applicable Not applicable

**45. Others**

Applicable Not applicable

**VI. Taxation**
**1. Main tax types and tax rates**
**Details of main tax types and tax rates**

Applicable Not applicable

Tax type	Tax basis	Tax rate
VAT	Value-added tax payable shall be the difference obtained by the output taxes calculated on the basis of the revenue from the sale of goods and taxable services calculated by tax laws less the input taxes allowed to be deducted for the current period.	The main tax rates are 16%, 13%, and 6%
Consumption tax		
Business tax		
Urban maintenance and construction tax	Actually paid turnover tax	7%、5%
Enterprise income tax	Taxable income	Please refer to the information of enterprise income tax rates for taxpayers applying different tax rates
Mining tax	Taxable income	3.5%, 10%
Property tax	Where the tax is levied according to the price, the tax shall be calculated and paid based on the balance of the original value of the housing property less a certain proportion and the rate of 1.2%; where the tax is levied according	1.2%, 12%

	to the rental, the tax shall be 12% of the rental income.	
Educational surcharges	Actually paid turnover tax	3%
Local educational surcharges	Actually paid turnover tax	2%

Information about taxpayers applying different enterprise income tax rates:

Applicable Not applicable

Name of taxpayer	Income tax rate (%)
The Company, Huayou New Energy Quzhou, Tianjin B&M, Chengdu B&M, Jiangsu Huayou, Guangxi Engineering	15%
Beijing Huashan, Wenzhou Huake, Guangxi Huayou New Energy	20%
Other domestic taxpayers other than the above	25%
Overseas companies	Tax rate of its registered place

## 2. Tax preference

Applicable Not applicable

### 1. VAT

#### (1) Domestic companies

The Company and its subsidiary Huayou Quzhou and other production enterprises enjoy the tax policies of “exemption, credit and refund” in exporting goods, with the tax refund rate of 0% and 13%; the subsidiary Huayou Import & Export and other foreign trade enterprises enjoy the tax policies of “exemption and refund” in exporting goods, with the tax refund rate of 0%-13%.

#### (2) Overseas companies

The tax rate for the subsidiaries CDM Company, MIKAS Company and OIM Company to export products is 0%. The amount of VAT that can be deducted is greater than the amount of VAT payable; the tax payable in the next month or subsequent months can be deducted or an application for tax refund can be made.

In accordance with the decision of the Minister of Finance of the Republic of Indonesia, Huayue Company, Huake Company, Huafei Company and Huashan Company shall enjoy the preferential policy of import VAT exemption for some taxable goods.

### 2. Enterprise income tax

#### (1) Domestic companies

In accordance with the *High-tech Enterprise Certificate* jointly issued by the Department of Science and Technology of Zhejiang Province, Zhejiang Provincial Department of Finance and Zhejiang Provincial Tax Service, State Taxation Administration on December 1, 2020, the Company is recognized as a high-tech enterprise. In accordance with the provisions of the *Law of the People's Republic of China on Enterprise Income Tax*, the Company shall enjoy preferential tax policies for high-tech enterprises in the current enterprise income tax period, and shall pay tax at a reduced rate of 15%. In 2023, the Company will submit a new application for recognition of its high-tech enterprise qualification to relevant departments, and it is expected that the application will be approved. Therefore, the corporate income tax for the current period will be temporarily calculated and paid at a reduced tax rate of 15% based on the preferential tax policy for high-tech enterprises.

In accordance with the *High-tech Enterprise Certificate* jointly issued by the Department of Science and Technology of Zhejiang Province, Zhejiang Provincial Department of Finance and Zhejiang Provincial Tax Service, State Taxation Administration on December 16, 2021, Huayou New Energy Quzhou is recognized as a high-tech enterprise. In accordance with the provisions of the *Law of the People's Republic of China on Enterprise Income Tax*, New Energy Quzhou shall enjoy preferential tax policies for high-tech enterprises in the current enterprise income tax period, and shall pay tax at a reduced rate of 15%.

In accordance with the *High-tech Enterprise Certificate* jointly issued by the Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau and Tianjin Municipal Tax Service, State Taxation Administration on October 28, 2020, Tianjin B&M is recognized as a high-tech enterprise. In accordance with the provisions of the *Law of the People's Republic of China on Enterprise Income Tax*, Tianjin B&M shall enjoy preferential tax policies for high-tech enterprises in the current enterprise

income tax period, and shall pay tax at a reduced rate of 15%. In 2023, the Company will submit a new application for recognition of its high-tech enterprise qualification to relevant departments, and it is expected that the application will be approved. Therefore, the corporate income tax for the current period will be temporarily calculated and paid at a reduced tax rate of 15% based on the preferential tax policy for high-tech enterprises.

In accordance with the *High-tech Enterprise Certificate* jointly issued by Jiangsu Provincial Department of Science and Technology, the Department of Finance of Jiangsu Province and Jiangsu Provincial Tax Service, State Taxation Administration on December 12, 2022, Jiangsu Huayou is recognized as a high-tech enterprise. In accordance with the provisions of the *Law of the People's Republic of China on Enterprise Income Tax*, Jiangsu Huayou shall enjoy preferential tax policies for high-tech enterprises in the current enterprise income tax period, and shall pay tax at a reduced rate of 15%.

In accordance with the *Announcement on Continuing the Enterprise Income Tax Policies for the Large-Scale Development of Western China* (Announcement No. 23 [2020] of the Ministry of Finance), Chengdu B&M shall enjoy preferential enterprise income tax policies for encouraged industries in western China in the current enterprise income tax period, and shall pay tax at a reduced rate of 15%.

In accordance with the *Announcement of the State Taxation Administration on Matters Relating to the Implementation of Preferential Income Tax Policies to Support the Development of Small and Low-profit Enterprises and Individual Businesses* (Announcement No. 8 [2021] of the State Taxation Administration) and the *Announcement of the Ministry of Finance and the State Taxation Administration on Further Implementing the Preferential Income Tax Policies for Small and Micro Enterprises* (Announcement No. 13 [2022] of the Ministry of Finance and the State Taxation Administration), the subsidiaries Beijing Huashan, Wenzhou Huake and Guangxi Huayou New Energy meet the conditions of small and low-profit enterprises. The amount not more than RMB 1 million shall be included in the taxable income for 2022 at a reduced rate of 12.5%, and the enterprise income tax shall be paid at a rate of 20%; the amount more than RMB 1 million but not more than RMB 3 million shall be included in the taxable income at a reduced rate of 50%, and the enterprise income tax shall be paid at a rate of 20%.

In accordance with the *Notice of the People's Government of Guangxi Zhuang Autonomous Region on Issuing Several Policies to Promote High-level, Open and High-quality Development of Guangxi Beibu Gulf Economic Zone in the New Era* (Gui Zheng Fa [2020] No. 42), the subsidiary Guangxi Engineering is newly registered and established in the economic zone, and is recognized as a high-tech enterprise or meets the conditions for enjoying the preferential enterprise income tax policies for China western development, so it shall be exempt from the local share of enterprise income tax for 5 years from the tax year in which it obtains the first main business income.

#### (2) Overseas companies

In accordance with the decision of the Minister of Finance of the Republic of Indonesia on *Preferential Policy on Enterprise Income Tax Relief for Huayue Company*, Huayue Company shall be entitled to a 100% relief in enterprise income tax for 15 years starting from the tax year of commercial production, exempt from the withholding tax of the income obtained by third parties from Huayue Company, and entitled to a 50% relief in enterprise income tax for 2 years after the above relief expires.

In accordance with the decision of the Minister of Finance of the Republic of Indonesia on *Preferential Policy on Enterprise Income Tax Relief for Huake Company*, Huake Company shall be entitled to a 100% relief in enterprise income tax for 10 years starting from the tax year of commercial production, exempt from the withholding tax of the income obtained by third parties from Huake Company, and entitled to a 50% relief in enterprise income tax for 2 years after the above relief expires.

In accordance with the decision of the Minister of Finance of the Republic of Indonesia on *Preferential Policy on Enterprise Income Tax Relief for Huafei Company*, Huafei Company shall be entitled to a 100% relief in enterprise income tax for 20 years starting from the tax year of commercial production, exempt from the withholding tax of the income obtained by third parties from Huafei Company, and entitled to a 50% relief in enterprise income tax for 2 years after the above relief expires.

#### 3. Import duty

In accordance with the decision of the Minister of Finance of the Republic of Indonesia, Huayue Company, Huake Company, Huafei Company and Huashan Company shall enjoy the preferential policy of exemption from import duties on imported machinery.

### 3. Others

Applicable  Not applicable

**VII. Notes to the Items in the Consolidated Financial Statements**
**1. Cash and bank balances**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Cash in hand	12,164,515.33	25,777,978.79
Deposit in bank	8,396,578,433.95	8,030,335,929.04
Other cash and bank balances	7,022,735,052.73	7,379,661,572.84
Total	15,431,478,002.01	15,435,775,480.67
Including: total amount of overseas deposits	3,121,741,546.24	2,819,262,572.40
Deposit in finance company		

Other remarks:

The ending balance of other cash and bank balances include the bank acceptance deposit of RMB 3,736,964,573.19, letter of credit deposit of RMB 594,226,255.96, letter of guarantee deposit of RMB 6,052,500.00, loan deposit of RMB 1,187,604,570.24, forward foreign exchange settlement deposit of RMB 239,432,279.13, deposited investment funds of RMB 1,248,184,048.02, other deposits of RMB 10,270,826.19. Among them, the restricted funds are RMB 5,774,551,004.71.

**2. Held-for-trading financial assets**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Financial assets measured at fair value through current profit or loss	269,558,655.09	251,991,490.83
Including:		
Short-term financial products	207,705,323.09	202,612,876.71
Derivative financial assets	61,853,332.00	49,378,614.12
Financial assets designated to be measured at fair value through current profit or loss		
Including:		
Total	269,558,655.09	251,991,490.83

Other remarks:

Applicable Not applicable

**3. Derivative financial assets**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Derivative financial assets	922,943,639.96	608,711,611.68
Total	922,943,639.96	608,711,611.68

Other remarks:

Please refer to “83. Hedges” in this section for details.

**4. Notes receivable**
**(1) Notes receivable presented by categories**
Applicable Not applicable

**(2) Notes receivable that have been pledged as at the end of the period**
Applicable Not applicable

**(3) Notes receivable endorsed or discounted by the Company as at the end of the period but not expired on the balance sheet date**
Applicable Not applicable

**(4) Notes receivable transferred to accounts receivable due to the failure of the drawer to perform the contract as at the end of the period**
Applicable Not applicable

**(5) Classification according to different methods of provision for bad debts**
Applicable Not applicable

**(6) Details of the provision for bad debts**
Applicable Not applicable

**(7) Notes receivable actually written off in the current period**
Applicable Not applicable

Other remarks:

Applicable Not applicable

**5. Accounts receivable**
**(1) Disclosure by aging**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Aging	Ending book balance
Within 1 year	
Including: each sub-item	
Within 1 year	9,258,108,639.47
Sub-total	9,258,108,639.47
1 to 2 years	20,142,208.39
2 to 3 years	118,621.47
More than 3 years	17,695,889.69
3 to 4 years	
4 to 5 years	
More than 5 years	
Total	9,296,065,359.02

**(2) Classification according to different methods of provision for bad debts**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	Proportion (%)	Amount	Proportion of provision (%)		Amount	Proportion (%)	Amount	Proportion of provision (%)	
Provision for bad debt made on an individual basis	904,548.00	0.01	904,548.00	100.00		5,628,944.86	0.07	5,628,944.86	100	

Including:										
Account receivables with individually insignificant amount but subject to individual provision for bad debts	904,548.00	0.01	904,548.00	100.00		5,628,944.86	0.07	5,628,944.86	100	
Provision for bad debt made on a portfolio basis	9,295,160,811.02	99.99	483,784,526.08	5.20	8,811,376,284.94	8,477,138,974.28	99.93	440,190,504.93	5.19	8,036,948,469.35
Including:										
Aging portfolio	9,295,160,811.02	99.99	483,784,526.08	5.20	8,811,376,284.94	8,477,138,974.28	99.93	440,190,504.93	5.19	8,036,948,469.35
Total	9,296,065,359.02	/	484,689,074.08	/	8,811,376,284.94	8,482,767,919.14	/	445,819,449.79	/	8,036,948,469.35

Provision for bad debt made on an individual basis:

Applicable Not applicable

Monetary unit: Yuan Currency:  
RMB

Name	Ending balance			
	Book balance	Provision for bad debt	Proportion of provision (%)	Reason for making provision
Other companies	904,548.00	904,548.00	100	The companies are facing operational difficulties and it is expected that the debts cannot be recovered.
Total	904,548.00	904,548.00	100	/

Remarks to the provision for bad debt made on an individual basis:

Applicable Not applicable

Provision for bad debt made on a portfolio basis:

Applicable Not applicable

Items with provision made on a portfolio basis: aging portfolio

Monetary unit: Yuan Currency: RMB

Name	Ending balance		
	Accounts receivable	Provision for bad debt	Proportion of provision (%)
Within 1 year	9,258,108,639.47	462,905,431.98	5.00
1 to 2 years	20,142,208.39	4,028,441.68	20.00
2 to 3 years	118,621.47	59,310.73	50.00
Above 3 years	16,791,341.69	16,791,341.69	100.00
Total	9,295,160,811.02	483,784,526.08	5.20

Recognition criteria of and remarks on the provision for bad debts made on a portfolio basis:

Applicable Not applicable

The Company calculates expected credit loss by the exposure at default and the expected credit loss rate for the entire duration by reference to the historical credit loss experience and taking into consideration of the current situation and the forecast of future economic conditions. For the portfolio of accounts receivable from external customers, the Company believes that customers with the same aging have similar expected loss rates.

The aging of accounts receivable is analyzed based on the month in which the amounts are actually incurred, with those incurred first being prioritized for settlement during fund turnover.

In case provision for bad debt is made for notes receivable according to the general model of expected credit loss, please make disclosure in line with the disclosure method of other receivables:

Applicable Not applicable

### (3) Details of the provision for bad debts

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Category	Beginning balance	Amount of change in the current period				Ending balance
		Provision made	Recovered or reversed	Written-off or charged off	Other change	
Account receivables with provision for bad debts made on the basis of aging portfolio	440,190,504.93	43,594,021.15				483,784,526.08
Account receivables with individually insignificant amount but subject to individual provision for bad debts	5,628,944.86			4,724,396.86		904,548.00
<b>Total</b>	<b>445,819,449.79</b>	<b>43,594,021.15</b>		<b>4,724,396.86</b>		<b>484,689,074.08</b>

In which, significant amount of provision for bad debt recovered or reversed in the current period:

Applicable Not applicable

### (4) Accounts receivable actually written off in the current period

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount that is written off
Accounts receivable actually written off	4,724,396.86

In which, significant amount of accounts receivable written off:

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Unit name	Nature of accounts receivable	Amount that is written off	Reason for write-off	Write-off procedures performed	Whether the payment is generated from any related transaction

Shenzhen Jinheneng Battery Technology Co., Ltd	Payment for goods	4,724,396.86	It cannot be recovered.	Approved by the Chairman by signature	No
Total	/	4,724,396.86	/	/	/

Remarks to write-offs of accounts receivable:

Applicable Not applicable

**(5) Top 5 accounts receivable in terms of the ending balance presented by debtors:**

Applicable Not applicable

**(6) Accounts receivable de-recognized due to transfer of financial assets**

Applicable Not applicable

**(7) Amount of assets or liabilities arising from transfer of accounts receivable and continued involvement**

Applicable Not applicable

Other remarks:

Applicable Not applicable

The total amount of top 5 ending balances of accounts receivable is RMB 4,934,192,986.44, accounting for 53.08% of the total ending balance of accounts receivable, and the corresponding provision for bad debts is RMB 246,709,649.32

**6. Accounts receivable financing**

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Bank acceptance bill	2,158,160,473.89	2,437,994,963.68
Total	2,158,160,473.89	2,437,994,963.68

Increase/decrease of accounts receivable financing and changes in fair value in the current period:

Applicable Not applicable

In case provision for bad debt is made for notes receivable according to the general model of expected credit loss, please make disclosure in line with the disclosure method of other receivables:

Applicable Not applicable

Other remarks:

Applicable Not applicable

(1) There was no accounts receivable financing actually written off in this period.

(2) Notes receivable that have been pledged as at the end of the period

Item	Amount pledged as at the end of the period
Bank acceptance bill	507,584,900.22
Sub-total	507,584,900.22

(3) Notes receivable already endorsed or discounted by the Company and not expired on the balance sheet date as at the end of the period

Item	Amount de-recognized as at the end of the period
Bank acceptance bill	5,072,777,888.28
Sub-total	5,072,777,888.28

The acceptors of bank acceptance bills are commercial banks. Due to the high credit standing of commercial banks, the possibility of bank acceptance bills not being paid upon maturity is low. Therefore, the Company de-recognizes the endorsed or discounted bank acceptance bills. However, if such bills are not paid upon maturity, according to the provisions of the Negotiable Instruments Law, the Company will still be jointly and severally liable to the holders.

## 7. Advances to suppliers

### (1) Advances to suppliers presented by aging

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Aging	Ending balance		Beginning balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	1,262,198,112.97	81.38	1,506,407,435.76	92.15
1 to 2 years	272,624,843.48	17.58	122,511,677.38	7.49
2 to 3 years	12,574,886.17	0.81	3,100,030.75	0.19
More than 3 years	3,617,020.17	0.23	2,700,720.11	0.17
Total	1,551,014,862.79	100.00	1,634,719,864.00	100.00

Remarks to reasons for failure in timely settling the advances to supplier with the aging over 1 year and major amount:

As for the beginning balance and ending balance of advance to supplier related to Panzhihua Qixing Optoelectronic Technology Co., Ltd. and KONKOLA COPPER MINES PLC, it is expected that they cannot supply the materials or the amount cannot be recovered due to their inability to perform the contracts for poor management. Therefore, a full provision for impairment of RMB 30,362,808.26 was made.

### (2) Top 5 advance to suppliers in terms of the ending balance presented by suppliers

Applicable Not applicable

Other remarks:

Applicable Not applicable

The total amount of top 5 ending balance of advance to suppliers is RMB 689,000,738.42, accounting for 43.57% of the total ending balance of advance to suppliers.

## 8. Other receivables

### Presented by items

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Interests receivable		
Dividends receivable		163,980,830.12
Other receivables	499,154,860.53	416,647,483.37
Total	499,154,860.53	580,628,313.49

Other remarks:

Applicable Not applicable

### Interests receivable

#### (1) Classification of interests receivable

Applicable Not applicable

#### (2) Significant overdue interests

Applicable Not applicable

**(3) Provision for bad debt**
Applicable Not applicable

Other remarks:

Applicable Not applicable

**Dividends receivable**
**(1) Dividends receivable**
Applicable Not applicable

**(2) Major dividends receivable with aging over 1 year**
Applicable Not applicable

**(3) Provision for bad debt**
Applicable Not applicable

Other remarks:

Applicable Not applicable

**Other receivables**
**(4) Disclosure by aging**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Aging	Ending balance
Within 1 year	
Including: each sub-item	
Within 1 year	403,219,389.48
Sub-total	403,219,389.48
1 to 2 years	139,211,158.98
2 to 3 years	28,320,275.66
More than 3 years	38,359,495.01
3 to 4 years	
4 to 5 years	
More than 5 years	
Total	609,110,319.13

**(5) Classification by nature of funds**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Nature of funds	Ending book balance	Beginning book balance
Cash pledge and security deposit	459,071,047.87	285,075,139.30
Export tax refund	121,233,498.02	152,131,678.48
Reserves	10,473,321.17	9,310,639.23
Temporary borrowings	16,284,969.61	15,425,952.02
Others	2,047,482.46	12,091,426.01
Total	609,110,319.13	474,034,835.04

**(6) Provision for bad debt**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Provision for bad debt	Phase I	Phase II	Phase III	Total
	Expected credit	Expected credit loss	Expected credit loss	

	loss in the next 12 months	over the entire existence (without credit impairment)	over the entire existence (with credit impairment)	
Balance as of January 1, 2023	9,406,552.49	16,956,157.75	31,024,641.43	57,387,351.67
Balance as of January 1, 2023 in the current period				
--Transferred to Phase II	-6,960,557.95	6,960,557.95		
--Transferred to Phase III		-5,664,055.13	5,664,055.13	
--Reversed to Phase II				
--Reversed to Phase I				
Provision made in the current period	24,013,773.35	12,723,397.30	15,830,936.28	52,568,106.93
Reversal in the current period				
Write-off in the current period				
Charge off in the current period				
Other change				
Balance as of June 30, 2023	26,459,767.89	30,976,057.87	52,519,632.84	109,955,458.60

Changes in book balance of other receivables with significant change in the amount of provision for loss in the current period

Applicable Not applicable

Amount of provision for bad debts in the current period and the basis for evaluating whether the credit risk of the financial instruments has significantly increased:

Applicable Not applicable

**(7) Details of the provision for bad debts**

Applicable Not applicable

In which, significant amount of provision for bad debt recovered or reversed in the current period:

Applicable Not applicable

**(8) Other receivables actually written off in the current period**

Applicable Not applicable

**(9) Top 5 other receivables in terms of the ending balance presented by debtors**

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Unit name	Nature of funds	Ending balance	Aging	Proportion in the total ending balance of other receivables (%)	Ending balance of provision for bad debt
Export tax refund receivable	Export tax refund	121,233,498.02	Within 1 year	19.90	

Cinda Financial Leasing Co., Ltd.	Cash pledge and security deposit	111,600,000.00	Within 1 year: RMB 20,100,000.00 1 to 2 years: RMB 91,500,000.00	18.32	19,305,000.00
Guangxi Youjia Supply Chain Management Co., Ltd	Cash pledge and security deposit	56,000,000.00	Within 1 year	9.19	2,800,000.00
EverBright Financial Leasing Co., Ltd.	Cash pledge and security deposit	52,500,000.00	Within 1 year: RMB 37,500,000.00; 1 to 2 years: RMB 15,000,000.00	8.62	4,875,000.00
Guangxi Liangwan Ronghe Supply Chain Management Co., Ltd	Cash pledge and security deposit	44,000,000.00	Within 1 year	7.22	2,200,000.00
Total	/	385,333,498.02	/	63.26	29,180,000.00

**(10) Receivables involving government subsidies**
Applicable Not applicable

**(11) Other receivables de-recognized due to transfer of financial assets**
Applicable Not applicable

**(12) Amount of assets or liabilities arising from transfer of other receivables and continued involvement**
Applicable Not applicable

Other remarks:

Applicable Not applicable

**9. Inventories**
**(1) Classification of inventories**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance			Beginning balance		
	Book balance	Provision for inventory depreciation or provision for impairment of contract performance cost	Book value	Book balance	Provision for inventory depreciation or provision for impairment of contract performance cost	Book value
Raw materials	10,406,355,314.14	11,713,518.16	10,394,641,795.98	9,474,980,852.67	208,141,643.64	9,266,839,209.03
Goods in production	3,437,584,889.90	15,124,868.74	3,422,460,021.16	3,393,242,911.46	42,687,233.53	3,350,555,677.93

Goods in stock	3,571,442,040.15	128,953,721.70	3,442,488,318.45	4,828,740,835.73	321,960,882.29	4,506,779,953.44
Revolving materials						
Consumptive biological assets						
Contract performance cost						
Materials for consigned processing	404,238,168.17		404,238,168.17	571,492,339.50	3,644,503.40	567,847,836.10
Total	17,819,620,412.36	155,792,108.60	17,663,828,303.76	18,268,456,939.36	576,434,262.86	17,692,022,676.50

**(2) Provision for inventory depreciation or provision for impairment of contract performance cost**

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Beginning balance	Increase in the current period		Decrease in the current period		Ending balance
		Provision made	Others	Reversed or charged-off	Others	
Raw materials	208,141,643.64			196,428,125.48		11,713,518.16
Goods in production	42,687,233.53			27,562,364.79		15,124,868.74
Goods in stock	321,960,882.29	18,786,617.48		211,793,778.07		128,953,721.70
Revolving materials						
Consumptive biological assets						
Contract performance cost						
Materials for consigned processing	3,644,503.40			3,644,503.40		
Total	576,434,262.86	18,786,617.48		439,428,771.74		155,792,108.60

**(3) Remarks to the ending balance of inventories containing amount of capitalization of borrowing costs**

Applicable Not applicable

**(4) Remarks to the amortization amount of contract performance cost**

Applicable Not applicable

Other remarks:

Applicable Not applicable

**10. Contract assets**
**(1) Details of contract assets**
Applicable Not applicable

**(2) Amount of and reason for major changes in the book value during the reporting period**
Applicable Not applicable

**(3) Provision for impairment of contract assets in the current period**
Applicable Not applicable

Other remarks:

Applicable Not applicable

**11. Held-for-sale assets**
Applicable Not applicable

**12. Non-current assets maturing within one year**
Applicable Not applicable

**13. Other current assets**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Contract acquisition cost		
Cost of returned goods		
VAT input tax to be deducted or refunded	2,825,701,729.72	2,721,895,467.94
Enterprise income tax prepaid	107,857.76	169,242,349.00
Total	2,825,809,587.48	2,891,137,816.94

Other remarks:

None

**14. Debt investments**
**(1) Details of debt investments**
Applicable Not applicable

**(2) Major debt investments as at the end of the period**
Applicable Not applicable

**(3) Provision for impairment**
Applicable Not applicable

**15. Other debt investments**
**(1) Details of other debt investments**
Applicable Not applicable

**(2) Major other debt investments as at the end of the period**
Applicable Not applicable

**(3) Provision for impairment**
Applicable Not applicable

Other remarks:

Applicable Not applicable

**16. Long-term receivables**
**(1) Details of long-term receivables**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance			Beginning balance			Range of discount rate
	Book balance	Provision for bad debt	Book value	Book balance	Provision for bad debt	Book value	
Finance lease payments							
Including: unrealized financing income							
Installment proceeds from sale of goods							
Installment proceeds from rendering of services							
LA SOCIETE IMMOBILIERE DU CONGO	1,275,173.06		1,275,173.06	1,229,077.79		1,229,077.79	N/A
Sinomines Co., Ltd (“Sinomines”)	42,504,323.34		42,504,323.34	40,967,866.58		40,967,866.58	N/A
GECAMINES	2,125,288.43		2,125,288.43	2,048,462.98		2,048,462.98	N/A
LA PROVINCE DU LUALABA	16,351,474.68		16,351,474.68	15,760,397.55		15,760,397.55	N/A
Veinstone Investment Limited	118,271,844.88		118,271,844.88	113,996,572.80		113,996,572.80	N/A
Indonesia Weidabe Industrial Park Co., Ltd. (“IWIP”)	200,732,724.00		200,732,724.00	193,476,588.00		193,476,588.00	N/A
PT Prima Puncak Mulia (“PPM”)	133,301,115.02		133,301,115.02	118,815,888.59		118,815,888.59	N/A
Total	514,561,943.41		514,561,943.41	486,294,854.29		486,294,854.29	/

**(2) Provision for bad debt**
Applicable Not applicable

**(3) Long-term receivable de-recognized due to transfer of financial assets**
Applicable Not applicable

**(4) Amount of assets or liabilities arising from transfer of long-term receivable and continued involvement**
Applicable Not applicable

Other remarks:

Applicable Not applicable

## 1) GECAMINES, LA SOCIETE IMMOBILIERE DU CONGO and SICOMINES

In accordance with the *Agreement on Establishment of Joint Venture* signed by the Company and GECAMINES, LA SOCIETE IMMOBILIERE DU CONGO, China Railway Group (Hong Kong) Limited, Resource Development Branch of China Railway Co., Ltd., SINOHYDRO Corporation Limited, Sinohydro Harbour Co., Ltd. and China Metallurgical Group Corporation in September

2008 and the *Confirmation of Equity Adjustment* signed by the Company and China Railway (Hong Kong) Engineering Co., Ltd. and SINOHYDRO RESOURCES LIMITED on October 23, 2013, the Company shall provide GECAMINES and LA SOCIETE IMMOBILIERE DU CONGO with a loan of USD294,125.00 (equivalent to RMB2,125,288.43 at the exchange rate at the end of June 2023) and USD176,475.00 (equivalent to RMB1,275,173.06 at the exchange rate at the end of June 2023) respectively for them to pay the amount of contribution to SICOMINES, and provide SICOMINES with a loan of USD5,882,300.00 (equivalent to RMB42,504,323.34 at the exchange rate at the end of June 2023). GECAMINES and LA SOCIETE IMMOBILIERE DU CONGO shall repay the loan with their dividends from SICOMINES, and SICOMINES shall repay the loan without interest with its profits.

2) LA PROVINCE DU LUALABA

In accordance with the *Agreement on Pre-financing for Luena Road Rehabilitation Works* signed by the subsidiary CDM Company and LA PROVINCE DU LUALABA in September 2017 and the *Concession Grant Contract* signed in March 2018, the subsidiary CDM Company shall provide LA PROVINCE DU LUALABA with a loan of USD 4 million for road rehabilitation, and LA PROVINCE DU LUALABA shall repay the loan with right-of-way tax. As of June 30, 2023, the subsidiary CDM Company had paid USD2,262,929.32 (equivalent to RMB16,351,474.68 at the exchange rate at the end of June 2023).

3) IWIP

In accordance with the *Shareholder Loan Agreement* signed by the subsidiary Huachuang International and the joint venture IWIP in 2023, as a shareholder of IWIP, the subsidiary Huachuang International shall provide it with a loan of USD27,780,000.00 (equivalent to RMB200,732,724.00 at the exchange rate at the end of June 2023). The loan shall be a shareholder loan provided by the Company and other shareholders to IWIP based on the shareholding ratio.

4) Veinstone

In accordance with the *Supplementary Agreement* signed by the subsidiary Huayou Mining Hong Kong and Veinstone Investment Limited in 2023, as a shareholder of Veinstone, the subsidiary Huayou Mining Hong Kong shall provide it with a loan of USD16,368,000.00 (equivalent to RMB118,271,844.88 at the exchange rate at the end of June 2023). The loan shall be a shareholder loan provided by the Company and other shareholders to Veinstone based on the shareholding ratio.

5) PT Prima Puncak Mulia (“PPM”)

Huayong International intends to sign the *PPM Loan Agreement* with PPM, agreeing that Huayong International shall provide a total financial assistance of IDR267,001,996,830 (equivalent to RMB 133,301,115.02 at the exchange rate at the end of June 2023) to PPM at the annual interest rate of 6.76% for a period from the date of withdrawal of the first advance payment to the 7th anniversary. If HLN goes public, the period shall start from the date of withdrawal of the first advance payment until 6 months after the listing of HLN or 3 months after the expiration of HLN’s share lock-up period (whichever is later).

## 17. Long-term equity investments

√ Applicable □ Not applicable

Monetary unit: Yuan Currency: RMB

Investee	Beginning balance	Increase/decrease in the current period								Ending balance	Ending balance of provision for impairment
		Additi onal investment	Redu ced investmen t	Profit/ loss on invest ment recogn ized under the equity metho d	Adju stme nt of other comp rehensive inco me	Other equit y chan ges	Cash divide nds or profits declar ed for distrib ution	Provis ion for impair ment	Other s		
I. Joint ventures											

PT Alam Hijau Environmental Services (“PT Alam”)	5,754,684.53			424,546.12	253,624.28					6,432,854.93	
Sub-total	5,754,684.53			424,546.12	253,624.28					6,432,854.93	
<b>II. Associates</b>											
NEWSTRIDE TECHNOLOGY LIMITED (“NEWSTRIDE TECHNOLOGY”)	1,631,947,604.19			565,899,657.12	22,824,224.41					2,220,671,485.72	
Quzhou Minfu Woneng New Energy Vehicle Technology Co., Ltd. (“Minfu Woneng”)											1,161,307.33
AVZ MINERALS LIMITED (“AVZ Company”)	61,498,188.69			-1,786,994.58	9,261,021.81					68,972,215.92	
Zhejiang Puhua New Energy Materials Co., Ltd. (“Puhua Company”)	444,006,736.43	109,478,309.00		22,677,012.84						576,162,058.27	
Leyou Company	1,791,301,622.91			377,436,883.04			242,385,951.97			1,926,352,553.98	
Ruiyou Investment Company Limited (“Ruiyou Company”)	10,000,143.45			-898.31	-313,150.87					9,686,094.27	
Veinstone	181,090,710.58			16,221,869.88	1,288,978.10					198,601,558.56	
IWIP	295,819,375.50			14,282,138.49	10,748,069.30					320,849,583.29	
PT. HUA PIONEER INDONESIA (“Indonesian Huatuo”)											3,479,194.09
Quzhou Anyou Equity Investment Partnership Enterprise (Limited Partnership)	594,118,061.75			-4,132,286.40						589,985,775.35	

(“Quzhou Anyou”)										
POSCO-HY Clean Metal Co., Ltd. (“PHC Company”)	217,626,738.31			-62,182,086.55	-7,860,829.60					147,583,822.16
Hunan Yacheng New Energy Co., Ltd. (formerly known as Hunan Yacheng New Materials Co., Ltd.) (“Hunan Yacheng”)	130,099,919.36			-11,121,278.13		3,682,892.36				115,295,748.87
Guangxi Times Lithium-ion Battery New Energy Material Investment Management Center (Limited Partnership) (“Guangxi Times Lithium-ion Battery New Energy”)	708,754,753.47	10,000,000.00		-928,559.64						717,826,193.83
Guangxi Times Lithium-ion Battery New Materials Industry Development Fund Partnership Enterprise (Limited Partnership) (“Guangxi Times Lithium-ion Battery New Materials Fund”)	657,990,658.42			-1,412,049.14						656,578,609.28
Quzhou Xinhua Equity Investment Partnership Enterprise (Limited Partnership) (“Quzhou	1,182,835,095.28			-8,343,069.92						1,174,492,025.36

Xinhua”)										
Zhejiang Diantou Huayou Smart Energy Co., Ltd. (“Zhejiang Diantou”)	1,800,000.00			150.39					1,800,150.39	
Tongxiang Lithium Times Equity Investment Partnership Enterprise (Limited Partnership) (“Tongxiang Lithium Times”)	-19,474.44	120,000,000.00		-20,696.66					119,959,828.90	
Ningbo Ruihua International Trade Co., Ltd (“Ningbo Ruihua”)		60,000,000.00		-399,229.12					59,600,770.88	
PT. IWIP GREEN INDUSTRY		4,580,541.90							4,580,541.90	
LG-HY BCM Co., Ltd (“LG-HY BCM”)		375,144,767.07		-7,122,771.24	-986,885.07				367,035,110.76	
Jintang B&M Technology Co., Ltd (“Jintang B&M”)		90,000,000.00		303,883.66					90,303,883.66	
ASKARI METALS LIMITED		11,521,516.09							11,521,516.09	
Zhejiang Haigang Pingyou Port Co., Ltd (“Haigang Pingyou”)		73,297,500.00							73,297,500.00	
Sub-total	7,908,870,133.90	854,022,634.06		899,371,675.73	34,961,428.08		246,068,844.33		9,451,157,027.44	4,640,501.42
Total	7,914,624,818.43	854,022,634.06		899,796,221.85	35,215,052.36		246,068,844.33		9,457,589,882.37	4,640,501.42

Other remarks:

None

## 18. Other equity instrument investments

### (1) Details of other equity instrument investments

Applicable Not applicable

Monetary unit: Yuan Currency:  
 RMB

Item	Ending balance	Beginning balance
Inner Mongolia Sinuo New Material Technology Co., Ltd. (“Inner Mongolia Sinuo”)	36,894,737.00	36,894,737.00
HANAQ Company	4,002,445.81	4,002,445.81
Shenzhen Feiniji	1,750,000.00	1,750,000.00
Total	42,647,182.81	42,647,182.81

**(2) Details of equity instrument investments not held for trading**
Applicable Not applicable

Other remarks:

Applicable Not applicable

Considering that the above investments are equity instrument investments not held for trading, the company designates it as equity instrument investments measured at fair value through other comprehensive income.

**19. Other non-current financial assets**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Financial assets classified to be measured at fair value through current profit or loss	547,046,515.08	527,509,366.89
Including: equity instrument investments	547,046,515.08	527,509,366.89
Total	547,046,515.08	527,509,366.89

Other remarks:

Investee	Beginning amount	Increase in the current period	Decrease in the current period	Ending amount
SICOMINES	6,573,600.00			6,573,600.00
HLN [Remark]	520,935,766.89	19,537,148.19		540,472,915.08
Sub-total	527,509,366.89	19,537,148.19		547,046,515.08

[Remark] According to the *Convertible Bond Agreement* signed between its subsidiary Huayong International and HLN in 2022, Huayong International subscribed for 10.00% of HLN’s convertible bonds, with a total subscription amount of IDR 1.07 trillion (included in other non-current financial assets). The increase in the current period is due to the impact of exchange rate changes generated during the translation of financial statements dominated in foreign currency.

**20. Investment real estates**

Measurement method for investment real estates

N/A

**21. Fixed assets**
**Presented by items**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
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<b>Fixed assets</b>	29,852,266,203.93	26,217,069,544.01
Disposal of fixed assets		
Total	29,852,266,203.93	26,217,069,544.01

Other remarks:

None

**Fixed assets**
**(1) Details of fixed assets**

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Houses and buildings	Machinery equipment	Transportation equipment	Other equipment	Total
<b>I. Original book value:</b>					
1.Beginning balance	9,418,940,636.25	20,962,025,497.43	762,523,851.21	640,063,746.26	31,783,553,731.15
2. Increase in the current period	2,040,655,779.66	2,692,125,402.79	201,164,686.55	135,548,327.68	5,069,494,196.68
(1) Purchase	3,691,542.23	193,216,260.81	186,049,628.30	55,246,292.94	438,203,724.28
(2) Transfer from construction-in-progress	1,729,122,820.33	2,155,669,526.60		49,868,737.56	3,934,661,084.49
(3) Increase from the business combination					
(4) Differences arising from translation of foreign currency financial statements	307,841,417.10	343,239,615.38	15,115,058.25	30,433,297.18	696,629,387.91
3. Decrease in the current period	7,047,427.91	89,099,935.78	15,696,861.45	37,738,551.41	149,582,776.55
(1) Disposal or scrapping	7,047,427.91	89,099,935.78	15,696,861.45	37,738,551.41	149,582,776.55
(2) Differences arising from translation of foreign currency financial statements					
4.Ending balance	11,452,548,988.00	23,565,050,964.44	947,991,676.31	737,873,522.53	36,703,465,151.28
<b>II. Accumulated depreciation</b>					
1.Beginning balance	1,287,828,156.05	3,838,302,846.21	171,413,051.45	243,595,378.82	5,541,139,432.53
2. Increase in the current period	316,038,059.29	923,293,852.31	48,375,300.34	75,009,904.19	1,362,717,116.13
(1) Provision	211,379,817.51	896,048,693.72	42,954,565.53	72,790,905.85	1,223,173,982.61
(2) Provision for business combination					
(3) Differences arising from translation of foreign currency financial statements	104,658,241.78	27,245,158.59	5,420,734.81	2,218,998.34	139,543,133.52
3. Decrease in the current period	1,028,321.39	61,598,901.68	7,819,967.78	9,374,331.10	79,821,521.95
(1) Disposal or scrapping	1,028,321.39	61,598,901.68	7,819,967.78	9,374,331.10	79,821,521.95
(2) Differences arising from translation					

of foreign currency financial statements					
4. Ending balance	1,602,837,893.95	4,699,997,796.84	211,968,384.01	309,230,951.91	6,824,035,026.71
<b>III. Provision for impairment</b>					
1.Beginning balance	5,401,261.92	18,565,100.04		1,378,392.65	25,344,754.61
2. Increase in the current period	720,173.90	1,086,370.12		12,622.01	1,819,166.03
(1) Provision					
(2) Differences arising from translation of foreign currency financial statements	720,173.90	1,086,370.12		12,622.01	1,819,166.03
3. Decrease in the current period					
(1) Disposal or scrapping					
(2) Differences arising from translation of foreign currency financial statements					
4.Ending balance	6,121,435.82	19,651,470.16		1,391,014.66	27,163,920.64
<b>IV. Book value</b>					
1. Ending book value	9,843,589,658.23	18,845,401,697.44	736,023,292.30	427,251,555.96	29,852,266,203.93
2. Beginning book value	8,125,711,218.28	17,105,157,551.18	591,110,799.76	395,089,974.79	26,217,069,544.01

**(2) Temporarily idle fixed assets**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Original book value	Accumulated depreciation	Provision for impairment	Book value	Remark
Houses and buildings	11,104,799.55	4,983,363.73	6,121,435.82		
Machinery equipment	48,142,702.24	34,005,453.80	9,234,081.05	4,903,167.39	
Other equipment	182,661.87	75,375.50	107,286.37		
Total	59,430,163.66	39,064,193.03	15,462,803.24	4,903,167.39	

**(3) Fixed assets acquired under financing lease**
Applicable Not applicable

**(4) Fixed assets leased out under operating lease**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending book value
Houses and buildings	143,222.36
Machinery equipment	
Other equipment	9,000,679.93
Total	9,143,902.29

**(5) Fixed assets with the title certificate not obtained**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Book value	Reasons for the failure to obtain title certificate
Houses and buildings	1,459,508,279.81	It is still in process.

Other remarks:

Applicable Not applicable

**Disposal of fixed assets**
Applicable Not applicable

**22. Construction in progress**
**Presented by items**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Construction in progress	23,757,190,921.40	13,979,069,175.94
Project materials	208,376,836.29	302,860,651.42
Total	23,965,567,757.69	14,281,929,827.36

Other remarks:

None

**Construction in progress**
**(1) Details of construction in progress**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Construction project of Huayou Science and Technology Innovation Center	154,097,077.74		154,097,077.74	149,940,716.33		149,940,716.33
Project of nickel sulfate for high-purity ternary electrical batteries with an annual production of 30,000 tons (metallometry)	375,398.08		375,398.08	47,462,104.45		47,462,104.45
Project of ternary precursor materials for high-nickel type electrical batteries with an annual output of 50,000 tons	5,321,074.82		5,321,074.82	186,281,892.04		186,281,892.04
Project of ternary cathode material precursor for high-performance electrical batteries with an annual output of 50,000 tons	75,063,211.43		75,063,211.43	404,521,976.55		404,521,976.55

Project of nickel metal hydroxide nickel cobalt with an annual output of 60,000 tons (including the supporting beneficiation and slurry pipeline transportation project)	1,742,391,576.74		1,742,391,576.74	833,723,920.19		833,723,920.19
Project of power lithium-ion new energy precursor materials with an annual output of 30,000 tons	370,215,689.55		370,215,689.55	346,877,601.80		346,877,601.80
Construction project of Huayou Headquarters Research Institute	0.00		0.00	3,107,655.71		3,107,655.71
Project of high-purity nickel sulfate with an annual output of 100,000 tons (metallometry)	534,401,471.78		534,401,471.78	441,785,175.04		441,785,175.04
Project of ternary cathode materials for high-nickel electrical batteries with an annual output of 50,000 tons and project of ternary precursor materials with an annual output of 100,000 tons	3,697,429,191.24		3,697,429,191.24	2,441,012,072.20		2,441,012,072.20
Project of new-generation high-specific capacity 3C cathode materials with an annual output of 50,000 tons	458,306,052.11		458,306,052.11	494,291,226.52		494,291,226.52
Project of nickel metal hydroxide nickel cobalt with an annual output of 120,000 tons	12,011,976,614.55		12,011,976,614.55	6,971,754,708.66		6,971,754,708.66
Project of Arcadia lithium mining and dressing plant in Zimbabwe with an annual processing capacity of 4.5 million tons	232,925,434.68		232,925,434.68	675,020,301.35		675,020,301.35
Project of ternary precursor for new high-performance electrical batteries with an annual output of 50,000 tons	445,062,577.90		445,062,577.90	0.00		
7000ta (cobalt metal content) high-voltage cobalt tetroxide green intelligent manufacturing project – ammonium sulfate evaporation crystallization sub-project	168,209,599.85		168,209,599.85	0.00		
Construction project of Quzhou Science and Technology Innovation Center (Phase II)	307,905,890.60		307,905,890.60	0.00		
LCE battery grade lithium salt project with an annual output of 50000 tons	1,305,677,046.75		1,305,677,046.75	0.00		
Other sporadic projects	2,247,833,013.58		2,247,833,013.58	983,289,825.10		983,289,825.10
<b>Total</b>	<b>23,757,190,921.40</b>		<b>23,757,190,921.40</b>	<b>13,979,069,175.94</b>		<b>13,979,069,175.94</b>

**(2) Changes of major construction-in-progress in the current period**

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Project name	Budget	Beginning balance	Increase in the current period	Amount transferred into fixed assets in the current period	Other amount decrease in the current period	Ending balance	Proportion of accumulated engineering investment in budget	Project progress	Accumulated amount of interest capitalization	Including: the amount of capitalization of interest in the current period	Interest capitalization rate in the current period	Sources of funds
Construction project of Huayou Science and Technology Innovation Center	RMB 401,520,000	149,940,716.33	4,156,361.41			154,097,077.74	127.87	98.50	12,956,807.22			Loans from financial institutions and other sources
Project of nickel sulfate for high-purity ternary electrical batteries with an annual production of 30,000 tons (metallometry)	RMB 800,860,000	47,462,104.45	1,641,109.13	48,727,815.50		375,398.08	115.78	99.00				Raised funds and other sources
Project of ternary precursor materials for high-nickel type electrical batteries with an annual output of 50,000 tons	RMB 1,353,066,100	186,281,892.04	202,034,020.24	382,994,837.46		5,321,074.82	106.54	98.00				Raised funds and other sources
Project of ternary cathode material precursor for high-performance electrical batteries with an annual output of 50,000 tons	RMB 1,244,790,000	404,521,976.55	142,262,063.39	471,720,828.51		75,063,211.43	73.86	82.00	22,076,050.59	7,557,200.62	5.31	Raised funds and other sources
Project of nickel metal hydroxide nickel cobalt with an annual output of 60,000 tons (including the supporting beneficiation and slurry pipeline transportation project)	RMB 10,143,877,200	833,723,920.19	1,011,079,199.70	102,411,543.15		1,742,391,576.74	83.80	97.00	237,907,280.40	42,383,243.77	4.19	Loans from financial institutions and other sources

Project of power lithium-ion new energy precursor materials with an annual output of 30,000 tons	RMB 982,260,000	346,877,601.80	74,314,220.67	50,976,132.92		370,215,689.55	119.36	95.00	3,402,866.12			Loans from financial institutions and other sources
Construction project of Huayou Headquarters Research Institute	RMB 350,000,000	3,107,655.71	58,562,823.32	61,670,479.03			178.55	100.00				Raised funds and other sources
Project of high-purity nickel sulfate with an annual output of 100,000 tons (metallometry)	RMB 2,717,062,000	441,785,175.04	474,330,269.13	381,713,972.39		534,401,471.78	33.72	43.63	5,214,961.34	3,434,454.47	3.85	Loans from financial institutions and other sources
Project of ternary cathode materials for high-nickel electrical batteries with an annual output of 50,000 tons and project of ternary precursor materials with an annual output of 100,000 tons	RMB 5,617.77 million	2,441,012,072.20	1,256,417,119.04			3,697,429,191.24	65.82	73.00	200,240,046.73	79,218,733.52	5.67	Raised funds, loans from financial institutions and other sources
Project of new-generation high-specific capacity 3C cathode materials with an annual output of 50,000 tons	RMB 2,832.92 million	494,291,226.52	125,780,886.70	161,766,061.11		458,306,052.11	24.24	25.00	13,839,847.21	8,964,302.60	4.30	Loans from financial institutions and other sources
Project of nickel metal hydroxide nickel cobalt with an annual output of 120,000 tons	RMB 13,808,524,400	6,971,754,708.66	5,040,221,905.89			12,011,976,614.55	89.22	90.00	443,664,640.60	175,865,247.81	5.00	Loans from financial institutions and other sources
Project of Arcadia lithium mining and dressing plant in Zimbabwe with an annual processing capacity of 4.5 million tons	RMB 1,725,703,900	675,020,301.35	859,037,258.23	1,301,132,124.90		232,925,434.68	90.62	87.00				Loans from financial institutions and other sources

Total	RMB 41,978 ,353,6 00	12,995,779 ,350.84	9,249,837.2 36.85	2,963,113, 794.97		19,282,5 02,792.7 2	/	/	939,302,500. 21	317,423,1 82.79	/	/
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**(3) Provision for impairment of construction in progress in the current period**
 Applicable  Not applicable

Other remarks:

 Applicable  Not applicable

**Project materials**
 Applicable  Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance			Beginning balance		
	Book balance	Provisi on for impair ment	Book value	Book balance	Provisi on for impair ment	Book value
Project materials	208,376,836.29		208,376,836.29	302,860,651.42		302,860,651.42
Total	208,376,836.29		208,376,836.29	302,860,651.42		302,860,651.42

Other remarks:

None

**23. Productive biological assets**
**(1) Productive biological assets measured at cost**
 Applicable  Not applicable

**(2) Productive biological assets measured at fair value**
 Applicable  Not applicable

Other remarks:

 Applicable  Not applicable

**24. Oil and natural gas assets**
 Applicable  Not applicable

Other remarks:

**25. Right of use assets**
 Applicable  Not applicable

Monetary unit: Yuan Currency: RMB

Item	Houses and buildings	Transportation equipment	Total
I. Original book value			
1.Beginning balance	167,133,798.49	18,265,807.02	185,399,605.51
2. Increase in the current period	36,059,803.57		36,059,803.57
1) Rented in	35,759,201.18		35,759,201.18
2) Translation difference of foreign currency statements	300,602.39		300,602.39

3. Decrease in the current period			
4. Ending balance	203,193,602.06	18,265,807.02	221,459,409.08
<b>II. Accumulated depreciation</b>			
1. Beginning balance	54,061,666.78	9,132,903.51	63,194,570.29
2. Increase in the current period	30,622,003.17	2,790,609.43	33,412,612.60
(1) Provision made	30,601,963.01	2,790,609.43	33,392,572.44
2) Translation difference of foreign currency statements	20,040.16		20,040.16
3. Decrease in the current period			
(1) Disposal			
4. Ending balance	84,683,669.95	11,923,512.94	96,607,182.89
<b>III. Provision for impairment</b>			
1. Beginning balance			
2. Increase in the current period			
(1) Provision made			
3. Decrease in the current period			
(1) Disposal			
4. Ending balance			
<b>IV. Book value</b>			
1. Ending book value	118,509,932.11	6,342,294.08	124,852,226.19
2. Beginning book value	113,072,131.71	9,132,903.51	122,205,035.22

Other remarks:

None

## 26. Intangible assets

### (1) Details of intangible assets

 Applicable  Not applicable

Monetary unit: Yuan Currency: RMB

Item	Land use rights	Patent right	Non-patented technology	Software	Mining right	Dumping right	
<b>I. Original book value</b>							
1. Beginning balance	854,387,250.78	267,375,199.35		68,971,832.14	3,350,260,067.97	24,771,342.82	4,
2. Increase in the current period	41,730,213.46	-		4,888,172.30	11,215,034.96	3,012,110.00	
(1) Purchase	32,392,052.50	-		4,338,410.02		3,012,110.00	
(2) Internal R&D							
(3) Increase due to business combination							

(4) Differences arising from translation of foreign currency financial statements	9,338,160.96			549,762.28	11,215,034.96		
3. Decrease in the current period				1,492,262.51			
(1) Disposal							
(2) Others				1,492,262.51			
(3) Decrease due to business combination							
(4) Differences arising from translation of foreign currency financial statements							
4. Ending balance	896,117,464.24	267,375,199.35		72,367,741.93	3,361,475,102.93	27,783,452.82	4,
<b>II. Accumulated amortization</b>							
1. Beginning balance	90,343,893.29	43,219,328.37		21,781,336.19	329,647,443.87	13,972,425.54	
2. Increase in the current period	13,583,701.19	439,326.87		3,548,482.91	58,164,120.85	1,967,146.45	
(1) Provision made	10,000,035.19	439,326.87		3,502,968.16	43,991,058.28	1,967,146.45	
(2) Others							
(3) Translation of foreign currency financial statements	3,583,666.00			45,514.75	14,173,062.57		
3. Decrease in the current period				1,292,607.51			
(1) Disposal							
(2) Others				1,292,607.51			
(3) Decrease due to business combination							
(4) Differences arising from translation of foreign currency financial statements							
4. Ending balance	103,927,594.48	43,658,655.24		24,037,211.59	387,811,564.72	15,939,571.99	
<b>III. Provision for impairment</b>							
1. Beginning balance							
2. Increase in the current period							
(1) Provision made							
3. Decrease in the current period							
(1) Disposal							
4. Ending							

balance							
IV. Book value							
1. Ending book value	792,189,869.76	223,716,544.11		48,330,530.34	2,973,663,538.21	11,843,880.83	4.
2. Beginning book value	764,043,357.49	224,155,870.98		47,190,495.95	3,020,612,624.10	10,798,917.28	4.

The intangible assets of the Company generated via internal R&D account for 0.00% of the intangible assets balance as at the end of the current period.

## (2) Land use rights with the title certificate not obtained

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Book value	Reasons for the failure to obtain title certificate
Land use right	134,890,711.69	It is still in process.
Total	134,890,711.69	

Other remarks:

Applicable Not applicable

## 27. R&D expenses

Applicable Not applicable

## 28. Goodwill

### (1) Original book value of goodwill

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Name of investee or matters forming goodwill	Beginning balance	Increase in the current period		Decrease in the current period		Ending balance
		Formed due to business combination		Disposal		
Huahai New Energy	95,136,198.86					95,136,198.86
Tianjin B&M	366,245,456.38					366,245,456.38
Total	461,381,655.24					461,381,655.24

### (2) Provision for impairment of goodwill

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Name of investee or matters forming goodwill	Beginning balance	Increase in the current period		Decrease in the current period		Ending balance
		Provision made		Disposal		
Tianjin B&M	2,965,735.57	1,032,217.39				3,997,952.96
Total	2,965,735.57	1,032,217.39				3,997,952.96

The goodwill of B&M Technology is divided into two parts: one is the core goodwill of RMB 336,004,594.11, and the other is the goodwill formed due to the recognition of deferred income tax liabilities, which is RMB 30,240,862.27. For goodwill formed due to the recognition of deferred income

tax liabilities, impairment losses on the corresponding shareholding ratio are accrued as the deferred income tax liabilities are reversed.

**(3) Relevant information of asset group or combination of asset groups related to the goodwill**

Applicable Not applicable

**(4) Explain the goodwill impairment test process and key parameters (such as forecast period growth rate, steady period growth rate, profit rate, discount rate, forecast period, etc. when estimating the present value of future cash flows, if applicable), as well as the confirmation method of goodwill impairment loss**

Applicable Not applicable

1) Asset group or asset group portfolio of Huahai New Energy

a) Information of the asset group or asset group portfolio containing goodwill

Composition of the asset group or asset group portfolio	Asset group of Huahai New Energy
Book value of the asset group or asset group portfolio	2,318,948,432.72
Book value and apportionment method of the goodwill apportioned to the asset group or asset group portfolio	95,136,198.86
Book value of the asset group or asset group portfolio containing goodwill	2,414,084,631.58
Is the asset group or asset group portfolio consistent with that determined during the goodwill impairment test on the purchase date and previous years	Yes

b) The process, methods, and conclusions of goodwill impairment test

The recoverable amount of goodwill is calculated based on the present value of the expected future cash flow, which is based on the 5-year cash flow forecast approved by the Company. The discount rate used in the cash flow forecast is 13.26% (before tax), and the cash flow after the forecast period remains unchanged.

Other key data used in the impairment test include expected selling price, sales volume, production costs, and other related expenses of products. The Company determines the above key data based on historical experience and market development predictions. The discount rate adopted by the Company is a pre-tax interest rate that reflects the time value of current market currency and specific risks of related asset group.

The above estimate of the recoverable amount indicates that there has been no impairment loss on goodwill.

2) Asset group or asset group portfolio of B&M Technology

a) Information of the asset group or asset group portfolio containing goodwill

Composition of the asset group or asset group portfolio	Asset group of Tianjin B&M
Book value of the asset group or asset group portfolio	4,064,611,843.12
Book value and apportionment method of the goodwill apportioned to the asset group or asset group portfolio	870,084,521.17
Book value of the asset group or asset group portfolio containing goodwill	4,934,696,364.29
Is the asset group or asset group portfolio consistent with that determined during the goodwill impairment test on the purchase date and previous years	Yes

b) The process, methods, and conclusions of goodwill impairment test

The recoverable amount of goodwill is calculated based on the present value of the expected future cash flow, which is based on the 5-year cash flow forecast approved by the Company. The discount rate used in the cash flow forecast is 14.26% (before tax), and the cash flow after the forecast period remains unchanged.

Other key data used in the impairment test include expected selling price, sales volume, production costs, and other related expenses of products. The Company determines the above key data based on historical experience and market development predictions. The discount rate adopted by the Company is

a pre-tax interest rate that reflects the time value of current market currency and specific risks of related asset group.

The above estimate of the recoverable amount indicates that there has been no impairment loss on goodwill.

**(5) Impact of goodwill impairment test**

Applicable Not applicable

Other remarks:

Applicable Not applicable

**29. Long-term deferred expenses**

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Beginning balance	Increase in the current period	Amortization in the current period	Other decreases	Ending balance
Expenditure for improvement of fixed assets	15,028,111.58	20,167,175.18	27,505,707.48		7,689,579.28
Insurance premium	1,213,262.21	1,608,112.27	2,614,954.68		206,419.80
Aircraft usage fee	63,070,131.16		4,204,675.41		58,865,455.75
Others		13,519,015.68	5,679,745.93		7,839,269.75
Total	79,311,504.95	35,294,303.13	40,005,083.50		74,600,724.58

Other remarks:

None

**30. Deferred income tax assets/deferred income tax liabilities**

**(1) Deferred income tax assets before offset**

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance		Beginning balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Provision for asset impairment	613,629,382.86	98,335,853.30	937,156,608.98	183,840,564.82
Unrealized profits of internal transactions				
Deductible loss				
Uncovered losses	2,252,975,555.35	463,372,327.15	883,309,333.15	162,234,731.96
Deferred income	568,320,589.80	129,119,712.28	519,759,486.05	121,485,237.69
Unrealized profits included in inventories	1,271,790,986.99	169,012,941.71	1,701,052,808.50	330,094,177.10
Gain or loss from change in fair value	497,307.85	74,596.18	33,679,150.31	4,690,307.75
Share-based payment fees	188,939,313.96	28,340,897.09	188,939,313.96	28,340,897.09
Total	4,896,153,136.81	888,256,327.71	4,263,896,700.95	830,685,916.41

**(2) Deferred income tax liabilities before offset**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance		Beginning balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Asset valuation appreciation arising from business combination not under common control				
Changes in fair value of other debt investments				
Changes in fair value of other equity instrument investments				
Temporary differences included in long-term assets	394,784,663.00	50,837,423.62	425,474,971.83	55,518,755.37
Depreciation of fixed assets	1,857,686,183.74	377,165,517.22	1,554,086,764.88	304,365,803.90
Gain or loss from change in fair value	68,563,916.77	11,178,093.99		
<b>Total</b>	<b>2,321,034,763.51</b>	<b>439,181,034.83</b>	<b>1,979,561,736.71</b>	<b>359,884,559.27</b>

**(3) Deferred income tax assets/liabilities presented by net amount after offset**
Applicable Not applicable

**(4) Details of unrecognized deferred income tax assets**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Deductible temporary difference		
Deductible loss	123,581,820.45	62,898,710.44
Temporary differences included in long-term assets	461,531,840.09	799,977,741.08
Provision for assets impairment	144,958,768.28	199,895,832.46
<b>Total</b>	<b>730,072,428.82</b>	<b>1,062,772,283.98</b>

**(5) Deductible loss of unrecognized deferred income tax assets to be due in the following years**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Year	Ending amount	Beginning amount	Remark
Year 2023		8,388,096.09	
Year 2024	12,160,398.17	12,160,398.17	
Year 2025	2,601,860.96	2,637,727.78	
Year 2026	11,304,941.45	12,098,889.37	
Year 2027	27,613,599.03	27,613,599.03	
Year 2028	69,901,020.84		
<b>Total</b>	<b>123,581,820.45</b>	<b>62,898,710.44</b>	/

Other remarks:

Applicable Not applicable

**31. Other non-current assets**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Contract acquisition cost						
Contract performance cost						
Cost of returned goods						
Contract assets						
Advance payment for land and engineering equipment	3,265,208,952.66		3,265,208,952.66	4,933,960,087.63		4,933,960,087.63
Prepaid equity investment funds	1,047,740,621.85		1,047,740,621.85	1,061,032,701.24		1,061,032,701.24
Total	4,312,949,574.51		4,312,949,574.51	5,994,992,788.87		5,994,992,788.87

Other remarks:

They are mainly: (1) the advance payment of USD100 million for the acquisition of the equity of Chongjing Holding Limited by the subsidiary Huayou Mining Hong Kong; (2) the advance payment of USD 25 million for the acquisition of equity of DATHOMIR INTERNATIONAL CORP. by the subsidiary Huayou Mining Hong Kong; (3) the advance payment of USD 20 million for the acquisition of equity of PT WANA KENCANA MINERAL by the subsidiary Huacai Hong Kong. The aforementioned equity transfer transaction has not yet been closed, so they are temporarily included in other non-current assets.

**32. Short-term borrowings**
**(1) Classification of short-term borrowings**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Pledged borrowing	4,175,600,000.00	4,128,113,282.24
Mortgaged borrowing		
Guaranteed borrowing	7,875,906,425.84	6,159,903,975.17
Credit borrowing	2,381,762,199.16	1,659,470,318.56
Guaranteed and mortgaged borrowings	50,000,000.00	50,000,000.00

Guaranteed and mortgaged borrowings	400,000,000.00	
Interests on short-term borrowings	28,549,867.19	22,335,127.70
Total	14,911,818,492.19	12,019,822,703.67

Remarks to the classification of short-term borrowings:  
None

## (2) Overdue and outstanding short-term borrowings

Applicable Not applicable

Other remarks:

Applicable Not applicable

## 33. Held-for-trading financial liabilities

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Beginning balance	Increases in the current period	Decrease in the current period	Ending balance
Held-for-trading financial liabilities	40,024,798.40	42,816,010.51		82,840,808.91
Including:				
Derivative financial liabilities	40,024,798.40	42,816,010.51		82,840,808.91
Financial liabilities designated to be measured at fair value through current profit or loss				
Including:				
Total	40,024,798.40	42,816,010.51		82,840,808.91

Other remarks:  
None

## 34. Derivative financial liabilities

Applicable Not applicable

## 35. Notes payable

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Type	Ending balance	Beginning balance
Commercial acceptance bill	1,153,256,740.71	1,471,187,597.59
Bank acceptance bill	9,072,937,072.39	9,311,043,710.95
Total	10,226,193,813.10	10,782,231,308.54

The total amount of notes payable that are due but unpaid at the end of current period is RMB 0.00.

## 36. Accounts payable

### (1) Details of accounts payable

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Payment for goods	10,563,369,509.54	11,189,429,163.91
Payment for equipment and projects	5,163,154,272.02	3,373,461,269.89

Others	28,687,316.74	48,000,767.50
Total	10,563,369,509.54	14,610,891,201.30

**(2) Major account payable with aging over 1 year**
Applicable Not applicable

Other remarks:

Applicable Not applicable

**37. Advance from customers**
**(1) Details of advance from customers**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Advance receipt for equipment		
Advance receipt for equity		492,095,800.00
Others		21,870.03
Total	0.00	492,117,670.03

**(2) Major advance from customers with aging over 1 year**
Applicable Not applicable

Other remarks:

Applicable Not applicable

**38. Contract liabilities**
**(1) Details of contract liabilities**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Payment for goods	2,241,111,527.44	2,359,463,860.52
Total	2,241,111,527.44	2,359,463,860.52

**(2) Amount of and reason for major changes in the book value during the Reporting Period**
Applicable Not applicable

Other remarks:

Applicable Not applicable

**39. Employee compensations payable**
**(1) Details of employee compensations payable**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
I. Short-term employee compensations	675,907,216.87	2,292,130,278.72	2,374,174,752.46	593,862,743.13
II. Post-employment benefits - defined contribution plan	9,833,426.08	78,193,202.62	77,494,498.58	10,532,130.12
III. Dismissal welfare				
IV. Other welfare maturing within one year				

Total	685,740,642.95	2,370,323,481.34	2,451,669,251.04	604,394,873.25
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**(2) Details of short-term employee compensations**

 ✓Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
I. Salary, bonus, allowance and subsidy	663,935,432.91	2,085,816,407.32	2,167,405,423.14	582,346,417.09
II. Employee welfare expenses		103,081,150.94	103,081,150.94	
III. Social insurance premiums	6,209,676.09	57,756,621.98	58,289,952.51	5,676,345.56
Including: medical insurance	5,634,649.63	52,813,449.54	53,362,724.52	5,085,374.65
Work-related injury insurance	480,202.42	4,783,044.90	4,767,508.35	495,738.97
Maternity insurance fee	94,824.04	160,127.54	159,719.64	95,231.94
IV. Housing provident funds	4,821,932.75	38,247,490.81	39,023,353.00	4,046,070.56
V. Labor union expenditures and employee education expenses	940,175.12	7,228,607.67	6,374,872.87	1,793,909.92
VI. Short-term paid absence				
VII. Short-term profit-sharing plan				
Total	675,907,216.87	2,292,130,278.72	2,374,174,752.46	593,862,743.13

**(3) Details of defined contribution plans**

 ✓Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
1. Basic endowment insurance	9,524,255.81	75,194,534.72	74,869,476.56	9,849,313.97
2. Unemployment insurance	309,170.27	2,998,667.90	2,625,022.02	682,816.15
3. Enterprise annuity payment				
Total	9,833,426.08	78,193,202.62	77,494,498.58	10,532,130.12

Other remarks:

Applicable Not applicable

**40. Taxes payable**

 ✓Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
VAT	136,972,730.51	90,551,767.13
Consumption tax		
Business tax		

Enterprise income tax	236,569,675.12	264,952,268.88
Individual income tax	8,665,300.53	10,082,737.56
Urban maintenance and construction tax	1,897,735.07	805,813.17
Property tax	14,937,162.27	7,024,583.39
Land use tax	7,375,116.49	1,909,353.15
Educational surcharges	813,315.03	345,728.74
Local educational surcharges	542,210.03	230,485.80
Mining tax	94,440,315.64	125,291,332.19
Other taxes and fees	30,306,471.19	41,212,419.42
Total	532,520,031.88	542,406,489.43

Other remarks:

None

#### 41. Other payables

##### Presented by items

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Interests payable		
Dividends payable		
Other payables	4,411,853,636.24	4,612,710,195.77
Total	4,411,853,636.24	4,612,710,195.77

Other remarks:

None

##### Interests payable

Applicable Not applicable

##### Dividends payable

Applicable Not applicable

##### Other payables

###### (1) Other payables presented by nature of funds

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Cash pledge and security deposit	50,474,607.24	54,620,266.65
Financing funds under the after-sale leaseback agreement	2,470,061,153.94	1,315,602,669.87
Others	34,180,421.72	16,031,748.12
Borrowing and interests	1,239,570,116.04	2,595,440,936.93
Restricted shares incentive holders	617,567,337.30	631,014,574.20
Total	4,411,853,636.24	4,612,710,195.77

###### (2) Major other payables with aging over 1 year

Applicable Not applicable

Other remarks:

Applicable Not applicable

The ending amount of borrowing and interests mainly include a) borrowing funds of RMB 451,020,293.88 from GLAUCOUS INTERNATIONAL PTE. LTD; b) borrowing funds of RMB 130,888,760.36 from Qingshan Holdings Group Co., Ltd; c) borrowing funds of RMB 645,787,112.36 from NEWSTRIDE TECHNOLOGY; d) borrowing funds of RMB 11,543,215.50 from Ruby Mining Hongkong Limited.

**42. Held-for-sale liabilities**
Applicable Not applicable

**43. Non-current liabilities maturing within one year**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Long-term borrowings maturing within one year	5,315,032,689.21	3,985,827,625.43
Bonds payable maturing within one year		
Long-term payables maturing within one year		
Lease liabilities maturing within one year	48,528,763.47	50,080,626.56
Payment for after-sale leaseback maturing within one year	1,963,060,846.50	1,722,020,059.88
Total	7,326,622,299.18	5,757,928,311.87

Other remarks:

None

**44. Other current liabilities**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Short-term bonds payable	1,426,394,022.07	1,311,482,728.68
Payable refunds		
Output tax to be carried forward	265,910,867.55	235,500,632.27
Total	1,692,304,889.62	1,546,983,360.95

Increase/decrease of short-term bonds payable:

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Bond	Nominal value	Issuance date	Maturity period	Issuance amount	Beginning balance	Amount issued in the current period	Interest accrued by face value	Amortization of premiums or discounts	Amount repaid off in the current period	Ending balance
22 Huayou Cobalt SCP001 (Science and Technology Innovation Notes)	100	2022.8.16	267 days	600,000,000.00	608,047,500.00		8,278,089.04	-660,000.00	616,985,589.04	0.00
22 Huayou Cobalt SCP002 (Science and Technology Innovation Notes)	100	2022.10.27	270 days	700,000,000.00	703,435,228.68		13,761,027.78	-1,077,765.61		718,274,022.07

23 Huayou Cobalt SCP001 (Science and Technology Innovation Notes)	100	2023.3.20	268 days	700,000,000.00		700,000,000.00	9,100,000.00	980,000.00		708,120,000.00
Total	/	/	/	2,000,000,000.00	1,311,482,728.68	700,000,000.00	31,139,116.82	-757,765.61	616,985,589.04	1,426,394,022.07

Other remarks:

Applicable Not applicable

#### 45. Long-term borrowings

##### (1) Classification of long-term borrowings

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Pledged borrowing		
Mortgaged borrowing		
Guaranteed borrowing	6,340,446,797.74	2,500,159,093.33
Credit borrowing		125,000,000.00
Guaranteed, mortgaged and pledged borrowings	5,491,608,000.00	5,293,096,000.00
Guaranteed and mortgaged borrowings	1,014,575,698.62	1,177,650,298.29
Guaranteed and pledged borrowings	966,959,592.00	2,788,820,678.14
Interest on long-term borrowings	71,673,404.24	43,055,662.03
Total	13,885,263,492.60	11,927,781,731.79

Remarks to the classification of long-term borrowings:

None

Other remarks (including remarks to the interest rate range):

Applicable Not applicable

#### 46. Bonds payable

##### (1) Bonds payable

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Convertible corporate bonds - Huayou Convertible Bonds	6,467,040,778.52	6,323,799,832.42
Total	6,467,040,778.52	6,323,799,832.42

##### (2) Bonds payable

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Bond	Nominal value	Issuance date	Maturity period	Issuance amount	Beginning balance	Amount issued in the current period	Interest accrued by face value	Amortization of premiums or discounts	Amount repaid off in the current period	Ending balance
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Huayou Convertible Bonds	100	2022.2.24	6 years	7,600,000,000	6,323,799,832.42		12,782,604.87	-145,731,525.40	15,273,184.17	6,467,040,778.52
Total	/	/	/	7,600,000,000	6,323,799,832.42		12,782,604.87	-145,731,525.40	15,273,184.17	6,467,040,778.52

### (3) Conditions and time for conversion of shares into corporate bonds

Applicable Not applicable

### (4) Remark to other financial instruments classified as financial liabilities

Basic information of the preference shares, perpetual bonds and other financial instruments issued and outstanding as at the end of the period:

Applicable Not applicable

Table of changes in preference shares, perpetual bonds and other financial instruments issued and outstanding as at the end of the period

Applicable Not applicable

Basis for classifying other financial instruments into financial liabilities

Applicable Not applicable

Other remarks:

Applicable Not applicable

Basic information of convertible bonds

1) With the approval of CSRC in the *Reply on Approval of Public Issuance of Convertible Bonds by Zhejiang Huayou Cobalt Co., Ltd.* (Zheng Jian Xu Ke [2022] No. 209), the Company publicly issued 76 million convertible bonds on February 24, 2022, each with a par value of RMB 100, issued at par value, with a total issue value of RMB 7.6 billion and a term of 6 years.

In accordance with the relevant provisions of the *Accounting Standards for Business Enterprises No. 37 - Presentation of Financial Instruments*, for non-derivative financial instruments that contain both financial liabilities and equity instruments of convertible bonds issued by enterprises, the financial liabilities and equity instruments should be measured separately at the initial recognition. Therefore, the fair value of the financial liabilities corresponding to the convertible bonds issued by the Company after deducting the apportioned issuance expenses shall be RMB 6,063,498,791.20, which shall be included in the bonds payable; the fair value of the equity instruments after deducting the apportioned issuance expenses shall be RMB 1,490,340,831.42, which shall be included in other equity instruments.

2) Conversion of convertible bonds into shares

As of June 30, 2023, a total of 20 convertible bonds of Huayou have been converted into A shares of the Company at a conversion price of RMB 84/share, 310 convertible bonds of Huayou converted into A shares of the Company at a conversion price of RMB 84.19/share, 330 convertible bonds of Huayou converted into A shares of the Company at a conversion price of RMB 84.2/share, 9,280 convertible bonds of Huayou converted into A shares of the Company at a conversion price of RMB 84.24/share, 2,350 convertible bonds of Huayou converted into A shares of the Company at a conversion price of RMB 84.25/share, and 170 convertible bonds of Huayou converted into A shares of the Company at a conversion price of RMB 84.26/share, with a total of 14,685 converted shares (par value of RMB 1 per share). Therefore, after deducting the new share capital of RMB 14,685.00 from the balance of bonds payable corresponding to the bonds of RMB 1,021,690.92, the interest payable of RMB 1,356.32 and other equity instruments of RMB 244,337.44, the Company shall include the difference of RMB 1,252,699.68 in the capital reserve (share premium).

**47. Lease liabilities**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Unpaid lease payments	75,715,562.66	60,294,665.46
Less: unrecognized financing expenses	4,007,597.44	3,224,063.65
Total	71,707,965.22	57,070,601.81

Other remarks:

None

**48. Long-term payables**
**Presented by items**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Long-term payables	5,723,208,619.59	5,155,378,248.88
Special payables		
Total	5,723,208,619.59	5,155,378,248.88

Other remarks:

None

**Long-term payables**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Financing funds under the after-sale leaseback agreement	2,914,726,692.01	2,503,237,492.47
Long-term borrowings and interests	2,808,481,927.58	2,652,140,756.41
Total	5,723,208,619.59	5,155,378,248.88

Other remarks:

None

**Special payables**
Applicable Not applicable

**49. Long-term employee compensations payable**
Applicable Not applicable

**50. Estimated liabilities**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Beginning balance	Ending balance	Cause of formation
External guarantee			
Pending litigation			
Product quality assurance			
Restructuring obligations			
Onerous contract to be performed			

Payable refunds			
Others			
Environmental restoration costs	42,977,538.13	59,113,770.57	Environmental restoration costs accrued in respect of the subsidiaries MIKAS Company, CDM Company, and Prospect Lithium according to the <i>Mining Law</i> of the Democratic Republic of Congo and local regulations of Zimbabwe.
Total	42,977,538.13	59,113,770.57	/

Other remarks (including remarks on major assumptions and estimations with respect to the major estimated liabilities):

None

### 51. Deferred income

Details of deferred income

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Cause of formation
Government subsidies	592,727,660.93	121,017,805.94	32,492,629.30	681,252,837.57	Free subsidies provided by the government
Total	592,727,660.93	121,017,805.94	32,492,629.30	681,252,837.57	/

Items involving government subsidies:

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Liabilities item	Beginning balance	Amount of new subsidies in the current period	Amount included in non-operating income in the current period	Amount included in other incomes in the current period	Other change	Ending balance	Related to assets / income
Subsidy for the projects of informatization and industrialization	745,334.48			31,566.02		713,768.46	Related to assets
Funding and supporting subsidies for provincial-level key enterprises and research institutes	7,999,999.65			500,000.04		7,499,999.61	Related to assets

Financial subsidies for industrial transformation and upgrading	58,193,026.68	38,280,000.00		1,999,060.57		94,473,966.11	Related to assets
Enterprise support funds	24,182,520.68			1,261,045.56		22,921,475.12	Related to assets
Financial subsidies for technological innovation	69,522,151.82	48,200,000.00		3,039,991.64		114,682,160.18	Related to assets
Financial subsidies for technological transformation	27,814,393.77			847,712.70		26,966,681.07	Related to assets
Subsidy for infrastructure construction	252,165,072.51	4,825,800.00		6,306,993.91		250,683,878.60	Related to assets
Special subsidies for energy conservation and industrial circular economy	15,423,651.47			344,565.60		15,079,085.87	Related to assets
Subsidies for life cycle green manufacturing projects	23,812,310.66			601,045.80		23,211,264.86	Related to assets
Subsidies for the project of wastewater treatment optimization and comprehensive utilization of renewable resources	10,665,475.92			311,508.48		10,353,967.44	Related to assets
Central special fund for air pollution prevention and control	1,320,000.00			90,000.00		1,230,000.00	Related to assets
Project of industrial chain collaborative innovation	13,500,000.00	1,500,000.00		517,729.02		14,482,270.98	Related to assets
Subsidies for industrial internet innovation and development projects	8,703,515.85	4,495,000.00		435,043.30		12,763,472.55	Related to assets
Enterprise development support funds	3,604,800.00	2,403,200.00		6,008,000.00			Related to income
Subsidy for collaborative innovation projects in high-quality development industries	13,333,333.34			500,000.00		12,833,333.34	Related to assets

Subsidies for industrial productive investment projects	7,816,657.49			500,000.04		7,316,657.45	Related to assets
Subsidies for innovation driven funding projects	15,448,575.34	2,000,000.00		3,457,710.00		13,990,865.34	Related to assets
Subsidies for fixed assets investment	6,329,442.17			191,991.34		6,137,450.83	Related to assets
Special subsidies for technological transformation	28,605,489.09	5,000,000.00		2,241,128.71		31,364,360.38	Related to assets
Other sporadic subsidies	1,678,939.54	11,500,000.00		315,155.40		12,863,784.14	Related to assets
Other sporadic subsidies	1,862,970.47	2,813,805.94		2,992,381.17		1,684,395.24	Related to income
<b>Total:</b>	<b>592,727,660.93</b>	<b>121,017,805.94</b>		<b>32,492,629.30</b>		<b>681,252,837.57</b>	

Other remarks:

Applicable Not applicable

## 52. Other non-current liabilities

Applicable Not applicable

## 53. Share capital

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

	Beginning balance	Increase or decrease (+, -)					Ending balance
		Shares newly issued	Shares granted	Shares converted from capital reserve	Others	Sub-total	
Total number of shares	1,599,678,228.00	1,026.00			-214,113.00	-213,087.00	1,599,465,141.00

Other remarks:

The total amount of share capital in this period decreased by RMB 213,087.00. Please refer to “55. Capital reserve”, “VII. Notes to the Items in the Consolidated Financial Statements”, “Section X Financial Report” of this report for details.

## 54. Other equity instrument

### (1) Basic information of the preference shares, perpetual bonds and other financial instruments issued and outstanding as at the end of the period:

Applicable Not applicable

Please refer to “46. Bonds payable”, “VII. Notes to the Items in the Consolidated Financial Statements”, “Section X Financial Report” of this report for details.

**(2) Table of changes in preference shares, perpetual bonds and other financial instruments issued and outstanding as at the end of the period**

✓Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Financial Instruments issued and outstanding	Beginning balance		Increases in the current period		Decrease in the current period		Ending balance	
	Quantity	Book value	Quantity	Book value	Quantity	Book value	Quantity	Book value
Huayou Convertible Bonds	75,988,380.00	1,490,112,966.16			900.00	17,648.76	75,987,480.00	1,490,095,317.40
Total	75,988,380.00	1,490,112,966.16			900.00	17,648.76	75,987,480.00	1,490,095,317.40

Changes in other equity instruments during the current period and the reasons therefor, as well as the basis for the accounting treatment:

✓Applicable □Not applicable

Please refer to “46. Bonds payable”, “VII. Notes to the Items in the Consolidated Financial Statements”, “Section X Financial Report” of this report for details.

Other remarks:

□Applicable ✓Not applicable

**55. Capital reserves**

✓Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Beginning balance	Increases in the current period	Decrease in the current period	Ending balance
Capital premium (share capital premium)	9,611,903,190.91	6,032,968.93	6,841,883.70	9,611,094,276.14
Other capital reserves	786,602,173.68	236,838,411.21	2,265,774.00	1,021,174,810.89
Total	10,398,505,364.59	242,871,380.14	9,107,657.70	10,632,269,087.03

Other remarks (including remarks to the increase/decrease in the current period and the reason therefor):

**(1) Increase/decrease of share capital premium**

The capital reserve (share capital premium) increases by RMB 6,032,968.93 in the current period, including the following:

1) Upon authorization by the first extraordinary shareholders' meeting in 2021 and poll results of the 49th meeting of the fifth board of directors of the Company, the unlocking conditions for the first unlocking period regarding the second grant of the reserved part of the restricted shares under the 2021 Restricted Shares Incentive Plan of the Company have been fulfilled, and 56,940 shares held by 31 incentive targets can be unlocked. The recognized share payment amount was RMB 2,265,774.00, which should be transferred from capital reserve (other capital reserve) to capital reserve (share capital premium), the amount of treasury stock decreased by RMB2,530,326.00, and the amount of other payables decreased by RMB 2,530,326.00;

2) Share capital of RMB 1,026.00 and capital reserve (share capital premium) of RMB 92,194.93 were generated from conversion of the convertible bonds. Please refer to “46. Bonds payables”, “VII. Notes to the Items in the Consolidated Financial Statements”, “Section X Financial Report” of this report for details;

3) Minority shareholders of the subsidiary Jiangsu Huayou made capital contribution at a premium, generating capital premium of RMB 10,500,000. The Company recognized the capital premium of RMB 3,675,000 based on the shareholding ratio;

The capital reserve (share capital premium) decreases by RMB 6,841,883.70 in the current period, including the following

Upon authorization by the first extraordinary shareholders' meeting in 2021 and the second extraordinary shareholders' meeting in 2022 and poll results of the 49th meeting of the fifth board of directors of the Company, the Company repurchased and cancelled 214,113 restricted shares granted to 30 incentive targets but not yet unlocked. The share capital decreased by RMB 214,113.00, the capital reserve (share capital premium) decreased by RMB6,841,883.70, the amount of treasury stock decreased by RMB7,019,693.70, and the amount of other payables decreased by RMB7,019,693.70.

(2) Increase/decrease of other capital reserve in the current period

Capital reserve (other capital reserve) increased by RMB236,838,411.21 in the current period, which is the share payment amount of RMB236,838,411.21 for restricted shares in 2023 recognized in accordance with the Company's shares incentive plan.

Capital reserve (other capital reserve) decreased by RMB 2,265,774.00 in the current period, which is the share payment amount of RMB2,265,774.00 recognized due to unlocking the second grant of the reserved part of the restricted shares under the Company's 2021 Restricted Shares Incentive Plan, and transferred from capital reserve (other capital reserve) to capital reserve (share capital premium).

## 56. Treasury stock

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Beginning balance	Increases in the current period	Decrease in the current period	Ending balance
Restricted shares	631,014,574.20		13,447,236.90	617,567,337.30
Total	631,014,574.20		13,447,236.90	617,567,337.30

Other remarks (including remarks to the increase/decrease in the current period and the reason therefor):

(1) Holders of restricted shares in this period received dividends on ordinary shares, resulting in a reduction of treasury stock by RMB 3,897,217.20 and other payables by RMB 3,897,217.20;

(2) For other changes, please refer to the contents of "55. Capital reserve", "VII. Notes to the Items in the Consolidated Financial Statements", "Section X Financial Report" of this report for details.

## 57. Other comprehensive income

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Beginning balance	Amount incurred in the current period						Ending balance
		Amount incurred before income tax in the current period	Less: amount included in other comprehensive income previously and then transferred into current profits and losses	Less: amount recorded in other comprehensive incomes in the prior period and converted into retained earnings in the current period	Less: income tax expense	Attributable to parent company after tax	Attributable to minority shareholders after tax	
I. Other comprehensive incomes that cannot be reclassified into profit and loss	-49,068,581.76							-49,068,581.76
Including: change in re-measurement of the defined benefit plan								
Other comprehensive income that cannot be transferred to profit or loss								

under the equity method								
Changes in fair value of the other equity instrument investment	-49,068,581.76							-49,068,581.76
Changes in the fair value of the Company's own credit risk								
II. Other comprehensive income that will be reclassified to profit and loss	825,474,144.63	948,113,037.45				716,650,875.47	231,462,161.98	1,542,125,020.10
Including: other comprehensive income that can be transferred to profit and loss under the equity method	51,984,326.23	34,961,428.08				34,961,428.08		86,945,754.31
Changes in fair value of other debt investments								
Amount of financial assets reclassified into other comprehensive income								
Provision for credit impairment of other creditors' rights investments								
Cash flow hedge reserves								
Differences arising from translation of foreign-currency financial statements	773,489,818.40	913,151,609.37				681,689,447.39	231,462,161.98	1,455,179,265.79
Total other comprehensive income	776,405,562.87	948,113,037.45				716,650,875.47	231,462,161.98	1,493,056,438.34

Other remarks (including remarks to the adjustment converting effective part of profit and loss of cash flow hedges to the initial recognition amount of the hedged item):

None

### 58. Special reserves

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Beginning balance	Increases in the current period	Decrease in the current period	Ending balance
Safety production fee		42,456,833.05	42,456,833.05	
Mine development fund	27,349,451.51	9,113,127.42	155,644.82	36,306,934.11
Total	27,349,451.51	51,569,960.47	42,612,477.87	36,306,934.11

Other remarks (including remarks to the increase/decrease in the current period and the reason therefor):  
 The safety production fee are withdrawn and used by the Company and its subsidiaries Huayou Quzhou, New Energy Quzhou, etc. in accordance with the *Administrative Measures for the Withdrawal and Use of Enterprise Safety Production Fee* jointly issued by the Ministry of Finance and the State Administration of Work Safety (Cai Qi [2022] No. 136). The Mine development fund is withdrawn by subsidiaries CDM Company and MIKAS Company in accordance with the relevant provisions of the *Mining Law* of the Democratic Republic of Congo.

### 59. Surplus reserves

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Beginning balance	Increases in the current period	Decrease in the current period	Ending balance
Statutory surplus reserves	328,198,605.34			328,198,605.34
Discretionary surplus reserves				
Reserve funds				
Enterprise development funds				
Others				
Total	328,198,605.34			328,198,605.34

Notes to the surplus reserves (including remarks to the increase/decrease in the current period and the reason therefor):

None

### 60. Undistributed profits

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount in the current period	Amount in last year
Undistributed profit as at end of the previous period before adjustment	11,903,922,527.16	8,376,281,013.68
Total adjustment to undistributed profits as at the beginning of the period (“+” for increase, “-” for decrease)		
Undistributed profits as at the beginning of the current period after adjustment	11,903,922,527.16	8,376,281,013.68
Plus: net profit attributable to owners of the parent company in the current period	2,085,104,942.66	3,909,880,668.82
De-recognition of other equity instrument investments		2,513,800.00
Less: withdrawal of statutory surplus reserves		18,466,340.44
Withdrawal of discretionary surplus reserves		
Withdrawal of generic risk reserves		
Ordinary share dividends payable	319,856,706.60	366,286,614.90
Ordinary share dividends transferred to share capital		

Undistributed profits as at the end of the period	13,669,170,763.22	11,903,922,527.16
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Details of the adjustment of undistributed profits at the beginning of period:

- 1). Due to retroactive adjustment under the *Accounting Standard for Business Enterprises* and relevant new regulations, the undistributed profits at the beginning of the period is affected by RMB 0.00.
- 2). Due to change in accounting policy, the undistributed profits at the beginning of the period are affected by RMB 0.00.
- 3). Due to correction of major accounting errors, the undistributed profits at the beginning of the period are affected by RMB 0.00.
- 4). Due to changes in consolidation scope caused by business combination under common control, the undistributed profits at the beginning of the period are affected by RMB 0.00.
- 5). Due to other adjustments, the undistributed profits at the beginning of the period are affected by RMB 0.00.

## 61. Operating income and operating cost

### (1) Details of operating income and operating cost

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Income	Cost	Income	Cost
Primary business	32,604,215,671.85	27,833,734,932.10	30,448,516,515.74	24,736,210,738.15
Other businesses	741,321,847.91	538,577,016.30	569,787,751.32	321,523,494.00
Total	33,345,537,519.76	28,372,311,948.40	31,018,304,267.06	25,057,734,232.15

### (2) Income from contracts

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Classification of contracts	Division 1	Total
By commodity type		
Cobalt products	2,319,054,315.83	2,319,054,315.83
Copper products	2,519,872,683.90	2,519,872,683.90
Nickel products	3,132,006,119.15	3,132,006,119.15
Ternary precursor	4,982,425,191.87	4,982,425,191.87
Cathode materials	10,720,212,662.98	10,720,212,662.98
Nickel intermediate	3,820,418,472.14	3,820,418,472.14
Lithium products	659,215,594.74	659,215,594.74
Trade and others	5,188,894,902.58	5,188,894,902.58
By business area		
Domestic	15,401,752,868.72	15,401,752,868.72
Overseas	17,940,347,074.47	17,940,347,074.47
By market or customer type		
By contract type		
By time of commodity transfer		
Recognition of income at a certain point of time	33,342,099,943.19	33,342,099,943.19
By contract term		
By sales channel		
Total	33,342,099,943.19	33,342,099,943.19

Remark to the income from contracts:

Among them, the income from contracts is RMB 33,342,099,943.19, and the cost is RMB 28,370,847,309.84. The difference between it and the total operating income is rental income in other business income.

**(3) Remark to performance obligations:**

Applicable Not applicable

**(4) Remark to apportioned to the remaining performance obligations:**

Applicable Not applicable

Other remarks:

None

**62. Taxes and surcharges**

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Consumption tax		
Business tax		
Urban maintenance and construction tax	6,561,399.75	16,547,849.68
Educational surcharges	2,817,581.18	7,094,337.04
Resource tax		
Property tax	21,023,176.06	7,716,498.86
Land use tax	12,680,483.87	3,617,711.46
Vehicle and vessel use tax	49,023.15	8,499.73
Stamp tax	24,525,086.59	12,948,190.57
Local educational surcharges	1,878,388.51	4,736,636.34
Mining tax	149,029,903.98	229,296,560.81
Export tariffs		
Environmental protection tax		
Disabled employment security fund		
Others	1,675,249.35	3,432,585.31
Total	220,240,292.44	285,398,869.80

Other remarks:

None

**63. Selling and distribution expenses**

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensations	21,952,376.02	18,194,388.87
Others	42,354,349.78	15,063,006.30
Total	64,306,725.80	33,257,395.17

Other remarks:

None

**64. General and administrative expenses**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensations and incentives	434,182,623.33	316,431,937.63
Office expense	75,537,406.95	51,832,110.48
Services fee	147,848,958.80	84,645,460.54
Business entertainment expenses	13,196,103.46	9,901,375.49
Depreciation and amortization	120,886,568.34	66,087,327.62
Insurance premium	16,086,470.40	17,200,041.09
Aircraft usage fee	6,074,878.75	8,082,819.63
Share-based payment fees	236,838,411.21	113,149,081.73
Others	65,034,881.17	93,631,934.02
Total	1,115,686,302.41	760,962,088.23

Other remarks:

None

**65. R&D expenses**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Employee compensations	212,271,001.71	123,956,277.11
Material consumption	372,179,358.19	654,685,612.86
Depreciation and amortization	91,551,326.72	29,584,517.35
Others	83,736,930.87	31,508,563.93
Total	759,738,617.49	839,734,971.25

Other remarks:

None

**66. Financial expenses**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Interests expense	1,014,387,408.71	457,399,824.85
Interests income	-118,381,450.87	-52,888,581.03
Profit or loss on exchange	-436,290,858.16	-103,688,132.55
Handling charges and others	78,999,263.18	51,621,008.53
Total	538,714,362.86	352,444,119.80

Other remarks:

None

**67. Other incomes**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Government subsidies related to assets	21,273,973.15	15,758,213.49
Government subsidies related to income	132,686,907.20	134,265,029.06
Return of handling charges for withholding individual income tax	2,192,775.58	1,104,241.56

Total	156,153,655.93	151,127,484.11
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Other remarks:  
None

### 68. Investment income

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Long-term equity investment income accounted by equity method	899,796,221.85	651,592,731.71
Income from disposal of long-term equity investments	3,191,849.90	-6,393,858.53
Investment income from available-for-sale financial assets during the holding period		
Dividend income from other equity instrument investments during the holding period		
Interests income from debt investments during the holding period		13,238,849.16
Interests income from other debt investments during the holding period		
Investment income from disposal of held-for-trading financial assets		
Investment income from disposal of other equity instruments investment		
Investment income from disposal of creditor's right investments		
Investment income from disposal of other creditor's right investments		
Income from debt restructuring		
Investment income from disposal of financial instruments	-117,324,378.77	-91,874,250.46
Investment income from financial products	2,857,058.67	4,196,429.87
Total	788,520,751.65	570,759,901.75

Other remarks:

None

### 69. Gains from net exposure hedge

Applicable Not applicable

### 70. Gains from changes in fair value

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Sources for gains from change in fair value	Amount incurred in the current period	Amount incurred in the previous period
Held-for-trading financial assets	137,684,032.30	5,384,944.48
Including: income from changes in fair value arising from derivative financial instruments	128,604,308.28	5,384,944.48

Held-for-trading financial liabilities	-50,853,870.53	-97,227,339.05
Investment real estates measured at fair value		
Income from change in fair value of financial products		258,979.16
Hedge gain or loss	45,150,457.31	-4,489,691.59
Total	131,980,619.08	-96,073,107.00

Other remarks:

None

### 71. Loss from credit impairment

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Loss from bad debts of notes receivable		
Loss from bad debts of accounts receivable		
Loss from bad debts of other receivables		
Losses from impairment of debt investments		
Losses from impairment of other debt investments		
Loss from bad debts of long-term receivables		
Loss from impairment of contract assets		
Loss from bad debts	-71,078,135.82	-218,340,909.98
Total	-71,078,135.82	-218,340,909.98

Other remarks:

None

### 72. Asset impairment loss

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
I. Loss from bad debts		
II. Loss from depreciation of inventories and impairment of contract performance costs	-18,786,617.48	-537,000,710.94
III. Loss from impairment of long-term equity investments		
IV. Loss from impairment of investment real estates		
V. Loss from impairment of fixed assets		
VI. Loss from impairment of project materials		
VII. Loss from impairment of construction in progress		
VIII. Loss from impairment of productive biological assets		
IX Loss from impairment of oil and natural gas assets		

X. Loss from impairment of intangible assets		
XI. Loss from impairment of goodwill	-1,032,217.39	
XII. Others		
Total	-19,818,834.87	-537,000,710.94

Other remarks:

None

### 73. Gains from disposal of assets

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Income from disposal of fixed assets	-3,019,116.47	9,658.92
Total	-3,019,116.47	9,658.92

Other remarks:

Applicable Not applicable

None

### 74. Non-operating income

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount included in the current non-recurring profit or loss
Total gains or losses from disposal of non-current assets	4,881.96	563,222.72	4,881.96
Including: gain from disposal of fixed assets	4,881.96	563,222.72	4,881.96
Gain from disposal of intangible assets			
Gain from debt restructuring			
Gain from exchange of non-monetary assets			
Donations received			
Government subsidies			
Compensation received	982,043.50	3,000,000.00	982,043.50
Liquidated damages received	1,621,500.00		1,621,500.00
Others	2,031,603.38	2,595,801.00	2,031,603.38
Total	4,640,028.84	6,159,023.72	4,640,028.84

Government subsidies included in the current profit or loss:

Applicable Not applicable

Other remarks:

Applicable Not applicable

### 75. Non-operating expenses

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount included in the current non-recurring profit or loss
Total losses from disposal of non-current assets	11,501,777.19	1,205,732.46	11,501,777.19
Including: loss from disposal of fixed assets	11,302,122.19	1,205,732.46	11,302,122.19
Loss from disposal of intangible assets	199,655.00		199,655.00
Loss from debt restructuring			
Loss from exchange of non-monetary assets			
Donations made	10,442,223.61	450,066.74	10,442,223.61
Others	3,130,035.41	1,930,416.92	3,130,035.42
Total	25,074,036.21	3,586,216.13	25,074,036.21

Other remarks:

None

### 76. Income tax expense

#### (1) Statement of income tax expense

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Current income tax expense	264,831,103.64	680,794,474.85
Deferred income tax expense	24,765,190.35	-142,131,079.68
Total	289,596,293.99	538,663,395.17

#### (2) Adjustment process of accounting profit and income tax expense

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period
Total profit	3,236,844,202.49
Income tax expense calculated according to statutory/applicable tax rate	485,526,630.37
Effect of applying different tax rates to subsidiaries	35,584,079.80
Effect of adjustment on income tax in previous periods	
Effect of non-taxable income	-211,556,729.80
Impact from non-deductible costs, expenses and losses	-42,843,328.59

Effect of using the deductible losses from deferred income tax assets unrecognized in the previous periods	
Effect of deductible temporary differences or deductible losses of unrecognized deferred income tax assets in the current period	22,885,642.21
Income tax expense	289,596,293.99

Other remarks:

Applicable Not applicable

### 77. Other comprehensive income

Applicable Not applicable

See the note for details.

### 78. Items in the Statement of Cash Flows

#### (1) Cash received from other operating activities

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Recovery of cash and bank balances that do not meet the definition of "cash and cash equivalents"	1,030,421,434.82	1,596,883,996.13
Received government subsidies related to operating activities	244,678,832.57	184,156,481.72
Interests income	118,381,450.87	52,888,581.03
Others	4,640,028.84	2,595,801.00
Total	1,398,121,747.10	1,836,524,859.88

Remarks to cash received from other operating activities:

None

#### (2) Cash paid for other operating activities

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Payment of cash and bank balances that do not meet the definition of "cash and cash equivalents"	502,043,686.12	2,739,327,300.65
Out-of-pocket expenses	481,477,157.97	341,804,364.90
L/C deposit		289,835,691.55
Total	983,520,844.09	3,370,967,357.10

Remarks to cash paid for other operating activities:

None

#### (3) Cash received from other investing activities

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period

Recovery of cash and bank balances that do not meet the definition of “cash and cash equivalents”	1,296,962,686.32	238,601,618.28
Received repayment of inter-bank lending	328,350,521.76	
Received interests on inter-bank lending		13,438,205.62
Equipment payment received from Indonesian Huafei		269,731,327.93
<b>Total</b>	<b>1,625,313,208.08</b>	<b>521,771,151.83</b>

Remarks to cash received from other investing activities:

None

#### (4) Cash paid for other investing activities

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Payment of cash and bank balances that do not meet the definition of “cash and cash equivalents”	472,672,756.88	474,240,800.63
Inter-bank lending	331,963,421.76	120,544,960.97
Refund of advance equity payment	246,047,900.00	
Equipment payment paid by Indonesian Huafei		566,869,605.74
Disposal of HANARI		171,388.08
<b>Total</b>	<b>1,050,684,078.64</b>	<b>1,161,826,755.42</b>

Remarks to cash paid for other investing activities:

None

#### (5) Cash received from other financing activities

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Recovery of cash and bank balances that do not meet the definition of “cash and cash equivalents”	916,517,753.46	620,221,956.10
Financing funds under after-sale repurchase agreement	1,438,076,810.66	637,356,301.88
Inter-bank lending	117,805,785.81	746,550,426.75
Financing funds under the after-sale leaseback agreement	1,078,903,676.58	3,016,198,387.66
Cash received from discounted financing bank acceptance bills		6,000,000.00
Transfer of partial equity of subsidiaries		276,655,616.49
<b>Total</b>	<b>3,551,304,026.51</b>	<b>5,302,982,688.88</b>

Remarks to cash received from other financing activities:

None

#### (6) Cash paid for other financing activities

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
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	period	previous period
Payment of cash and bank balances that do not meet the definition of “cash and cash equivalents”	1,187,604,570.24	799,999,554.93
Repayment funds for after-sales repurchase	664,821,028.64	139,707,302.12
Inter-bank lending		
Payment funds for after-sales leaseback	511,073,305.87	468,290,106.77
Financing bank acceptance bills subject to acceptance upon maturity		
Issuance costs	1,563,333.33	48,930,000.00
Recovery of after-sales leaseback deposit		69,010,200.00
Payment for lease liabilities	21,422,440.15	32,282,970.91
Others		
Total	2,386,484,678.23	1,558,220,134.73

Remarks to cash paid for other financing activities:

None

## 79. Supplementary information to the Statement of Cash Flows

### (1) Supplementary information to the Statement of Cash Flows

√Applicable □Not applicable

Monetary 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 profit	2,947,247,908.50	3,023,164,319.94
Plus: provision for asset impairment	19,818,834.87	537,000,710.94
Loss from credit impairment	71,078,135.82	218,340,909.98
Depreciation of fixed assets, oil and natural gas assets and productive biological assets	1,223,173,982.61	678,994,707.99
Depreciation of right of use assets	33,412,612.60	15,586,577.50
Amortization of intangible assets	59,900,534.94	46,924,137.65
Amortization of long-term deferred expenses	40,005,083.50	13,787,741.01
Loss from disposal of fixed assets, intangible assets and other long-term assets (“-” for gains)	3,019,116.47	-9,658.92
Loss from scrapping of fixed assets (“-” for gains)	11,501,777.19	642,509.74
Loss on changes in fair value (“-” for gains)	-131,980,619.08	96,073,107.00
Financial expenses (“-” for gains)	608,506,785.84	457,399,824.85
Investment loss (“-” for gains)	-788,520,751.65	-674,363,635.43
Decrease in deferred income tax assets (“-” for increase)	-54,531,285.21	-157,970,457.02
Increase in deferred income tax liabilities (“-” for decrease)	79,296,475.56	15,839,377.34
Decrease in inventories (“-” for increase)	-570,805,117.15	-5,012,717,859.74

Decrease in operating receivables (“-” for increase)	758,005,186.42	-5,772,186,973.26
Increase in operating payables (“-” for decrease)	-2,751,490,394.89	5,334,620,253.26
Others	236,838,411.21	121,463,348.65
Net cash flow from operating activities	1,794,476,677.55	-1,057,411,058.52
<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 maturing within 1 year		
Fixed assets acquired under financing leases		
<b>3. Net changes in cash and cash equivalents:</b>		
Ending balance of cash	9,656,926,997.30	12,918,044,204.99
Less: beginning balance of cash	8,579,643,614.59	6,108,393,395.75
Plus: ending balance of cash equivalents		
Less: beginning balance of cash equivalents		
Net increase in cash and cash equivalents	1,077,283,382.71	6,809,650,809.24

**(2) Net cash paid for acquisition of subsidiaries in the current period**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount
Cash or cash equivalents paid in the period for business combinations incurred during the period	345,192,630.36
KNI	345,192,630.36
Less: cash and cash equivalents held by subsidiaries on the date of acquisition	305,732.18
KNI	305,732.18
Net cash paid for acquisition of subsidiaries	344,886,898.18

Other remarks:

None

**(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

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
I. Cash	9,656,926,997.30	8,579,643,614.59
Including: cash in hand	12,164,515.33	25,777,978.79
Unrestricted bank deposit available for payment	8,396,578,433.95	8,023,817,529.04
Other unrestricted cash and bank balances	1,248,184,048.02	530,048,106.76

Unrestricted deposits in central bank		
Deposits with banks and other financial institutions		
Loans from banks and other financial institutions		
II. Cash equivalents		
Including: bond investments maturing within 3 months		
III. Ending balance of cash and cash equivalents	9,656,926,997.30	8,579,643,614.59
Including: restricted cash and cash equivalents of the parent company or subsidiaries within the group		

Other remarks:

Applicable Not applicable

### 80. Notes to items in the Statement of Changes in Equity

Specify the name, adjustment amount and other matters of “Others” item with ending balance in last year adjusted:

Applicable Not applicable

### 81. Assets with restricted ownership or right of use

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending book value	Reason for restriction
Cash and cash equivalents	5,774,551,004.71	The RMB 5,774,551,004.71 is other cash and cash equivalents, including the bank acceptance deposit of RMB 3,736,964,573.19, letter of credit deposit of RMB 594,226,255.96, letter of guarantee deposit of RMB 6,052,500.00, loan deposit of RMB 1,187,604,570.24, forward foreign exchange settlement deposit of RMB 239,432,279.13, and other deposits of RMB 10,270,826.19.
Receivables financing	507,584,900.22	Being used as pledge guarantee for bank financing
Inventories	426,352,239.19	Being used as pledge guarantees for financing of financial institutions and inventory corresponding to after-sales repurchase
Fixed assets	13,716,062,708.72	Being used as mortgage guarantees for bank financing and fixed assets corresponding to after-sales leaseback
Intangible assets	283,450,947.97	Being used as mortgage guarantee for bank financing
Held-for-trading financial assets	207,705,323.09	Being used as pledge guarantee for bank financing
Construction in progress	4,494,031,887.05	Being used as mortgage guarantees for bank financing and construction in progress corresponding to after-sales leaseback
Total	25,409,739,010.95	/

Other remarks:

At the end of the period, the Company provided pledge guarantees for its financing with the 36.86% equity of Tianjin B&M, 80.00% equity of CDM Company, 80.68% equity of Huayou Quzhou,

100.00% equity of Huayuan Copper, 30.00% equity of Huake Nickel, 57.00% equity of Huayue Company, and 50% equity of Prospect Lithium which are all its subsidiaries.

According to the Account Pledge Agreement signed between Huayue Company and Jakarta Branch of Bank of China (Hong Kong) Limited, Huayue Company has pledged some of its accounts opened in the bank to the bank. For details, please refer to “1. Major commitments”, “XIV. Commitment and Contingencies”, “Section X Financial Report” in this report for details.

## 82. Monetary items in foreign currency

### (1) Monetary items in foreign currency

√Applicable □Not applicable

Monetary unit: Yuan

Item	Ending balance in foreign currency	Conversion rate	Ending balance translated in RMB
Cash and cash equivalents	-	-	6,716,824,470.51
Including: USD	912,175,480.84	7.2258	6,591,197,589.45
EUR	489,878.63	7.8771	3,858,822.96
HKD	1,169,214.47	0.9220	1,077,992.36
IDR	225,162,351,851.00	0.0005	108,978,578.30
ZAR	16,389,513.45	0.3864	6,332,580.21
CDF	467,360,575.87	0.0031	1,437,133.77
SGD	6,430.18	5.3442	34,364.17
ZWL	173,703,880.40	0.0225	3,907,409.30
Accounts receivable	-	-	6,406,466,031.48
Including: USD	884,419,614.66	7.2258	6,390,639,251.61
IDR	32,323,491,436.00	0.0005	15,644,569.86
ZAR	471,582.41	0.3864	182,210.01
Long-term borrowings	-	-	8,559,760,845.24
Including: USD	1,184,610,817.52	7.2258	8,559,760,845.24
Other receivables	-	-	492,018,447.42
Including: USD	65,438,958.42	7.2258	472,848,825.74
EUR	8,280.00	7.8771	65,222.39
HKD	1,200.00	0.9220	1,106.38
IDR	38,885,912,419.00	0.0005	18,820,781.61
ZAR	92,000.00	0.3864	35,546.96
HUF	11,638,282.00	0.0212	246,964.34
Long term receivables	-	-	514,561,943.41
Including: USD	52,763,829.32	7.2258	381,260,828.39
IDR	267,001,996,830.00	0.0005	133,301,115.02
Short-term borrowings	-	-	677,909,496.14
Including: USD	77,866,950.52	7.2258	562,651,011.07
EUR	816,529.69	7.8771	6,431,886.02
HKD	118,035,748.12	0.9220	108,826,599.05
Accounts payable	-	-	3,535,436,476.54
Including: USD	398,840,581.22	7.2258	2,881,942,271.78
EUR	468,452.03	7.8771	3,690,043.49
IDR	1,335,581,259,383.26	0.0005	646,421,329.54
ZAR	8,755,193.68	0.3864	3,382,831.73
Other payables	-	-	836,790,103.19
Including: USD	93,503,252.99	7.2258	675,635,805.46
IDR	332,963,425,074.00	0.0005	161,154,297.74
Non-current liabilities maturing within one year	-	-	934,130,964.15

Including: USD	129,277,168.50	7.2258	934,130,964.15
Long-term payables	-	-	2,851,224,614.73
Including: USD	394,589,473.10	7.2258	2,851,224,614.73

Other remarks:

None

**(2) Remarks to overseas business entities, including for important overseas business entities, 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 operating entities	Main place of business	Functional currency	Basis for selection
Huayou Hong Kong	Hong Kong	HKD	Local currency
Huayou Singapore	Singapore	USD	Major local currency
CDM Company	D. R. Congo	USD	Major local currency
MIKAS Company	D. R. Congo	USD	Major local currency
PLZ Company	Zimbabwe	USD	Major local currency
Huayue Company	Indonesia	USD	Major local currency
Huake Company	Indonesia	USD	Major local currency
Huafei Company	Indonesia	USD	Major local currency

**83. Hedging**

√Applicable □Not applicable

Disclosure of qualitative and quantitative information related to hedged items, related hedging instruments, and hedging risks according to the category of hedges:

Name of hedged items	Hedging instruments	Fair value of hedging instrument at the end of the period	Gain or loss on hedging instruments in the current period	Gain or loss arising from the hedging risk of the hedged item
Inventories containing nickel metal	Nickel futures contracts	719,391,740.54	1,192,770,567.00	-1,147,620,109.69
Sub-total		719,391,740.54	1,192,770,567.00	-1,147,620,109.69

During the reporting period, the Company held inventories containing nickel metal. In order to avoid the risk of price fluctuations of the inventories containing nickel metal, the Company used nickel futures contracts or LME nickel futures contracts of Shanghai Futures Exchange for hedging. The Company used hedge accounting methods for accounting treatment. As of the end of the period, the Company's position in nickel futures contracts resulted in a profit of RMB 719,391,740.54 from changes in fair value. The current nickel futures contracts generated a total profit of RMB 1,192,770,567.00, and the inventories containing nickel metal suffered a loss of RMB 1,147,620,109.69 due to hedging risks. The ineffective hedging profit was RMB 45,150,457.31 (including profit of RMB 0.00 for closed position and profit of RMB 45,150,457.31 for open position).

**84. Government subsidies**

**(1) Basic information of government subsidies**

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Category	Amount	Items presented	Amounts included in current profit and loss
Subsidy for the projects of informatization and industrialization	ee	Deferred income, other income	31,566.02
Funding and supporting subsidies for provincial-level key enterprises and research		Deferred income, other income	500,000.04

institutes			
Financial subsidies for industrial transformation and upgrading	38,280,000.00	Deferred income, other income	1,999,060.57
Enterprise support funds	e	Deferred income, other income	1,261,045.56
Financial subsidies for technological innovation	48,200,000.00	Deferred income, other income	3,039,991.64
Financial subsidies for technological transformation		Deferred income, other income	847,712.70
Subsidy for infrastructure construction	4,825,800.00	Deferred income, other income	6,306,993.91
Special subsidies for energy conservation and industrial circular economy		Deferred income, other income	344,565.60
Subsidies for life cycle green manufacturing projects		Deferred income, other income	601,045.80
Subsidies for the project of wastewater treatment optimization and comprehensive utilization of renewable resources		Deferred income, other income	311,508.48
Central special fund for air pollution prevention and control		Deferred income, other income	90,000.00
Project of industrial chain collaborative innovation	1,500,000.00	Deferred income, other income	517,729.02
Subsidies for industrial internet innovation and development projects	4,495,000.00	Deferred income, other income	435,043.30
Enterprise development support funds	2,403,200.00	Deferred income, other income	6,008,000.00
Subsidy for collaborative innovation projects in high-quality development industries		Deferred income, other income	500,000.00
Subsidies for industrial productive investment projects		Deferred income, other income	500,000.04
Subsidies for innovation driven funding projects	2,000,000.00	Deferred income, other income	3,457,710.00
Subsidies for fixed assets investment		Deferred income, other income	191,991.34
Special subsidies for technological transformation	5,000,000.00	Deferred income, other income	2,241,128.71
Other sporadic	14,313,805.94	Deferred income, other	3,307,536.57

subsidies		income	
Tax returns	582,832.86	Other income	582,832.86
Subsidy for stabilizing posts	2,831,860.74	Other income	2,831,860.74
Financial incentives and subsidies	104,095,000.00	Other income	104,095,000.00
Other sporadic subsidies	13,958,557.45	Other income	13,958,557.45
Financial interest subsidies	3,509,092.28	Finance expenses	3,509,092.28
Total	245,995,149.27		157,469,972.63

## (2) Return of government subsidies

Applicable Not applicable

Other remarks:

None

## 85. Others

Applicable Not applicable

## VIII. Changes in Consolidation Scope

### 1. Business combination not under common control

Applicable Not applicable

#### (1) Business combination not under common control incurred in the current period

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Acquiree	Date of equity acquisition	Cost of equity acquisition	Ratio 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
KNI Company	March 2023	IDR764,000,000,000	80.00%	Subscription	March 2023	See remarks		395,654.32

Other remarks:

Based on the poll results of the 44th meeting of the fifth board of directors of the Company, the Company and PT Vale Indonesia Tbk (“Vale Indonesia”) signed the *Definitive Cooperation Agreement* on cooperation in KNI HPAL project. The Company, through its subsidiary Huaqi Hong Kong, will subscribe for the additional shares of KNI Company at the price of IDR 764 billion. Based on the poll results of the 51st meeting of the fifth board of directors of the Company, the Company changed the subject of the cooperation with Vale Indonesia from Huaqi Hong Kong to the subsidiary Huaqi Singapore. Upon completion of the change and subscription, Huaqi Singapore will hold 80% shares of KNI Company and Vale Indonesia will hold 20% shares of KNI Company. As of March 31, 2023, the Company has paid the share subscription consideration, handled the corresponding transfer of property rights and obtained substantial control over it, so it has been included in the consolidated financial statements since that date.

#### (2) Combination costs and goodwill

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Combination cost	KNI Company
--Cash	345,192,630.36

--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	
--Others	
Total combination costs	345,192,630.36
Less: Share of fair value of identifiable net assets acquired	345,192,630.36
Goodwill/combination cost less than share of fair value of identifiable net assets acquired	

Method for determining the fair value of the combination cost, or contingent consideration and their change:

None

Main reason for the formation of the goodwill with large amount:

None

Other remarks:

None

**(3) Identifiable assets and liabilities of the acquiree on the acquisition date**

Applicable Not applicable

**(4) Profit or 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 to combination consideration cannot be reasonably determined or fair values of identifiable assets and liabilities of the acquiree on the acquisition date or at the end of the period of combination**

Applicable Not applicable

**(6) Other remarks:**

Applicable Not applicable

**2. Business combination under the common control**

Applicable Not applicable

**3. Counter purchase**

Applicable Not applicable

#### 4. Disposal of subsidiaries

Whether there is a loss of control due to disposal of investment in subsidiaries through a single transaction

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Name of subsidiary	Equity disposal price	Equity disposal ratio	Equity disposal method	Time of loss of control	Basis for determining the time of loss of control	Difference between the disposal price and the share of net assets of the subsidiary in the consolidated financial statements corresponding to the disposal of investment	Proportion of remaining equity on the date of loss of control	Book value of remaining equity on the date of loss of control	Fair value of remaining equity on the date of loss of control	Gains or losses arising from re-measurement of the remaining equity at fair value	Determination method and main assumptions of the fair value of the remaining equity on the date of loss of control	Amount of other comprehensive income related to equity investment in the subsidiary transferred to investment profit or loss
Guangxi Recycling	0.00	100.00	Transfer	May 2023	The Company has completed the procedures for the transfer of property rights and lost substantial control over it.	3,191,849.90	0.00					0.00

Other remarks:

√Applicable □Not applicable

The subsidiary Huayou Recycling holds 100.00% equity of Guangxi Recycling. According to the *Equity Transfer Agreement* signed between Huayou Recycling and Zhejiang Youshan New Materials Co., Ltd. in May 2023, Huayou Recycling shall transfer 100% equity of Guangxi Recycling held by it to Zhejiang Youshan New Materials Co., Ltd. at the consideration of 0. As Huayou Recycling no longer has substantial control over Guangxi Recycling, it is no longer included in the consolidated financial statements as of that date.

## 5. Change in consolidation scope for other reasons

Specify the change of consolidation scope caused by other reasons (such as establishment of new subsidiaries and liquidation of subsidiaries) and other related situations.

Applicable Not applicable

Company name	Method of equity acquisition	Time of equity acquisition	Amount of capital contribution	Contribution proportion (%)
Huayou International Investment	New establishment	March 2023	Contribution not made	65.00
Indonesia Huaxiang	New establishment	March 2023	USD980,000.00	98.00
Indonesia Huali	New establishment	March 2023	USD999,960.00	100.00
SLMR	New establishment	April 2023	USD980,000.00	98.00
B&M Hungary	New establishment	May 2023	EUR8000	100.00
Indonesia Huali	New establishment	May 2023	USD999,960.00	100.00
Shanghai Jintian	New establishment	June 2023	Contribution not made	65.00

## 6. Others

Applicable Not applicable

**IX. Equity in other entities**
**1. Equity in subsidiaries**
**(1) Structure of the enterprise group**

√Applicable □Not applicable

Subsidiary's name	Principal place of business	Registration place	Business nature	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Huayou Quzhou	Quzhou City, Zhejiang Province	Quzhou City, Zhejiang Province	Manufacturing	100.00		Establishment
Huayou Hong Kong	Hong Kong	Hong Kong	Trade and wholesale industry	100.00		Establishment
CDM Company	D. R. Congo	D. R. Congo	Manufacturing	100.00		Establishment
MIKAS Company	D. R. Congo	D. R. Congo	Mine development and sales of mineral products	100.00		Business combination not under common control
Huayou New Energy Quzhou	Quzhou City, Zhejiang Province	Quzhou City, Zhejiang Province	Manufacturing	83.86		Establishment
Resource Recycling	Quzhou City, Zhejiang Province	Quzhou City, Zhejiang Province	Sci-tech popularization and application service industry	100.00		Establishment
Huajin Company	Quzhou City, Zhejiang Province	Quzhou City, Zhejiang Province	Chemical materials and chemical products manufacturing	51.00		Establishment
Huayou Puxiang	Tongxiang City, Zhejiang Province	Tongxiang City, Zhejiang Province	Wholesale industry	60.00		Establishment
Huayue Company	Indonesia	Indonesia	Manufacturing	57.00		Establishment
Tianjin	Tianjin	Tianjin City	Manufacturing	36.86		Business

B&M	City					combination not under common control
Chengdu B&M	Jintang County, Sichuan Province	Jintang County, Sichuan Province	Manufacturing	100.00		Business combination not under common control
Huake Company	Indonesia	Indonesia	Manufacturing	70.00		Establishment
Huafei Company	Indonesia	Indonesia	Manufacturing	51.00		Business combination not under common control

Remarks to the subsidiaries in which the ownership ratio is different from the voting right ratio:  
None

Basis for determining the control over an investee while holding its half or less than half voting rights, and non-control over an investee while holding its more than half voting rights:  
None

Basis for determining control in case of the important structured entities included in the scope of consolidation:  
None

Basis for determining whether the Company is an agent or a principal:  
None

Other remarks:

The Company directly holds 36.86% equity of Tianjin B&M, and Huayou Holdings has entrusted the Company with the voting right corresponding to the 25.20% equity of Tianjin B&M, so Tianjin B&M was included in the consolidation scope. Chengdu B&M is a wholly-owned subsidiary of Tianjin B&M.

## (2) Major non-wholly owned subsidiaries

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Subsidiary's name	Ownership ratio of minority shareholders (%)	Profit and loss attributable to minority shareholders in the	Dividend declared to minority shareholders in the current period	Ending balance of minority equity

		current period	
Huajin Company	49.00	11,378,552.86	454,925,018.82
Huayou Puxiang	40.00	-22,345,616.34	599,186,296.68
Huayou New Energy Quzhou	16.14	39,913,137.86	590,325,244.20
Huayue Company	43.00	356,744,487.46	2,308,251,961.85
Tianjin B&M	63.14	-29,639,486.20	1,142,893,562.18
Huake Company	30.00	166,825,826.53	432,910,287.25
Huafei Company	49.00	-3,095,960.57	1,894,060,464.34

Remarks to the subsidiaries in which the minority shareholder's ownership ratio is different from its voting right ratio:

Applicable Not applicable

Other remarks:

Applicable Not applicable

### (3) Main financial information of major non-wholly owned subsidiaries

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Subsidiary's name	Ending balance						Beginning 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
Huajin Company	1,690,097,247.68	1,039,568,530.09	2,729,665,777.77	1,668,501,164.05	132,746,207.97	1,801,247,372.02	1,473,393,977.70	1,074,476,537.92	2,547,870,515.62	1,535,507,954.41	107,165,691.90	1,642,673,646.31
Huayou Puxiang	875,974,624.79	1,234,914,123.89	2,110,888,748.68	555,584,223.21	57,338,783.76	612,923,006.97	517,406,593.26	1,174,462,964.84	1,691,869,558.10	277,745,202.27	67,414,573.26	345,159,775.53
Huayou New Energy Quzhou	8,634,357,078.71	5,077,788,549.12	13,712,145,627.83	7,816,368,196.56	2,239,131,613.35	10,055,499,809.91	8,188,700,872.25	4,513,503,920.64	12,702,204,792.89	7,647,142,838.46	1,645,649,691.38	9,292,792,529.84
Huayue Company	4,296,633,519.	9,672,720,166.46	13,969,353,685.7	1,465,192,567.95	7,136,133,299.52	8,601,325,867.47	3,447,205,420.67	8,886,466,77	12,333,672	981,517,324.76	7,097,299.2	8,078,816,551.

	26		2					8.43	,199.11		26.70	46
Tianjin B&M	2,205,643,924.60	1,552,007,563.89	3,757,651,488.49	1,929,139,643.28	18,417,511.70	1,947,557,154.98	18,121,093,155.34	4,023,848,084.13	22,144,941,239.47	16,897,718,092.48	1,344,828,804.97	18,242,546,897.45
Huake Company	2,196,857,634.59	2,996,944,624.71	5,193,802,259.30	939,187,745.11	2,811,580,223.36	3,750,767,968.46	1,148,572,612.84	3,088,114,318.83	4,236,686,931.67	543,636,905.25	2,816,393,611.99	3,360,030,517.23
Huafei Company	2,399,842,785.10	12,460,676,044.75	14,860,518,829.85	9,311,206,342.02	1,683,882,968.76	10,995,089,310.78	752,492,936.40	9,772,470,384.27	10,524,963,320.67	8,891,992,887.24	1,644,973,842.43	10,536,966,729.67

Subsidiary's name	Amount incurred in the current period				Amount incurred in the previous period			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
Huajin Company	1,531,174,787.11	23,221,536.44	23,221,536.44	-174,549,722.17	1,113,747,820.59	39,681,295.01	39,681,295.01	-74,424,285.65
Huayou Puxiang	53,879,630.50	-55,864,040.86	-55,864,040.86	-137,903,332.06	50,392,750.59	-5,416,992.85	-5,416,992.85	-57,666,360.56
Huayou New Energy Quzhou	5,257,743,140.43	247,233,554.87	247,233,554.87	-2,254,193,924.34	4,262,354,959.56	237,173,905.77	237,173,905.77	1,656,226,856.97
Huayue Company	3,734,338,241.50	829,638,342.93	1,355,871,271.28	258,107,388.88	2,530,632,478.94	1,350,363,984.46	1,350,363,984.46	372,999,518.02
Tianjin B&M	1,478,497,017.47	-46,942,486.86	-46,942,486.86	-3,453,345.52	1,973,530,169.95	137,070,919.86	137,070,919.86	7,302,515.60
Huake Company	2,614,790,242.92	556,086,088.44	598,067,468.62	24,833,748.74		33,974,138.08	33,974,138.08	-220,608,747.09
Huafei Company		-6,318,286.88	71,229,754.43	164,111.57		-13,948,235.57	-13,948,235.57	-767,871.49

Other remarks:

None

**(4) Major restriction on using the assets of the enterprise group and repaying the debts of the enterprise group:**
 Applicable  Not applicable

**(5) Financial or other supports provided for structured entities included in the consolidated financial statement:**

Applicable Not applicable

Other remarks:

Applicable Not applicable

**2. Transactions which results in changes in owners' equity in a subsidiary and remain in control of the subsidiary**

Applicable Not applicable

**(1) Remarks to the changes in owners' equity in the subsidiary**

Applicable Not applicable

**(2) Impacts of the transactions on minority shareholders' equity and owners' equity attributable to the parent company**

Applicable Not applicable

Other remarks:

Applicable Not applicable

**3. Equity in joint ventures or associates**

Applicable Not applicable

**(1) Major joint ventures or associates**

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Name of joint venture or associate	Principal place of business	Registration place	Business nature	Shareholding ratio (%)		Accounting treatment method for investment in joint ventures or associates
				Direct	Indirect	
Puhua Company	Tongxiang City, Zhejiang Province	Tongxiang City, Zhejiang Province	Nonmetallic mineral products industry.	40.00		Accounted for under equity method
AVZ Company	D. R. Congo	Mt Hawthorn Wa Australia	Mineral exploration	6.14		Accounted for under equity method
Leyou Company	Wuxi City, Jiangsu Province	Wuxi City, Jiangsu Province	Nonmetallic mineral products	49.00		Accounted for under equity

			industry.			method
Veinstone	Hong Kong	Hong Kong	Service industry	24.00		Accounted for under equity method
IWIP	Hamahira Island, North Maluku Province, Indonesia	Jakarta, Indonesia	Industrial park	24.00		Accounted for under equity method
NEWSTRIDE TECHNOLOGY	Hong Kong	Hong Kong	Industrial investment	30.00		Accounted for under equity method
Quzhou Anyou	Quzhou City, Zhejiang Province	Quzhou City, Zhejiang Province	Capital market services	49.92		Accounted for under equity method
PHC Company	Gwangyang City, Jeollanamdo, South Korea	Gwangyang City, Jeollanamdo, South Korea	Manufacturing	35.00		Accounted for under equity method
Guangxi Times Lithium-ion Battery Investment Management Center	Yulin City, Guangxi Zhuang Autonomous Region	Yulin City, Guangxi Zhuang Autonomous Region	Capital market services	49.47		Accounted for under equity method
Guangxi Times Lithium-ion Battery Industry Fund	Yulin City, Guangxi Zhuang Autonomous Region	Yulin City, Guangxi Zhuang Autonomous Region	Capital market services	31.32		Accounted for under equity method
Hunan Yacheng	Changsha City, Hunan Province	Changsha City, Hunan Province	Manufacturing	10.07		Accounted for under equity method
Quzhou Xinhua	Quzhou City, Zhejiang Province	Quzhou City, Zhejiang Province	Capital market services	49.96		Accounted for under equity method
Tongxiang Lithium Times	Tongxiang City, Zhejiang Province	Tongxiang City, Zhejiang Province	Capital market services	40.00		Accounted for under equity

						method
LG-HY BCM	Gumi City, Gyeongsangbukdo, South Korea	235 Sangongtuan Second Road (Zhenping Cave), Gumi City, Gyeongsangbukdo	Production and sales of cathode materials	49.00		Accounted for under equity method

Remarks to the circumstance where shareholding ratio in joint ventures or associates are different from the voting right ratio:

None

Basis for determining the voting rights below 20% but with significant influence, or the voting rights over 20% (inclusive) without significant influence:

- 1) The Company is an important shareholder of AVZ Company with a shareholding of over 5% and has the power to participate in decision-making on its financial and operational policies, and thus has a significant impact on AVZ Company.
- 2) The Company holds 10.07% equity of Hunan Yacheng. It appoints a director to Hunan Yacheng, and thus has a significant impact on Hunan Yacheng.

## (2) Main financial information of major joint ventures

Applicable Not applicable

## (3) Main financial information of associates

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

	Ending balance/ amount incurred in current period		Beginning balance/ amount incurred in last period	
	Puhua Company	AVZ Company	Puhua Company	AVZ Company
Current assets	721,002,466.26	186,560,007.08	569,226,353.67	294,326,636.31
Non-current assets	376,871,618.90	819,344,830.96	696,834,881.35	710,456,002.68
Total assets	1,097,874,085.16	1,005,904,838.05	1,266,061,235.02	1,004,782,638.99
Current liabilities	235,280,543.97	14,070,692.89	144,091,479.98	4,512,167.20
Non-current liabilities	482,123.98	5,457,453.47	10,294,485.23	5,340,773.11
Total liabilities	235,762,667.95	19,528,146.37	154,385,965.21	9,852,940.31
Minority interests				
Equity attributable to shareholders of the parent company	862,111,417.21	986,376,691.68	1,111,675,269.81	994,929,698.68

Share of net assets calculated as per shareholding ratio				
Adjustment items				
--Goodwill				
--Unrealized profits from internal transactions				
--Others				
Book value of equity investment in associates				
Fair value of equity investment in associates with quoted price				
Operating income				
Net profit	56,692,532.09	-29,104,146.33	112,799,220.68	-94,014,960.25
Net profit from discontinuing operation				
Other comprehensive income		150,830,974.07		9,422,538.57
Total comprehensive income	56,692,532.09	121,726,827.74	112,799,220.68	-84,592,421.68
Dividends received from associates in the current year				

	Ending balance/ amount incurred in current period		Beginning balance/ amount incurred in last period	
	NEWSTRIDE TECHNOLOGY	Leyou Company	NEWSTRIDE TECHNOLOGY	Leyou Company
Current assets	3,972,218,802.27	3,322,191,014.60	6,237,448,115.60	5,207,158,971.73
Non-current assets	6,209,376,307.15	1,860,457,886.89	5,292,504,382.43	1,897,336,959.04
Total assets	10,181,595,109.42	5,182,648,901.49	11,529,952,498.03	7,104,495,930.77
Current liabilities	2,065,187,018.88	1,083,167,116.44	2,237,259,136.82	3,310,899,861.29

Non-current liabilities	53,855,124.48	1,223,589,849.75	46,563,344.90	135,061,499.66
Total liabilities	2,119,042,143.36	2,306,756,966.19	2,283,822,481.72	3,445,961,360.95
Minority interests	3,792,726,870.71		3,410,190,235.54	
Equity attributable to shareholders of the parent company	4,269,826,095.35	2,875,891,935.30	5,835,939,780.77	3,658,534,569.82
Share of net assets calculated as per shareholding ratio				
Adjustment items				
--Goodwill				
--Unrealized profits from internal transactions				
--Others				
Book value of equity investment in associates				
Fair value of equity investment in associates with quoted price				
Operating income				
Net profit	3,677,060,799.97	770,279,353.15	4,558,685,779.69	1,674,464,327.61
Net profit from discontinuing				

operation				
Other comprehensive income	148,305,551.74		353,957,759.60	
Total comprehensive income	3,825,366,351.71	770,279,353.15	4,912,643,539.29	1,674,464,327.61
Dividends received from associates in the current year				

	Ending balance/ amount incurred in current period		Beginning balance/ amount incurred in last period	
	Veinstone	IWIP	Veinstone	IWIP
Current assets	523,438,814.00	936,238,787.94	811,258,486.11	467,286,398.51
Non-current assets	306,720,000.00	1,975,099,880.50	929,621,204.46	1,197,197,874.35
Total assets	830,158,814.00	2,911,338,668.44	1,740,879,690.57	1,664,484,272.86
Current liabilities	485,420,585.43	852,550,422.03	926,295,045.96	183,480,229.38
Non-current liabilities		819,991,737.40	37,796.88	760,706,932.95
Total liabilities	485,420,585.43	1,672,542,159.43	926,332,842.84	944,187,162.33
Minority interests	81,876,584.01		73,769,709.94	
Equity attributable to shareholders of the parent company	262,861,644.56	1,238,796,509.01	740,777,137.79	720,297,110.53
Share of net assets calculated as per shareholding ratio				

Adjustment items				
--Goodwill				
--Unrealized profits from internal transactions				
--Others				
Book value of equity investment in associates				
Fair value of equity investment in associates with quoted price				
Operating income				
Net profit	75,101,249.47	59,508,910.36	123,412,114.46	238,764,283.80
Net profit from discontinuing operation				
Other comprehensive income	5,967,491.22	44,783,622.09	123,412,114.46	-13,715,098.52
Total comprehensive income	81,068,740.69	104,292,532.45	180,531,804.50	225,049,185.28
Dividends received from associates in the current year				

	Ending balance/ amount incurred in current period		Beginning balance/ amount incurred in last period	
	Quzhou Anyou	PHC Company	Quzhou Anyou	PHC Company
Current assets	16,454,447.75	371,858,158.73	19,717,797.37	102,924,422.61
Non-current	1,180,000,000.00	1,081,960,649.10	1,173,288,352.20	996,655,924.01

assets				
Total assets	1,196,454,447.75	1,453,818,807.83	1,193,006,149.57	1,099,580,346.62
Current liabilities	1,785,205.48	561,359,748.74	2,786,326.37	139,580,858.10
Non-current liabilities		454,062,447.98		341,296,167.64
Total liabilities	1,785,205.48	1,015,422,196.72	2,786,326.37	480,877,025.74
Minority interests				
Equity attributable to shareholders of the parent company	1,194,669,242.27	438,396,611.11	1,190,219,823.20	618,703,320.88
Share of net assets calculated as per shareholding ratio				
Adjustment items				
--Goodwill				
--Unrealized profits from internal transactions				
--Others				
Book value of equity investment in associates				
Fair value of equity investment in associates with quoted price				
Operating				

income				
Net profit	-8,277,817.30	-177,663,104.44	-8,640,169.16	-32,116,305.35
Net profit from discontinuing operation				
Other comprehensive income		-22,459,513.15		18,740,784.96
Total comprehensive income	-8,277,817.30	-200,122,617.58	-8,640,169.16	-13,375,520.39
Dividends received from associates in the current year				

	Ending balance/ amount incurred in current period		Beginning balance/ amount incurred in last period	
	Hunan Yacheng	Quzhou Xinhua	Hunan Yacheng	Quzhou Xinhua
Current assets	2,028,260,453.88	48,715,843.80	1,629,027,737.77	50,318,213.57
Non-current assets	2,270,366,379.03	2,330,000,000.00	1,972,182,626.41	2,319,268,429.01
Total assets	4,298,626,832.91	2,378,715,843.80	3,601,210,364.18	2,369,586,642.58
Current liabilities	1,870,984,263.63	3,540,657.54	1,527,729,962.56	1,926,821.91
Non-current liabilities	901,791,198.48		714,785,797.43	
Total liabilities	2,772,775,462.11	3,540,657.54	2,242,515,759.99	1,926,821.91
Minority interests	168,730,120.37		178,882,076.96	
Equity attributable to shareholders of the parent company	1,357,121,250.43	2,375,175,186.26	1,179,812,527.23	2,367,659,820.67
Share of net				

assets calculated as per shareholding ratio				
Adjustment items				
--Goodwill				
--Unrealized profits from internal transactions				
--Others				
Book value of equity investment in associates				
Fair value of equity investment in associates with quoted price				
Operating income				
Net profit	-117,505,314.83	-16,699,499.43	172,134,321.53	-12,340,179.33
Net profit from discontinuing operation				
Other comprehensive income				
Total comprehensive income	-117,505,314.83	-16,699,499.43	172,134,321.53	-12,340,179.33
Dividends received from associates in the current year				

	Ending balance/ amount incurred in current period		Beginning balance/ amount incurred in last period	
	Guangxi Times Lithium-ion Battery Investment Management Center	Guangxi Times Lithium-ion Battery Industry Fund	Guangxi Times Lithium-ion Battery Investment Management Center	Guangxi Times Lithium-ion Battery Industry Fund
Current assets	2,951,443.38	35,896,467.64	2,948,174.05	1,643,113,367.16
Non-current assets	1,200,500,000.00	2,764,270,000.00	1,196,995,203.62	2,959,697,915.73
Total assets	1,203,451,443.38	2,800,166,467.64	1,199,943,377.67	4,602,811,282.89
Current liabilities	285,600,000.00	17,642,254.36	285,600,000.00	560,080,799.25
Non-current liabilities				1,278,890,655.33
Total liabilities	285,600,000.00	17,642,254.36	285,600,000.00	1,838,971,454.58
Minority interests				-1,898.25
Equity attributable to shareholders of the parent company	917,851,443.38	2,782,524,213.28	914,343,377.67	2,763,841,726.84
Share of net assets calculated as per shareholding ratio				
Adjustment items				
--Goodwill				
--Unrealized profits from internal transactions				
--Others				
Book value of				

equity investment in associates				
Fair value of equity investment in associates with quoted price				
Operating income				
Net profit	-1,877,015.65	-4,508,458.30	-3,504,796.38	-9,914,256.15
Net profit from discontinuing operation				
Other comprehensive income				
Total comprehensive income	-1,877,015.65	-4,508,458.30	-3,504,796.38	-9,914,256.15
Dividends received from associates in the current year				

	Ending balance/ amount incurred in current period		Beginning balance/ amount incurred in last period	
	LG-HY BCM	Tongxiang Lithium Times	LG-HY BCM	Tongxiang Lithium Times
Current assets	178,052,604.04	238,744.58		
Non-current assets	1,783,749,255.07	300,259,513.77		
Total assets	1,961,801,859.11	300,498,258.35		
Current liabilities	386,484,588.03	0.01		
Non-current liabilities	817,232,367.84			
Total	1,203,716,955.87	0.01		

liabilities				
Minority interests				
Equity attributable to shareholders of the parent company				
Share of net assets calculated as per shareholding ratio				
Adjustment items				
--Goodwill				
--Unrealized profits from internal transactions				
--Others				
Book value of equity investment in associates				
Fair value of equity investment in associates with quoted price				
Operating income				
Net profit	-14,536,267.84	-51,741.66		
Net profit from discontinuing operation				
Other comprehensive	-2,014,051.16			

income				
Total comprehensive income	-16,550,319.00	-51,741.66		
Dividends received from associates in the current year				

Other remarks:

None

**(4) Summary of the financial information for those minor joint venture and associates**

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

	Ending balance/ amount incurred in current period	Beginning balance/ amount incurred in last period
Joint ventures:		
Total book value of investments	6,432,854.93	6,248,464.42
Totals of the following items calculated as per shareholding ratio		
--Net profit	849,092.24	-103,540.65
--Other comprehensive income	507,248.54	46,259.98
--Total comprehensive income	1,356,340.79	-57,280.67
Associates:		
Total book value of investments	239,268,941.10	13,471,803.10
Totals of the following items calculated as per shareholding ratio		
--Net profit	-286,162.52	-817.60
--Other comprehensive income	-715,773.42	3,474,631.70
--Total comprehensive income	-1,001,935.93	3,473,814.10

Other remarks:

None

**(5) Major restrictions on capital transferring from joint ventures or associates to the Company:**

Applicable Not applicable

**(6) Excess losses incurred to joint ventures or associates**

Applicable Not applicable

**(7) Unrecognized commitments related to investments in joint ventures**

Applicable Not applicable

**(8) Contingent liabilities relevant to investment in joint ventures or associates**

Applicable Not applicable

**4. Major joint operation**

Applicable Not applicable

**5. Equity in structured entities not included in the consolidated financial statements**

Remark to the structured entities not included in the consolidated financial statement:

Applicable Not applicable

**6. Others**

Applicable Not applicable

**X. Risks Relating to Financial Instruments**

Applicable Not applicable

The Company's objective in risk management is to balance the risks and benefits and the Company aims to reduce the negative impact of risks on the Company's results of operations to a minimum level, so that the interests of shareholders and other equity investors are maximized. Based on these objectives, the basic strategy of the Company's risk management is to identify and analyze the risks faced by the Company, set appropriate bottom line for risk tolerance and conduct risk management, and timely and reliably monitor various risks to control the risks within a limited range.

The Group faces risks from various financial instruments in its daily activities, including credit risk, liquidity risk and market risk. The management has reviewed and approved policies for managing these risks, which are summarized as follows.

**(I) Credit risk**

Credit risk refers to a risk that one party to the financial instruments suffers financial losses due to the failure of the other party in performing the obligations

**1. Practice of credit risk management**

**(1) Methods for evaluating credit risk**

At each balance sheet date, the Company assesses whether the credit risk of the relevant financial instruments has increased significantly since initial recognition. When determining whether credit risk has increased significantly since initial recognition, the Company considers that it can obtain reasonable and evidence-based information without paying unnecessary additional costs or efforts, including qualitative and quantitative analysis based on the Company's historical data, external credit risk ratings and forward-looking information. Based on a single financial instrument or a portfolio of financial instruments with similar credit risk characteristics, the Company determines the changes of default risk in the expected duration of the financial instrument by comparing the risk of default of the financial instrument on the balance sheet date with the risk of default on the initial recognition date.

When one or more of the following quantitative and qualitative standards are triggered, the Company believes that the credit risk of financial instruments has increased significantly:

- 1) where the quantitative standard is mainly that the probability of default in the remaining duration as of the balance sheet date is higher than that at the time of initial recognition;
- 2) where the qualitative standard is mainly significant adverse changes in the debtor's business or financial situation, or changes in existing or anticipated technical, market, economic or legal circumstances that will have a material adverse effect on the debtor's ability to repay the Company.

#### (2) Definition of default and credit impaired assets

When a financial instrument meets one or more of the following conditions, the Company defines the financial asset as having defaulted, and the standard is consistent with the definition of credit impaired assets:

- 1) The debtor suffers severe financial difficulties;
- 2) The debtor violates the binding terms on the debtor in the contract;
- 3) The debtor is likely to go bankrupt or carry out other financial restructurings;
- 4) The creditor gives concessions to the debtor in any other circumstances for economic or contractual considerations relating to the financial difficulties of the debtor.

#### 2. Measurement of expected credit loss

The key parameters of expected credit loss measurement include default probability, default loss rate, and default risk exposure. The Company takes into account the quantitative analysis and forward-looking information of historical statistical data (such as counterparty ratings, guarantee methods, collateral categories, repayment methods, etc.), and establishes a model of default probability, default loss rate and default risk exposure.

3. The reconciliation table for the beginning balance and ending balance of provision for loss on financial instruments can be found in the remarks of "8. Other receivables", "6. Accounts receivable financing", "5. Accounts receivable", "VII. Notes to the Items in the Consolidated Financial Statements", "Section X Financial Report" of this report.

#### 4. Credit risk exposure and concentration

The credit risk of the Company mainly comes from cash and bank balances and accounts receivable. To control the said risks, the Company has taken the following measures.

##### (1) Cash and bank balances

The Company deposits bank deposits and other cash and bank balances with financial institutions with higher credit ratings, so the credit risk is relatively low.

##### 2) Accounts receivable

The Company continues to conduct credit assessments on customers who carry on transactions in the form of credit. Based on the credit evaluation results, the Company chooses to carry out transactions with recognized and creditworthy customers and monitors their accounts receivable balances to ensure that it does not face significant bad debt risks.

Since the Company only carries out transactions with recognized and reputable third parties, no collateral is required. Credit risk is managed centrally on a customer basis. As of June 30, 2023, the Company has certain credit concentration risks, with 53.08% of the accounts receivable (December 31, 2022: 54.03%) concentrating on the top five customers in terms of balances. The Company does not hold any collateral or other credit enhancements for the balance of accounts receivable.

The maximum credit risk that the Company is exposed to is the carrying amount of each financial asset in the balance sheet.

#### (II) Liquidity risk

Liquidity risk refers to a risk that the Company suffers funds shortage in performing the obligations of settlement in cash or other financial assets. Liquidity risk can arise from the inability to sell financial assets at fair value as soon as possible, or due to the other party's inability to repay its contractual obligations, or arising from early maturing debts, or due to the inability to generate expected cash flows.

To control the risk, the Company comprehensively utilizes various financing methods such as bill settlement and bank borrowing, and adopts a combination of long-term and short-term financing methods to optimize the financing structure and maintain a balance between financing sustainability and flexibility. The Company has obtained bank credit lines from multiple commercial banks to meet working capital needs and capital expenditures.

#### Financial liabilities classified by remaining maturity date

Item	Ending amount				
	Book value	Undiscounted contract amount	Within 1 year	1-3 years	Above 3 years
Bank loans	34,112,114,674.00	35,581,320,061.78	28,332,108,166.36	6,299,120,985.37	950,090,910.05
Held-for-trading financial liabilities	82,840,808.91	82,840,808.91	82,840,808.91		
Notes payable	10,226,193,813.10	10,226,193,813.10	10,226,193,813.10		
Accounts payable	15,755,211,098.30	15,755,211,098.30	15,755,211,098.30		
Non-current liabilities maturing within one year	2,011,589,609.97	2,038,397,466.93	2,038,397,466.93		
Other payables	4,411,853,636.24	4,437,086,947.27	4,437,086,947.27		
Other current liabilities	1,426,394,022.07	1,444,915,500.00	1,444,915,500.00		
Bonds payable	6,467,040,778.52	8,077,510,760.98	30,311,718.05	159,698,618.93	7,887,500,424.00

Lease liabilities	71,707,965.22	78,215,562.66		72,936,014.38	5,279,548.28
Long-term payables	5,723,208,619.59	6,053,498,551.82		4,328,046,276.66	1,725,452,275.16
Sub-total	80,288,155,025.92	83,775,190,571.75	62,347,065,518.91	10,859,801,895.34	10,568,323,157.49

(Continued)

Item	Ending amount of the last year				
	Book value	Undiscounted contract amount	Within 1 year	1-3 years	Above 3 years
Bank loans	27,933,432,060.89	30,390,754,814.60	17,028,532,051.85	7,410,668,383.51	5,951,554,379.24
Held-for-trading financial liabilities	40,024,798.40	40,024,798.40	40,024,798.40		
Notes payable	10,782,231,308.54	10,782,231,308.54	10,782,231,308.54		
Accounts payable	14,610,891,201.30	14,610,891,201.30	14,610,891,201.30		
Non-current liabilities maturing within one year	1,772,100,686.44	2,045,716,316.30	2,045,716,316.30		
Other payables	4,612,710,195.77	4,643,101,465.63	4,643,101,465.63		
Other current liabilities	1,311,482,728.68	1,654,602,779.88	1,654,602,779.88		
Bonds payable	6,323,799,832.42	8,162,727,162.57		682,130,867.86	7,480,596,294.71
Lease liabilities	57,070,601.81	60,294,665.46		52,382,919.92	7,911,745.54
Long-term payables	5,155,378,248.88	5,516,949,998.39		2,541,468,653.90	2,975,481,344.49
Sub-total	72,599,121,663.13	77,907,294,511.07	50,805,099,921.90	10,686,650,825.19	16,415,543,763.98

### (III) Market risks

Market risk refers to the risk that fair value or future cash flows of financial instruments fluctuate due to variations in market prices. Market risks mainly include interest rate risk and foreign exchange risk.

#### 1. Interest rate risk

Interest rate risk refers to the risk of fluctuation in the fair value or future cash flows of financial instruments due to changes in market interest rate. The financial instruments with fixed interest rate made the Company exposed to the fair value interest rate risks, and the financial instruments with floating interest rate made the Company exposed to the cash flow interest rate risks. The Company determines the ratio of fixed rate and floating rate financial instruments based on market environment, and maintains an appropriate portfolio of financial instruments by regular review and monitoring. The cash flow interest rate risk faced by the Company is mainly related to bank loans with floating interest rates.

As of June 30, 2023, the amount of Company's bank loans with floating interest rates is RMB 7,509,151,676.52 (December 31, 2022: RMB 11,942,119,524.41). Assuming that other variables remain unchanged and that interest rates rise/fall by 50 basis points, it will result in a decrease/increase of RMB 37.5458 million in the shareholders' equity of the Company (December 31, 2022: decrease/increase of RMB 59.7106 million) and a decrease/increase of RMB 37.5458 million in net profit (2022: decrease/increase of RMB 59.7106 million).

## 2. Foreign exchange risk

Foreign exchange risks refer to fluctuation risks of fair value or future cash flows of financial instruments due to changes in foreign exchange rates. The risk of exchange rate fluctuations faced by the Company is mainly related to the monetary assets and liabilities in foreign currencies. For assets and liabilities in foreign currencies, if there is a short-term imbalance, the Company will buy and sell foreign currencies at market exchange rates when necessary to ensure that the net risk exposure is maintained at an acceptable level.

The situation of monetary assets and liabilities in foreign currencies at the end of the period is detailed in Note V (IV) 2 of these financial statements.

## XI. Disclosure of Fair Value

### 1. Ending fair value of the assets and liabilities measured at fair value

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending fair value			
	First level of fair value measurement	Second level of fair value measurement	Third level of fair value measurement	Total
<b>I. Continuous fair value measurement</b>				
(I) Held-for-trading financial assets	922,943,639.96		269,558,655.09	1,192,502,295.05
1. Financial assets measured at fair value through current profit or loss	922,943,639.96		269,558,655.09	1,192,502,295.05
(1) Debt instrument investments				
(2) Equity instrument investments				
(3) Derivative financial assets	922,943,639.96		61,853,332.00	984,796,971.96
(4) Financial products			207,705,323.09	207,705,323.09
2. Financial asset designated to be measured at fair value through current profit or				

loss				
(1) Debt instrument investment				
(2) Equity instrument investment				
(II) Other debt investments				
(III) Other equity instrument investments			42,647,182.81	42,647,182.81
(IV) Investment real estates				
1. Right to use the land for lease				
2. Leased buildings				
3. Land use right held for transfer upon appreciation				
(V) Biological assets				
1. Consumptive biological assets				
2. Productive biological assets				
(VI) Receivables financing			2,158,160,473.89	2,158,160,473.89
(VII) Other non-current financial assets			547,046,515.08	547,046,515.08
<b>Total amount of assets measured at fair value on a continuous basis</b>	922,943,639.96		3,017,412,826.87	3,940,356,466.83
(VI) Held-for-trading financial liabilities	497,307.85		82,343,501.06	82,840,808.91
1. Financial liabilities measured at fair value through current profit or loss	497,307.85		82,343,501.06	82,840,808.91
Including: traded bonds issued				
Derivative financial liabilities	497,307.85		82,343,501.06	82,840,808.91
Others				
2. Financial liabilities designated to be				

measured at fair value through current profit or loss				
<b>Total amount of liabilities measured at fair value on a continuous basis</b>	497,307.85		82,343,501.06	82,840,808.91
<b>II. Non-continuous fair value measurement</b>				
(I) Held-for-sale assets				
<b>Total amount of assets measured at fair value not on a continuous basis</b>				
<b>Total amount of liabilities measured at fair value not on a continuous basis</b>				

**2. Basis for determining the market price for the items subject to the first level of continuous and non-continuous fair value measurement**

Applicable Not applicable

Item	Fair value at the end of the period	Valuation techniques
Derivative financial assets	922,943,639.96	Futures contracts are valued at fair value based on the settlement price determined by the futures exchange, and hedged items are valued at fair value based on the spot market settlement price.
Held-for-trading financial liabilities - derivative financial liabilities	497,307.85	

**3. Valuation techniques adopted and qualitative and quantitative information of important parameters for the items subject to the second level of continuous and non-continuous fair value measurement**

Applicable Not applicable

**4. Valuation techniques adopted and qualitative and quantitative information of important parameters for the items subject to the third level of continuous and non-continuous fair value measurement**

Applicable Not applicable

Item	Fair value at the end of the period	Valuation techniques
------	-------------------------------------	----------------------

Held-for-trading financial assets - derivative financial assets	61,853,332.00	Accrued fair value of a forward foreign exchange settlement and sales contract = the amount of foreign currency sold * (the forward exchange rate agreed in the contract - the forward exchange rate on the approximate closing date of the forward foreign exchange settlement and sales contract at the end of the period)/(1 + discount rate * the number of days from the balance sheet date to the closing date/360). Accrued fair value of a foreign exchange trading swap transaction = the amount of foreign currency purchased in the near end as agreed in the contract * (the far end exchange rate as agreed in the contract - the forward exchange rate on the approximate closing date of the swap transaction at the end of the period) * the exchange rate of foreign currency to RMB on the balance sheet date/(1 + discount rate * the number of days from the balance sheet date to the closing date/360). Accrued fair value of a foreign exchange single put option contract = option fee income as agreed in the contract * number of days from the trading date to the balance sheet date/number of days from the trading date to the closing date.
Short-term bank financial products	207,705,323.09	To be determined according to the principal plus expected income as of the end of the period
Other equity instrument investments	42,647,182.81	The difference between the fair value and book value of the investee Inner Mongolia Sinuo, HANAQ Company, and Shenzhen Finiji is relatively small, so its book value is adopted as its fair value
Receivables financing	2,158,160,473.89	The difference between fair value and book value is small, so its book value is used as its fair value
Other non-current financial assets	547,046,515.08	The difference between fair value and book value is small, so its book value is used as its fair value
Held-for-trading financial liabilities - derivative financial liabilities	82,343,501.06	Accrued fair value of a forward foreign exchange settlement and sales contract = the amount of foreign currency sold * (the forward exchange rate agreed in the contract - the forward exchange rate on the approximate closing date of the forward foreign exchange settlement and sales contract at the end of the period)/(1 + discount rate * the number of days from the balance sheet date to the closing date/360). Accrued fair value of a foreign exchange trading swap transaction = the amount of foreign currency purchased in the near end as agreed in the contract * (the far end exchange rate as agreed in the contract - the forward exchange rate on the approximate closing date of the swap transaction at the end of the period) * the exchange rate of foreign currency to RMB on the balance sheet date/(1 + discount rate * the number of days from the balance sheet date to the closing date/360). Accrued fair value of a foreign exchange single put option contract = option fee income as agreed in the contract * number of days from the trading date to the balance sheet date/number of days from the trading date to the closing date.

**5. Adjustment between book values at beginning and ending and sensitivity analysis of unobservable parameters for the items subject to the third level of continuous fair value measurement**

Applicable Not applicable

**6. Conversion causes and policy to determine the conversion time point in case of conversion between levels in current period for the items subject to continuous fair value measurement**

Applicable Not applicable

**7. Changes in valuation techniques in the current period and the reason therefor**

Applicable Not applicable

**8. Fair value of the financial assets and liabilities not measured at fair value**

Applicable Not applicable

**9. Others**

Applicable Not applicable

**XII. Related Party and Related-party Transactions**

**1. Information of the parent company of the Company**

Applicable Not applicable

The controlling shareholder of the Company is Huayou Holdings, and the ultimate controller of the Company is Chen Xuehua.

**2. Information of subsidiaries of the Company**

Please refer to Note for the details of the subsidiaries of the Company.

Applicable Not applicable

For details of the Company's subsidiaries, please refer to "IX. Equity in other entities", "Section X Financial Report" of this report.

**3. Information of joint ventures and associates of the Company**

Please refer to Note for the details of major joint ventures and associates of the Company.

Applicable Not applicable

Information of other joint ventures and associates that have related party transactions with the Company in the current period or had related party transactions with the Company in the previous period and generated balances:

Applicable Not applicable

Name of joint ventures or associates	Relationship with the Company
PT Alam	A joint venture

IWIP	An associate
Puhua Company	An associate
Leyou Company	An associate
Zhejiang Times Lithium-ion Battery Materials Co., Ltd	The associates Quzhou Xinhua and Quzhou Anyou respectively hold 35.30% and 17.88% equity of Times Lithium-ion Battery, and are the first and second largest shareholders of Times Lithium-ion Battery, respectively.
NEWSTRIDE TECHNOLOGY	An associate
Veinstone	An associate
PT.WEDA BAY ENERGI (“WBE Company”)	A subsidiary of the associate Veinstone
Indonesia Huatuo	An associate
Guangxi Shidai Huineng Lithium-ion Battery Material Technology Co., Ltd	A subsidiary of the associate Guangxi Times Lithium-ion Battery New Materials Industry Development Fund Partnership Enterprise (Limited Partnership)joint venture
Yulin Shidai Juneng Thermal Energy Co., Ltd	A subsidiary of the associate Guangxi Times Lithium-ion Battery New Materials Industry Development Fund Partnership Enterprise (Limited Partnership)joint venture
Yulin Times Lvshui Environmental Protection Technology Co., Ltd	A subsidiary of the associate Guangxi Times Lithium-ion Battery New Materials Industry Development Fund Partnership Enterprise (Limited Partnership)joint venture
Yulin Times Tianlan Gas Co., Ltd	A subsidiary of the associate Guangxi Times Lithium-ion Battery New Materials Industry Development Fund Partnership Enterprise (Limited Partnership)joint venture
Ningbo Ruihua	An associate
LG-HY BCM	An associate
Jintang B&M	An associate

Other remarks:

Applicable Not applicable

#### 4. Other related parties

Applicable Not applicable

Name of other related parties	Relationship with the Company
Qiu Jinhua	A close family member of Chen Xuehua, the ultimate controller
Huayou Holdings	The controlling shareholder
Zhejiang Beilinde Enterprise Management Co., Ltd. (“Beilinde	A joint venture of Huayou Holdings, the controlling shareholder

Company”)	
Guangxi Huayou Construction Operation Management Co., Ltd	Controlled by Huayou Holdings, the controlling shareholder
Guangxi Times New Energy Lithium-ion Battery Material Technology Co., Ltd	Controlled by Huayou Holdings, the controlling shareholder
Inner Mongolia Shengfan Technology New Energy Co., Ltd	Controlled by Huayou Holdings, the controlling shareholder
Yunnan Youtian New Energy Technology Co., Ltd	Controlled by Huayou Holdings, the controlling shareholder
Zhejiang Youshan New Materials Co., Ltd	Controlled by Huayou Holdings, the controlling shareholder
Hubei Youxing New Energy Technology Co., Ltd	Controlled by Huayou Holdings, the controlling shareholder
Guangxi Huachuang New Materials Copper Foil Co., Ltd. (“Guangxi Huachuang”)	Controlled by Huayou Holdings, the controlling shareholder
Ruby Mining Hongkong Limited	Controlled by Huayou Holdings, the controlling shareholder

Other remarks:

None

## 5. Related-party transactions

### (1) Related-party transactions for purchasing/selling goods or rendering/accepting labor services

Details of related party transactions for purchasing goods or accepting labor service

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Related party	Contents of related-party transaction	Amount incurred in the current period	Transaction limit approved (if applicable)	Whether the transaction limit is exceeded (if applicable)	Amount incurred in the previous period
Associates and their subsidiaries	Purchase of goods	374,762,880.94			
Associates and their subsidiaries	Acceptance of labor services	65,261,775.26			192,546.96
Other related parties	Purchase of goods	769.91			213,716.81
Total		440,025,426.11			406,263.77

Table of sales of goods/rendering of labor services

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Related party	Contents of related-party transaction	Amount incurred in the current period	Amount incurred in the previous period
Associates and their subsidiaries	Sales of goods	1,144,160,380.11	728,474,162.94
Associates and their subsidiaries	Rendering of labor services	143,941,428.17	103,406,515.60
Other related parties	Sales of goods	191,679,519.33	88,230.85
Other related parties	Rendering of labor services	18,900,803.84	93,912.73
Total		1,498,682,131.45	832,062,822.12

Details of related-party transactions for purchasing/selling goods or rendering/accepting labor service

Applicable Not applicable

### (2) Related party trusteeship/contracting

Details of trusteeship/contracting where the Company is the trustee/contractor:

Applicable Not applicable

Remark to related party trusteeship/contracting

Applicable Not applicable

Details of trusteeship/contracting where the Company is the trustor/contractee:

Applicable Not applicable

Remarks to related party management/outsourcing

Applicable Not applicable

### (3) Related party leasing

Where the Company is the lessor:

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Name of lessee	Type of leased asset	Lease income recognized in the current period	Lease income recognized in the previous period
Other related parties	Buildings and constructions	27,522.94	22,935.78
Total		27,522.94	22,935.78

Where the Company is the lessee:

Applicable Not applicable

Remark to related party leasing:

Applicable Not applicable

**(4) Related-party guarantee**

Where the Company is the guarantor:

 Applicable  Not applicable

Where the Company is the guaranteed party:

 Applicable  Not applicable

Monetary unit: Yuan Currency: RMB

Guarantor	Amount of guarantee	Starting date of guarantee	Maturity date of guarantee	Guarantee fulfilled or not
Chen Xuehua	958,000,000.00	2020.7.1	2026.2.23	No
Chen Xuehua, Qiu Jinhua	50,000,000.00	2023.2.28	2024.2.27	No
Chen Xuehua, Qiu Jinhua	25,141,733.51	2023.3.30	2023.9.26	No
Chen Xuehua, Qiu Jinhua	393,971,540.08	2023.1.12	2023.11.8	No
Chen Xuehua, Qiu Jinhua	400,000,000.00	2022.12.30	2023.12.18	No
Chen Xuehua, Qiu Jinhua	380,000,000.00	2023.5.19	2024.5.18	No
Chen Xuehua	241,000,000.00	2023.2.2	2023.9.22	No
Chen Xuehua	33,000,000.00	2023.6.21	2024.6.14	No
Chen Xuehua	300,000,000.00	2023.5.16	2024.5.16	No
Chen Xuehua	240,000,000.00	2022.11.2	2023.8.15	No
Chen Xuehua	100,000,000.00	2023.4.23	2024.3.4	No
Chen Xuehua	63,860,000.00	2023.1.12	2024.3.2	No
Chen Xuehua	176,000,000.00	2022.9.29	2023.10.13	No
Chen Xuehua	258,700,000.00	2023.3.20	2024.3.14	No
Chen Xuehua	144,280,789.51	2023.1.3	2023.12.13	No
Chen Xuehua	42,500,000.00	2022.9.28	2023.9.3	No
Chen Xuehua	520,900,000.00	2021.7.16	2024.7.29	No
Chen Xuehua, Huayou Holdings	400,000,000.00	2023.1.6	2023.8.14	No
Chen Xuehua, Huayou Holdings	293,670,000.00	2022.7.29	2024.6.7	No
Chen Xuehua	1,335,000,000.00	2022.7.29	2028.9.21	No
Chen Xuehua	48,172,066.87	2023.4.21	2023.7.20	No
Chen Xuehua	45,507,742.21	2023.2.6	2023.11.2	No
Chen Xuehua, Qiu Jinhua	300,000,000.00	2023.1.13	2024.5.9	No

Chen Xuehua	149,100,000.00	2022.9.14	2023.10.10	No
Chen Xuehua, Qiu Jinhua	100,000,000.00	2022.8.15	2023.11.10	No
Chen Xuehua, Qiu Jinhua	6,431,886.02	2023.5.17	2023.8.15	No
Chen Xuehua, Qiu Jinhua	200,000.00	2022.8.10	2024.7.31	No
Chen Xuehua, Qiu Jinhua	248,194,380.06	2023.1.4	2023.12.28	No
Chen Xuehua, Qiu Jinhua	99,500,000.00	2022.12.30	2023.12.15	No
Chen Xuehua	290,500,000.00	2023.6.20	2024.3.16	No
Chen Xuehua	168,750,000.00	2022.9.29	2024.4.21	No
Chen Xuehua	330,000,000.00	2023.4.18	2023.12.21	No
Chen Xuehua	297,000,000.00	2023.2.16	2024.4.10	No
Chen Xuehua, Qiu Jinhua	120,000,000.00	2023.1.6	2024.1.5	No
Chen Xuehua	273,000,000.00	2022.7.28	2024.1.18	No
Chen Xuehua, Qiu Jinhua	30,000,000.00	2022.12.30	2023.9.28	No
Chen Xuehua, Qiu Jinhua	10,000,000.00	2022.10.20	2023.10.12	No
Chen Xuehua, Qiu Jinhua	59,500,000.00	2023.1.3	2023.8.30	No
Huayou Holdings	242,000,000.00	2022.11.16	2024.6.26	No
Huayou Holdings	58,154,760.00	2023.5.10	2023.11.30	No
Huayou Holdings	701,740,000.00	2021.4.14	2026.4.8	No
Huayou Holdings	46,007,388.50	2023.1.18	2023.12.26	No
Huayou Holdings	133,000,000.00	2023.2.22	2023.9.29	No
Huayou Holdings	100,000,000.00	2022.11.29	2024.6.13	No
Huayou Holdings	289,999,998.00	2023.1.13	2023.12.25	No
Huayou Holdings	141,666,666.67	2021.9.17	2024.10.18	No
Huayou Holdings	220,000,000.00	2022.5.12	2025.5.11	No
Huayou	150,057,292.59	2022.1.7	2025.1.7	No

Holdings				
Huayou Holdings	281,329,189.50	2023.1.13	2023.8.23	No
Huayou Holdings	483,476,188.22	2022.8.4	2026.12.20	No
Chen Xuehua	1,236,334,380.00	2021.10.29	2029.3.21	No
Chen Xuehua	852,644,400.00	2021.10.29	2029.3.21	No
Chen Xuehua	426,322,200.00	2021.10.29	2029.3.21	No
Chen Xuehua	426,322,200.00	2021.10.29	2029.3.21	No
Chen Xuehua	213,161,100.00	2021.10.29	2029.3.21	No
Chen Xuehua	85,264,440.00	2021.10.29	2029.3.21	No
Chen Xuehua	295,714,419.84	2022.6.30	2026.6.28	No
Chen Xuehua	269,875,000.00	2022.10.14	2024.6.1	No
Chen Xuehua	93,000,000.00	2028.12.26	2024.5.24	No
Chen Xuehua, Huayou Holdings	230,000,000.00	2022.12.29	2024.2.26	No
Huayou Holdings	199,999,999.80	2023.2.20	2023.10.27	No
Huayou Holdings	30,000,000.00	2023.2.23	2024.2.20	No
Huayou Holdings	39,384,461.12	2023.4.21	2023.11.25	No
Huayou Holdings	50,000,000.00	2023.6.29	2023.12.29	No

Remarks to related-party guarantee

Applicable Not applicable

**(5) Fund lending/borrowing to/from related parties**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Related party	Amount of lending/borrowing	Starting date	Maturity date	Remark
<b>Borrowing</b>				
Huayou Holdings	32,725,000.00	2022/5/19	2023/5/15	
Huayou Holdings	28,050,000.00	2022/11/22	2023/5/15	
Ruby Mining	11,543,215.50	2023/5/23	2023/11/23	
NEWSTRIDE TECHNOLOGY	10,709,093.57	2020/12/31	2024/12/30	
NEWSTRIDE TECHNOLOGY	5,354,546.78	2021/4/13	2024/4/12	
NEWSTRIDE TECHNOLOGY	182,123,356.03	2022/6/27	2024/6/27	

Related party	Amount of lending/borrowing	Starting date	Maturity date	Remark
NEWSTRIDE TECHNOLOGY	37,068,338.48	2022/6/1	2024/6/1	
NEWSTRIDE TECHNOLOGY	61,780,564.13	2022/7/11	2024/7/11	
NEWSTRIDE TECHNOLOGY	49,424,451.31	2022/8/1	2024/8/1	
NEWSTRIDE TECHNOLOGY	9,884,890.26	2022/8/8	2024/8/8	
NEWSTRIDE TECHNOLOGY	61,780,564.13	2022/9/1	2024/8/31	
NEWSTRIDE TECHNOLOGY	37,068,338.48	2022/10/11	2024/10/11	
NEWSTRIDE TECHNOLOGY	49,424,451.31	2022/10/31	2024/10/31	
NEWSTRIDE TECHNOLOGY	34,905,947.56	2022/12/13	2024/12/13	
NEWSTRIDE TECHNOLOGY	106,262,570.31	2023/1/5	2025/1/4	
Lending				
IWIP	41,187,060.00	2019/6/10	2023/6/27	
IWIP	13,006,440.00	2019/7/5	2023/6/27	
IWIP	12,934,182.00	2019/8/14	2023/6/27	
IWIP	12,934,182.00	2019/11/25	2023/6/27	
IWIP	25,868,364.00	2019/12/26	2023/6/27	
IWIP	12,934,182.00	2020/1/7	2023/6/27	
IWIP	8,670,960.00	2020/2/17	2023/6/27	
IWIP	4,335,480.00	2020/3/10	2023/6/27	
IWIP	4,335,480.00	2020/4/7	2023/6/27	
IWIP	4,335,480.00	2020/4/28	2023/6/27	
IWIP	4,335,480.00	2020/5/25	2023/6/27	
IWIP	14,931,393.12	2020/10/16	2023/6/27	
IWIP	14,931,393.12	2020/11/9	2023/6/27	
IWIP	14,931,393.12	2020/11/13	2023/6/27	
IWIP	4,977,131.04	2020/12/22	2023/6/27	
IWIP	6,084,123.60	2020/7/2	2023/6/27	
IWIP	200,732,724.00	2023/6/27	2028/6/26	
Veinstone	104,797,771.72	2019/12/2	2023/6/27	
Veinstone	13,474,122.68	2020/3/30	2023/6/27	
Veinstone	118,271,894.40	2023/6/27	2028/6/26	
Indonesia Huatuo	3,612,900.00	2020/2/27	2023/6/26	
Indonesia Huatuo	3,612,900.00	2023/6/27	2028/6/26	

Related party	Amount of lending/borrowing	Starting date	Maturity date	Remark
PT. ALAM	7,948,380.00	2022/1/21	2024/1/20	

**(6) Asset transfer and debt restructuring of related parties**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Related party	Contents of related party transaction	Amount incurred in the current period	Amount incurred in the previous period
Associates and their subsidiaries	Sale of long-term assets	673,575.31	
Other related parties	Sale of long-term assets	905,789.39	
Other related parties	Sale of equity in subsidiaries [Remark]	0.00	

[Remark]: According to the Equity Transfer Agreement signed between Huayou Recycling and Zhejiang Youshan New Materials Co., Ltd. in May 2023, Huayou Recycling transferred 100% of its equity in Resource Recycling to Zhejiang Youshan New Materials Co., Ltd. for a consideration of zero.

**(7) Compensation of key management personnel**
Applicable Not applicable

Monetary unit: Ten Thousand Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Compensation of key management personnel	3,724.88	3,349.35

**(8). Other related-party transactions**
Applicable Not applicable

**6. Receivable from and payables to related parties**
**(1) Receivables**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Related party	Ending balance		Beginning balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Accounts receivable	Other related parties	7,681,462.85	384,073.14	49,556,015.43	2,477,800.77

Accounts receivable	Associates and their subsidiaries	466,573,641.76	23,328,682.09	586,449,978.29	29,322,498.92
Other receivables	Joint venture	7,948,380.00	158,967.60	7,661,060.00	383,053.00
Other receivables	Other related parties	19,348.13	967.41		
Other receivables	Associates and their subsidiaries	7,462,359.81	3,808,800.69	3,535,076.39	1,743,788.82
Long term receivables	Associates and their subsidiaries	319,004,568.88		307,473,160.80	
Receivables financing	Other related parties	117,847,800.73			
Receivables financing	Associates and their subsidiaries	92,706,271.94		72,630,939.25	
<b>Total</b>		<b>1,019,243,834.10</b>	<b>27,681,490.93</b>	<b>1,027,306,230.16</b>	<b>33,927,141.51</b>

## (2) Payables

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Related party	Ending book balance	Beginning book balance
Accounts payable	Associates and their subsidiaries	593,088,595.80	1,765,483,412.70
Accounts payable	Other related parties	60,604.52	
Other payables	Associates and their subsidiaries	646,224,248.00	580,878,936.42
Other payables	Other related parties	11,615,953.58	
Contract liabilities	Associates and their subsidiaries	76,022,034.73	
Contract liabilities	Other related parties	711,374.26	
<b>Total</b>		<b>1,327,722,810.98</b>	<b>2,346,362,349.12</b>

## 7. Commitments of related parties

Applicable Not applicable

## 8. Others

Applicable Not applicable

**XIII Share-based payment**
**1. Overview of share-based payment**
Applicable Not applicable

Unit: share Currency: RMB

Total amount of equity instruments granted by the Company in the current period	
Total amount of equity instruments exercised by the Company in the current period	56,940
Total amount of equity instruments expired in the current period	214,113
Range of exercise price of outstanding stock options issued by the Company at the end of the period and the remaining term of the contract	
Range of exercise price of outstanding other equity instruments issued by the Company at the end of the period and the remaining term of the contract	<p>The exercise price of the restricted shares involved in the first grant in 2021 is RMB37.89/share, and they shall be unlocked in 3 years from the completion date of grant registration until 2024; the exercise price of the restricted shares involved in the first grant of the reserved part in 2021 is RMB53.84/share, and they shall be unlocked in 3 years from the completion date of grant registration until 2024; the exercise price of the restricted shares involved in the second grant of the reserved part of the restricted shares in 2021 is RMB58.07/share, and they shall be unlocked in 3 years from the completion date of grant registration until 2025; the exercise price of the restricted shares involved in the first grant in 2022 is RMB32.35/share, and they shall be unlocked in 3 years from the completion date of grant registration until 2025; the exercise price of the restricted shares involved in the first grant of the reserved part in 2022 is RMB31.61/share, and they shall be unlocked in 2 years from the completion date of grant registration until 2025.</p>

Other remarks:

None

**2. Equity-settled share-based payment**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Method of determining the fair value of equity instruments on the grant date	According to the closing price of the Company's stock on the grant date
Basis for determining the amount of exercisable equity instruments	To be determined based on the amount of restricted shares granted, taking into account the changes in the number of employees with exercisable rights on each balance sheet date, the Company's performance evaluation indicators for each exercisable year, and the individual performance evaluation of incentive targets.
Reasons for significant difference between the estimate in this period and prior period	None
Accumulated amount of equity-settled share-based payment in capital reserve	735,870,209.82
Total expenses recognized for equity-settled share-based payment in the current period	236,838,411.21

Other remarks:

None

### 3. Cash-settled share-based payment

Applicable Not applicable

### 4. Modification and termination of share-based payment

Applicable Not applicable

### 5. Others

Applicable Not applicable

## XIV Commitments and Contingencies

### 1. Major commitments

Applicable Not applicable

Major commitments on the balance sheet date and their nature and amount

Huayue Company, a subsidiary of the Company, as the borrower, entered into a *USD760,000,000 Loan Agreement* with Zhejiang Branch of the Export-Import Bank of China (appointed leading bank and lender), Tongxing Sub-branch of China CITIC Bank (co-leading bank and lender), Jakarta Branch of Bank of China (Hong Kong) Limited (domestic guarantee agent, domestic loan agent and domestic opening bank), Tongxiang Sub-branch of Agricultural Bank of China (lender), Shanghai Pilot Free Trade Zone Branch of China Minsheng Bank (lender), Hangzhou Branch of Ping An Bank (lender) and Hangzhou Branch of China Everbright Bank (lender) on September 30, 2021.

In accordance with the Account Pledge Agreement signed between Huayue Company and Jakarta Branch of Bank of China (Hong Kong) Limited, Huayue Company shall pledge some of its

accounts opened in the bank to the bank as security for the *USD760,000,000 Loan Agreement*. In view of the fact that Huayue Company has made external payments in accordance with the payment priority order stipulated in the loan agreement, the ending balance of the pledged accounts is RMB 32,484,997.37.

## 2. Contingencies

### (1) Major contingencies on the balance sheet date

Applicable Not applicable

As of June 30, 2023, the progress of the land dispute between GENILAND and the subsidiary CDM Company is as follows:

GENILAND sued CDM Company for encroachment of its long-term rental concession (land) in the mining area by Title 527, claiming for compensation of damages of USD 22.65 million from CDM Company. According to the judgment made by a court of D. R. Congo, CDM Company shall pay GENILAND damages and penalties totaling USD 9,935,084. In response to the judgment, CDM Company filed an objection and appeal process. The judgment is currently in a state of suspension. In accordance with the *Legal Opinion on the Rights and Interests of Zhejiang Huayou Cobalt Co., Ltd. in the Democratic Republic of Congo* issued by lawyer Edmond Cibamba Diata from Emery Mukendi Wafwana & Associés in August 2020, the claim for compensation of damages made by GENILAND for CDM Company's illegal occupation of its long-term rental concession (land) is not supported by law on the following grounds:

Pursuant to Article 64 of the 2002 *Mining Code*, a mining warrant entitles its owner to exclusively carry out activities of exploration, development, construction and exploitation of minerals specified in the mining warrant within the mining area specified in the mining warrant and for the term of the mining warrant. As the owner of Title 527, CDM Company has the right to enter the mining area and carry out mining activities. Since GENILAND acquired the long-term rental concession (land) on May 25, 2012, later than the time when CDM Company was granted concession of Title 527, GENILAND shall not regard CDM Company's mining activities or construction of installations and infrastructure necessary for mining development in the mining area where it legally holds the mining warrant as illegal activities, nor shall it claim any compensation on such grounds.

GENILAND's claims seek compensation of damages of USD 22.65 million from CDM Company, but according to Article 281 of the *Mining Code* of D. R. Congo, the compensation involved in a dispute between a mining right holder and a land use right holder in respect of land occupation shall be the value of the land during the period of occupation plus fifty percent (50%). According to the Legal Opinion issued by the lawyer of D. R. Congo in September 2020, through the investigation at the land bureau where the land involved is located, it is confirmed that the land price in the area where the disputed land is located is USD500-800/hectare and the disputed land area is 26.83 hectares. The maximum compensation amount shall not exceed USD 32,196.00 according to the above statutory compensation standard. Therefore, the amount of compensation proposed in GENILAND's claims is obviously excessive and not supported by law.

In summary, the Company believes that it shall not be liable for compensation claimed in the above lawsuit cases, so no estimated liabilities have been accrued.

**(2) Explanation shall also be given even if there is no major contingency to be disclosed by the Company**

Applicable Not applicable

**3. Others**

Applicable Not applicable

**XV Post Balance Sheet Events**

**1. Major non-adjusting events**

Applicable Not applicable

**2. Profit distribution**

Applicable Not applicable

**3. Sales return**

Applicable Not applicable

**4. Description of other post-balance-sheet events**

Applicable Not applicable

**XVI Other Major Events**

**1. Correction of accounting errors in the previous period**

**(1) Retrospective restatement method**

Applicable Not applicable

**(2) Prospective application method**

Applicable Not applicable

**2. Debt restructuring**

Applicable Not applicable

**3. Replacement of assets**

**(1) Replacement of non-monetary assets**

Applicable Not applicable

**(2) Replacement of other assets**

Applicable Not applicable

**4. Pension plan**
Applicable Not applicable

**5. Discontinued operation**
Applicable Not applicable

**6. Segment information**
**(1) Determination basis and accounting policies of the reportable segment**
Applicable Not applicable

**(2) Financial information of the reportable segment**
Applicable Not applicable

**(3) Please explain the reason in case of no reportable segment or inability to disclose the total assets and total liabilities of each reportable segment.**
Applicable Not applicable

**(4) Other remarks:**
Applicable Not applicable

**7. Other major transactions and events impacting the investor's decision-making**
Applicable Not applicable

**8. Others**
Applicable Not applicable

**XVII Notes to Main Items in the Financial Statements of the Parent Company**
**1. Accounts receivable**
**(1) Disclosure by aging**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Aging	Ending book balance
Within 1 year	
Including: each sub-item	
Within 1 year	277,484,484.06
Sub-total	277,484,484.06
1 to 2 years	25,204.48
2 to 3 years	
More than 3 years	463,014.77
3 to 4 years	

4 to 5 years	
More than 5 years	
Total	277,972,703.31

**(2) Classification according to different methods of provision for bad debts**

✓Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	Proportion (%)	Amount	Proportion of provision (%)		Amount	Proportion (%)	Amount	Proportion of provision (%)	
Provision for bad debt made on an individual basis	402,048.00	0.14	402,048.00	100.00		402,048.00	0.14	402,048.00	100.00	
Including:										
Account receivables with individually insignificant amount but subject to individual provision for bad debts	402,048.00	0.14	402,048.00	100.00		402,048.00	0.14	402,048.00	100.00	
Provision for bad debt made on a portfolio basis	277,570,655.31	99.86	1,838,900.11	0.66	275,731,755.20	454,917,235.88	163.66	4,286,190.59	0.94	450,631,045.29
Including:										
Portfolio of accounts receivable from external customers	35,544,020.10	12.79	1,838,900.11	5.17	33,705,119.99	84,565,443.23	30.42	4,286,190.59	5.07	80,279,252.64

Receivables from related parties within the consolidation scope	242,026,635.21	87.07			242,026,635.21	370,351,792.65	133.23			370,351,792.65
Total	277,972,703.31	/	2,240,948.11	/	275,731,755.20	455,319,283.88	/	4,688,238.59	/	450,631,045.29

Provision for bad debt made on an individual basis:

Applicable Not applicable

Monetary unit: Yuan

Currency: RMB

Name	Ending balance			
	Book balance	Provision for bad debt	Proportion of provision (%)	Reason for making provision
Other companies	402,048.00	402,048.00	100	The company is facing operational difficulties and it is expected that the debt cannot be recovered.
Total	402,048.00	402,048.00	100	/

Remark to the provision for bad debt made on an individual basis:

Applicable Not applicable

Provision for bad debt made on a portfolio basis:

Applicable Not applicable

Items with provision made on a portfolio basis: aging portfolio

Monetary unit: Yuan

Currency: RMB

Name	Ending balance		
	Accounts receivable	Provision for bad debt	Proportion of provision (%)
Within 1 year	35,457,848.85	1,772,892.44	5.00
1 to 2 years	25,204.48	5,040.90	20.00
2 to 3 years			
More than 3 years	60,966.77	60,966.77	100.00
Total	35,544,020.10	1,838,900.11	5.17

Recognition criteria and description of the provision for bad debts made on a portfolio basis:

Applicable Not applicable

In case provision for bad debt is made for notes receivable according to the general model of expected credit loss, please make disclosure in line with the disclosure method of other receivables:

Applicable Not applicable

**(3) Details of the provision for bad debts**

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Category	Beginning balance	Amount of change in the current period				Ending balance
		Provision made	Recovered or reversed	Written-off or charged off	Other change	
Account receivables with provision for bad debts made on the basis of aging portfolio	4,286,190.59	-2,447,290.48				1,838,900.11
Account receivables with individually insignificant amount but subject to individual provision for bad debts	402,048.00					402,048.00
<b>Total</b>	<b>4,688,238.59</b>	<b>-2,447,290.48</b>				<b>2,240,948.11</b>

In which, significant amount of provision for bad debt recovered or reversed in the current period:

Applicable Not applicable

**(4) Accounts receivable actually written off in the current period**

Applicable Not applicable

**(5) Top 5 accounts receivable in terms of the ending balance presented by debtors**

Applicable Not applicable

**(6) Accounts receivable de-recognized due to transfer of financial assets**
Applicable Not applicable

**(7) Amount of assets or liabilities arising from transfer of accounts receivable and continued involvement**
Applicable Not applicable

Other remarks:

Applicable Not applicable

The total amount of top 5 ending balances of accounts receivable is RMB 200,455,888.23, accounting for 42.50% of the total ending balance of accounts receivable, and the corresponding provision for bad debts is RMB 952,334.95.

**2. Other receivables**
**Presented by items**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Interests receivable		
Dividends receivable	385,615,050.00	198,313,600.00
Other receivables	8,276,287,373.95	5,811,419,375.91
Total	8,661,902,423.95	6,009,732,975.91

Other remarks:

Applicable Not applicable

**Interests receivable**
**(1) Classification of interests receivable**
Applicable Not applicable

**(2) Significant overdue interests**
Applicable Not applicable

**(3) Provision for bad debt**
Applicable Not applicable

Other remarks:

Applicable Not applicable

**Dividends receivable**
**(4) Dividends receivable**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item (or investee)	Ending balance	Beginning balance
Like Cobalt Nickel	95,000,000.00	
Huayou Import and Export	150,000,000.00	
Resource Recycling	20,615,050.00	
Huayou Recycling	120,000,000.00	
Quzhou Huayou		198,313,600.00
Total	385,615,050.00	198,313,600.00

**(5) Major dividends receivable with aging over 1 year**

Applicable Not applicable

**(6) Provision for bad debt**

Applicable Not applicable

Other remarks:

Applicable Not applicable

**Other receivables**

**(7) Disclosure by aging**

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Aging	Ending book balance
Within 1 year	
Including: each sub-item	
Within 1 year	6,957,108,528.71
Sub-total	6,957,108,528.71
1 to 2 years	1,319,601,728.83
2 to 3 years	33,712.92
More than 3 years	444,302.12
3 to 4 years	
4 to 5 years	
More than 5 years	
Total	8,277,188,272.58

**(8) Classification by nature of funds**

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Nature of funds	Ending book balance	Beginning book balance
Temporary borrowings	8,271,013,557.45	5,806,544,968.39
Cash pledge and security deposit	2,335,953.86	3,864,319.81
Reserves	3,447,940.36	2,039,779.64

Others	390,820.91	9,850.64
Total	8,277,188,272.58	5,812,458,918.48

**(9) Provision for bad debt**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Provision for bad debt	Phase I	Phase II	Phase III	Total
	Expected credit loss in the next 12 months	Expected credit loss over the entire existence (without credit impairment)	Expected credit loss over the entire existence (with credit impairment)	
Balance as at January 1, 2023	191,327.53	401,700.00	446,515.04	1,039,542.57
Balance as at January 1, 2023 in the current period				
--Transferred to Phase II	-65,980,086.44	65,980,086.44		
--Transferred to Phase III		-6,742.58	6,742.58	
--Reversed to Phase II				
--Reversed to Phase I				
Provision made in the current period	66,021,958.90	-66,168,503.80	7,900.96	-138,643.94
Reversal in the current period				
Write-off in the current period				
Charge off in the current period				
Other change				
Balance as at June 30, 2023	233,199.99	206,540.06	461,158.58	900,898.63

Changes in book balance of other receivables with significant change in the amount of provision for loss in the current period

Applicable Not applicable

Amount of provision for bad debts in the current period and the basis for evaluating whether the credit risk of the financial instruments has significantly increased:

Applicable Not applicable

**(10) Details of the provision for bad debts**

Applicable Not applicable

In which, significant amount of provision for bad debt recovered or reversed in the current period:

Applicable Not applicable

**(11) Other receivables actually written off in the current period**

Applicable Not applicable

Remarks to write-offs of other receivables:

Applicable Not applicable

**(12) Top 5 other receivables in terms of the ending balance presented by debtors**

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Unit name	Nature of funds	Ending balance	Aging	Proportion in the total ending balance of other receivables (%)	Ending balance of provision for bad debt
Huayou (Hong Kong) Co., Ltd.	Temporary borrowings	2,232,772,200.00	Within 1 year	26.98	
Huashan Import and Export (Tongxiang) Co., Ltd	Temporary borrowings	1,418,952,479.30	Within 1 year: RMB 260 million; within 1-2 years: RMB 1,158,952,479.30	17.14	
Guangxi B&M Technology Co., Ltd	Temporary borrowings	1,125,048,429.54	Within 1 year	13.59	
Zhejiang Huayou New Energy Technology Co., Ltd	Temporary borrowings	935,302,698.71	Within 1 year	11.30	

Quzhou Huayou Cobalt New Materials Co., Ltd	Temporary borrowings	731,898,520.00	Within 1 year	8.84	
Total	/	6,443,974,327.55	/	77.85	

**(13) Receivables involving government subsidies**
Applicable Not applicable

**(14) Other receivables de-recognized due to transfer of financial assets**
Applicable Not applicable

**(15) Amount of assets or liabilities arising from transfer of other receivable and continued involvement**
Applicable Not applicable

Other remarks:

Applicable Not applicable

**3. Long-term equity investments**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	21,119,217,464.96		21,119,217,464.96	20,482,717,464.96		20,482,717,464.96
Investment in joint ventures and associates	3,875,871,713.62		3,875,871,713.62	3,275,579,013.84		3,275,579,013.84
Total	24,995,089,178.58		24,995,089,178.58	23,758,296,478.80		23,758,296,478.80

**(1) Investment in subsidiaries**
Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Investee	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Provision for impairment in the current period	Ending balance of provision for impairment
Like Cobalt Nickel	33,171,333.03			33,171,333.03		
Huayou Import and Export	100,587,951.00			100,587,951.00		
Huayou Hong Kong	458,040,203.00			458,040,203.00		
CDM Company	480,447,838.92			480,447,838.92		
OIM Company	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	8,034,611,241.51			8,034,611,241.51		
New Energy Quzhou	1,900,000,000.00			1,900,000,000.00		
Huayou Recycling	1,250,000,000.00			1,250,000,000.00		
Huayou New Energy	1,940,248,109.00			1,940,248,109.00		
Youqing Trading	5,700,000.00			5,700,000.00		
Tongxiang Huaang	2,850,000.00			2,850,000.00		
Beijing Youhong	1,710,000.00			1,710,000.00		
Guangxi Huayou Engineering	50,000,000.00			50,000,000.00		
Guangxi B&M	1,599,000,000.00	326,000,000.00		1,925,000,000.00		
Tongxiang Hualing	18,040,800.00			18,040,800.00		
Tongxiang Huawang	18,040,800.00			18,040,800.00		
Wenzhou Huashan	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 Industry	265,000,000.00	198,000,000.00		463,000,000.00		
Tongxiang Huashan	5,100,000.00			5,100,000.00		
Tongxiang Huazheng	34,695,000.00			34,695,000.00		
Hubei Youxing				0.00		
Tongxiang Huashi		10,000,000.00		10,000,000.00		
Shanghai Xinsheng		17,500,000.00		17,500,000.00		
Guangxi Huayou New Materials	15,000,000.00	85,000,000.00		100,000,000.00		
Total	20,482,717,464.96	636,500,000.00	0.00	21,119,217,464.96		

**(2) Investment in joint ventures and associates**

√Applicable □Not applicable

Monetary unit: Yuan Currency: RMB

Investee	Beginning balance	Increase/decrease in the current period								Ending balance	Ending balance of provision for impairment
		Additional investment	Reduced investment	Profit/loss on investment recognized under the equity method	Adjustment of other comprehensive income	Other equity changes	Cash dividends or profits declared for distribution	Provision for impairment	Others		
<b>I. Joint ventures</b>											
Sub-total											
<b>II. Associates</b>											
Quzhou Anyou	594,118,061.75			-4,132,286.40						589,985,775.35	
Guangxi Times Lithium-ion Battery Investment	708,754,753.47	10,000,000.00		-928,559.64						717,826,193.83	

Management Center											
Guangxi Times Lithium-ion Battery Industry Fund	657,990,658.42			-1,412,049.14						656,578,609.28	
Hubei Xingyou	0.00									0.00	
Hunan Yacheng	130,099,919.36			-11,121,278.13			3,682,892.36			115,295,748.87	
Quzhou Xinhua	1,182,835,095.28			-8,343,069.92						1,174,492,025.36	
Zhejiang Diantou	1,800,000.00			150.39						1,800,150.39	
Tongxiang Lithium Times	-19,474.44	120,000,000.00		-20,696.66						119,959,828.90	
LG-HY BCM		375,144,767.07		-7,122,771.24	-986,885.07					367,035,110.76	
Haigang Pingyou		73,297,500.00								73,297,500.00	
Ningbo Ruihua		60,000,000.00		-399,229.12						59,600,770.88	
Sub-total	3,275,579,013.84	638,442,267.07		-33,479,789.86	-986,885.07		3,682,892.36			3,875,871,713.62	
Total	3,275,579,013.84	638,442,267.07		-33,479,789.86	-986,885.07		3,682,892.36			3,875,871,713.62	

Other remarks:

Applicable Not applicable

#### 4. Operating income and operating cost

##### (1) Details of operating income and operating cost

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Income	Cost	Income	Cost
Primary business	2,088,341,380.39	1,758,055,212.78	2,652,557,272.47	1,871,458,019.43
Other businesses	56,824,958.85	43,503,063.57	122,735,558.36	97,421,220.03
Total	2,145,166,339.24	1,801,558,276.35	2,775,292,830.83	1,968,879,239.46

##### (2) Income from contracts

Applicable Not applicable

##### (3) Information related to performance obligations:

Applicable Not applicable

##### (4) Information related to transaction prices apportioned to the remaining performance obligations:

Applicable Not applicable

Other remarks:

None

#### 5. Investment income

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount incurred in the current period	Amount incurred in the previous period
Long-term equity investment income accounted by cost method	385,615,050.00	198,313,600.00
Long-term equity investment income accounted by equity method	-33,479,789.86	13,325,333.53
Investment income from disposal of long-term equity investments		
Investment income from available-for-sale financial assets during the holding period		
Dividend income from other equity instrument investments during the		

holding period		
Interests income from debt investments during the holding period		
Interests income from other debt investments during the holding period	102,921,704.66	
Investment income from disposal of held-for-trading financial assets		
Investment income from disposal of other equity instruments		
Investment income from disposal of creditor's right investments		
Investment income from disposal of other creditor's right investments		
Income from debt restructuring		
Investment income from disposal of financial instruments	-741,313.38	25,300,134.89
Total	454,315,651.42	236,939,068.42

Other remarks:

None

## 6. Others

Applicable Not applicable

## XVIII. Supplementary information

### 1. Breakdown of non-recurring profit or loss in the current period

Applicable Not applicable

Monetary unit: Yuan Currency: RMB

Item	Amount	Remark
Gains or losses on the disposal of non-current assets	-11,324,161.80	
Tax refunds, exemptions and reductions with ultra vires approval or without official approval documents		
Government subsidy included into current profit and loss (except for the government subsidy that is tightly related to the Company's normal operations and enjoyed per quota or per ration continually in accordance with the government uniform standard)	157,469,972.63	
Expenses for using funds charged from non-financial enterprises and included in		

the current profit and loss		
Gains from the difference of the investment costs for acquiring subsidiaries, associates and joint ventures in short of the share in the net fair value of identifiable assets of the investee when investing		
Gains or losses from non-monetary asset exchange		
Profit or loss on entrusting others to invest in or manage assets		
Various provision of asset impairment made due to force majeure, such as natural disasters		
Profit or loss from debt restructuring		
Enterprise reorganizing expenses, such as employee accommodation costs and integration expenses		
Profit or loss on transactions made at unfair transaction price in excess of the fair value		
Current net profit or loss of the subsidiaries from enterprise merger under the same control from the beginning of the period to the merger date		
Profit or loss on contingent matter irrelevant to normal business operation of the Company		
Gain or loss on changes in fair values of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities and derivative financial liabilities as well as the investment income obtained from disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investment, except for effective hedging operations associated with the Company's normal operations	154,889,082.99	
Reversal of provision for impairment of receivables subject to separate impairment test		

Profit or loss from external entrusted loans		
Profit or loss on changes in fair value of investment real estates subsequently measured by adopting the fair value model		
Effect on current profit or loss due to one-off adjustment thereto in accordance with the requirements of laws and regulations regarding taxation or accounting		
Income from trustee fees charged for entrusted operation		
Non-operating income and expenses other than the above-mentioned items	-8,937,112.14	
Other items of profit or loss subject to the definition of non-recurring profit or loss		
Less: affected amount of income tax	29,919,188.72	
Effectuated amount of minority equity (after tax)	16,274,604.45	
Total	245,903,988.51	

Please explain the reason for the non-recurring profit and loss items identified by the Company according to the definitions as stipulated in the *Explanatory Announcement for Information Disclosure by Companies that Issue Securities to the Public No.1 - Non-recurring Profits and Losses*, and the non-recurring profit and loss items listed in the *Explanatory Announcement for Information Disclosure by Companies that Issue Securities to the Public No.1 - Non-recurring Profits and Losses* are all included into the non-recurring profit and loss items.

Applicable Not applicable

## 2. Return on equity and earnings per share

Applicable Not applicable

Profit during the Reporting Period	Weighted average return on equity	Earnings per share	
		Basic EPS (RMB/share)	Diluted EPS (RMB/share)
Net profit attributable to ordinary shareholders of the Company	7.63	1.32	1.32
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profits and losses	6.73	1.16	1.16

**3. Differences in accounting data under domestic and foreign accounting standards**

Applicable Not applicable

**4. Others**

Applicable Not applicable

Chairman: Chen Xuehua

Date of approval by the board of directors: August 25, 2023